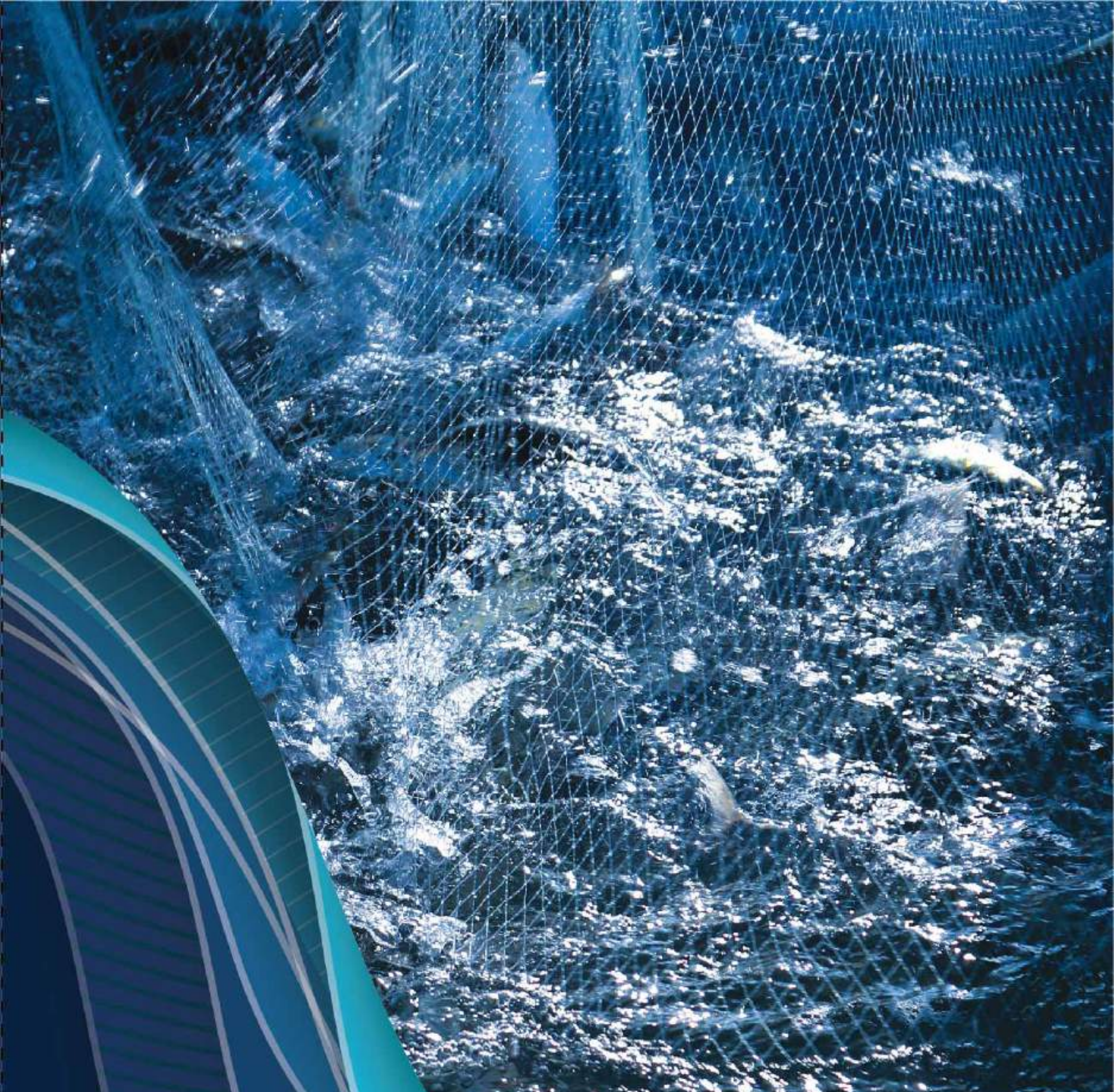
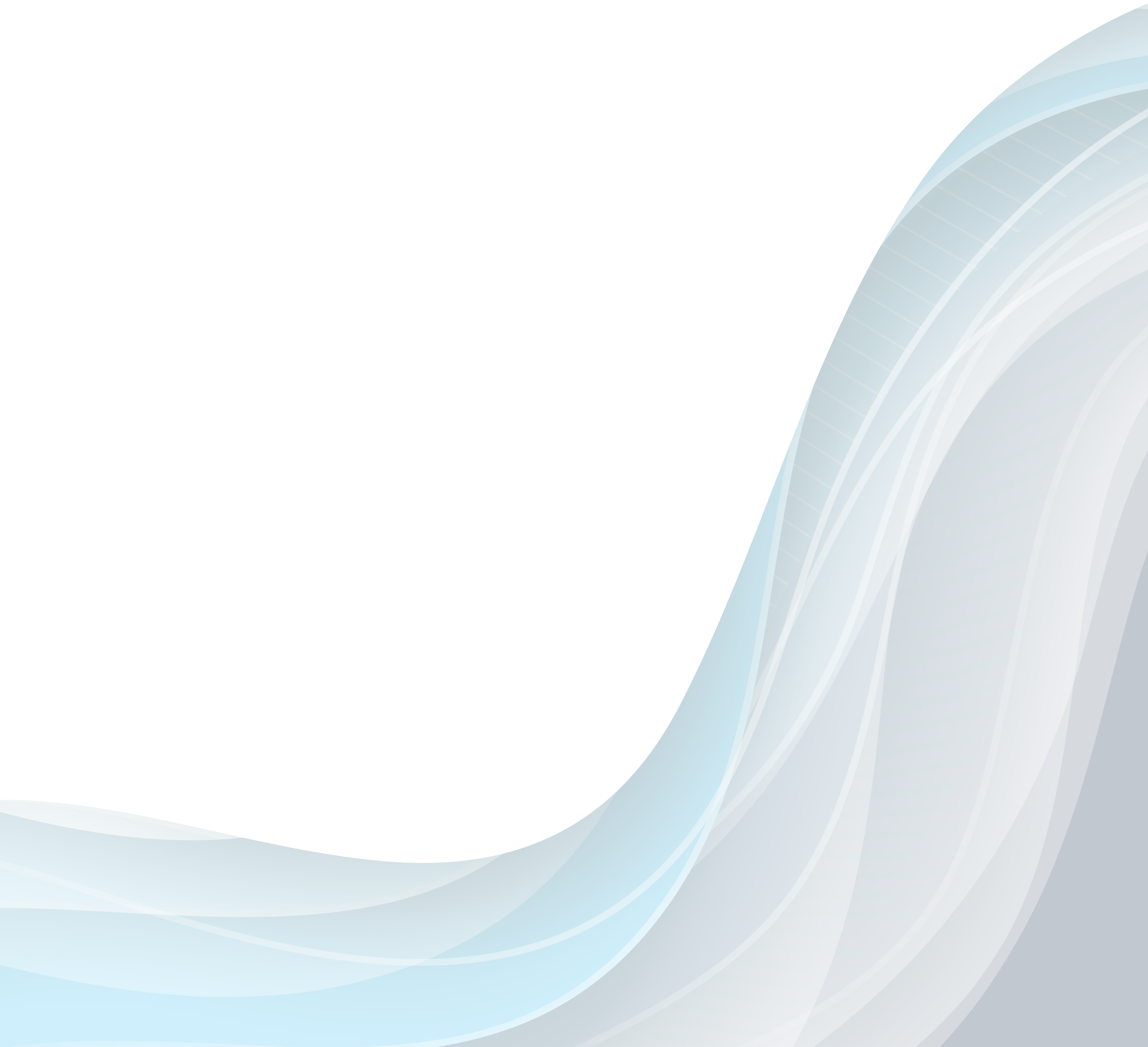


شركة الأسماك العمانية ش.م.ع.ع

Oman Fisheries CO.S.A.O.G

ANNUAL REPORT 2018

HM Sultan Qaboos Bin Said, Sultan of Oman



شركة الأسماك العمانية ش.م.ع.ع

Oman Fisheries CO.S.A.O.G

Thirty Annual Report
2018

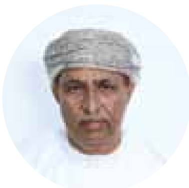
INDEX

شركة الأسماك العمانية ش.م.ع.ع
Oman Fisheries CO.S.A.O.G

BOARD MEMBERS

Sheikh Mohammed bin Hamad bin Ali al Masrouri
Chairman

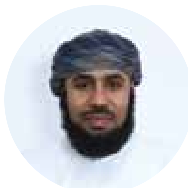
Saleh bin Nasser bin Juma al Araimi
Deputy Chairman



Abdul Ameer bin Said bin Mohammed
Director

Musalam Amer Al – Ammri
Director

Dhiyab bin Khalfan bin Hidaib Al Siyabi
Director



Ahmed Muhammad Salman Al Kindi
Director

Dr. Abdul Aziz bin Said Al Marzoqi
Director

Chairman's Report

Dear shareholders,

On behalf of the Board of Directors, I hereby present the Company's audited consolidated results for the financial period ended 31st December 2018.

Turnover and summary of results:

In order to synchronize with the financial year of Oman Food Investment Holding Co. S.A.O.C. our major shareholding company, and its other associates, Oman Fisheries Co. has changed its accounting year as 1st January to 31st December, instead of erstwhile April to March. Accordingly, 2018, being the year of transformation, the Accounting period is only 9 months (1st April-31st December). As a result, we have not had the benefit of the turnover and profitability of one positively contributing quarter in the financial results of your company.

Further, the general economic depression and volatility along with global business slowdown continued to cast an adverse impact over the volume and the value of sales.

Though the Co. suffered a loss OMR 675,300/- at the group level, it has taken numerous bold steps to ensure strengthening of the platform to turnaround in near future.

Current management has taken several bold steps in organizational transformation by inducting senior managers with experience and proven track records in their relative fields in order to impart long term stability and consistency in growth.

In addition to above, it is my pleasure to announce that all the major processing units have been awarded prestigious EU certification in cognizance of its Quality practices and total Quality Control.

In continuation of its support to the SMEs for enhancing holistic growth in the fisheries sector, your company has included six more upcoming units under its processing grid thereby attaining the overall potential capacity of nearly 75,000 MT of annual production capacity, which is roughly one-third of the total catch of Oman.

This would ensure that Oman Fisheries, along with its subsidiaries will continue to play pivotal role in fisheries sector growth alongside economic growth of the Country.

The audited results of the financial year ended 31st December 2018, represent the consolidation of Oman Fisheries Co. SAOG, Al Ameen Stores and Refrigeration LLC and Oman Fisheries Company FZE.

In the light of the above the summarised performance is detailed as under:

The Group has achieved a consolidated turnover of OMR 14.58 million in comparison to OMR 18.02 million for the similar period in the preceding year (April-December) and OMR 23.76 Million in 2017-18 (April to March). However, during 2018 parent company has focused more on the high value species and on Value added products and forms.

Principal reasons for the shortfall in sales are:

1. Low landing of ribbon fish during the peak landing season.
2. Early closure of the landing centers due to high turbulence starting from early May instead of normal closure in late June
3. Import restrictions imposed by Chinese authorities over Vietnam corridor thereby hampering usual business operations to China.
4. Change in quality parameters for sardines in brazil which had adversely affected entire fishing sector in GCC and rest of the world exporting to Brazil.

Your Company continued to optimize production targets in most of its branches subject to landing and availability of desired species. To ensure maximization of production, all technical human and operational resources were clustered as independent business units and synchronized to ensure optimum utilization of resources at minimum cost. Besides all the plants were upgraded to attain optimum production targets.

1. Our subsidiary Al Ameen Stores and Refrigeration LLC, had a turnover of OMR 1,344,680/- compared to OMR 1,887,100/- for the same period in the preceding year (April-December) and OMR 2,547,516/- in 2017-18 full year (April-March). The principal reason for the drop-in sales and profitability, had been expiry of the mutton contract with Ministry of Defense coupled with slowdown in the market for mutton and chicken products. However, Al Ameen has strategized its market position both in the wholesale market and retail market with beef, mutton, chicken, frozen vegetables and French fries by partnering with world class brands. Efforts are underway to include further new brands and to create its own route sales hub for directly reaching the customers.
2. The warehousing division of Al Ameen, having capacity of 9,000 MT of frozen / and chilled food capacity, is the largest of its kind in Oman and has already posted 80 percent capacity utilization on overall basis.
3. Al Ameen logistics division is currently undergoing transformation to mega regional logistics hub which will facilitate all transportation needs for Oman Fisheries and the group.

Human resources development and omanisation

The Company has also appointed Dr. Jean Vincent Chantreau, holding French nationality in the capacity of Chief Operating Officer. Dr. Chantreau holds a doctorate degree in Marine science. He has a vast experience of more than 25 years in Fisheries industries.

Your Company has also appointed a new HR Manager and Chief Internal Auditor to boost its organizational set-up as well as control along with qualified Managers having rich experience in their respective fields. Further, several key positions have been filled up with experienced professionals in their relevant field.

Apart from the key management personnel, talented Omani workforce was inducted at secondary and tertiary levels in order to target value drive alongside the elevating Omanisation percentage.

Within a short span of nine months Your Co. achieved a record 45 percent Omanisation during 2018 from 37 percent during 2017-18 and 24% during 2016-17. This is a major achievement in terms of resource build-up and in line with the vision of His Majesty Sultan Qaboos bin Said, without compromising on the talent feed and quality.

As part of its CSR initiatives, the company has sponsored the higher education to key Omani talents thereby harnessing their potential to become future leaders in this sector. Training was imparted to the new recruits to enable them embrace job related challenges and handle them successfully.

Contribution to food sector and food security

Fisheries sector has primarily been considered a major player and contributor to the country GDP after oil and mineral resources, and hence accorded prime importance by the Government for its economic diversification program.

Apart from its immense contribution to Food security, this sector is the highest drawer of young Omani talents under the ambit of job opportunities. With the experience of more than 35 years in this field and backed by rich experience, your Company. has been serving the nation proudly to uphold the same commitment towards food sector and food security, with which it was formed.

With a major share of fish processing capacity in Oman, your Company continues to rule the Fisheries sector both in Oman, GCC and other Arabic countries.

In addition to its commercial operations, your Company works closely with several regulatory bodies including Ministry of Agriculture and Fisheries and Oman Food & Investment Holding Co. (OFIC) towards value building of this sector as well as contributing to Food safety and security.

Besides, your Company works closely with Ministry of Agriculture and Fisheries to ensure availability of fish at various places at affordable and controlled prices.

As a token of its firm commitment towards Food security, your company reserves more than 1,000 MT of fish round the year in its cold stores.

Outlook

As GCC's leading fishing company, your company is responsible for setting the benchmark in terms of best practices within the industry. This covers all aspects of our operation – delivering strong technical and financial performance across our divisions, driving efficiency throughout the business, setting the example of responsible fishing practice, building trusted relationships with our stakeholders, and maintaining our empowerment credentials with our commercial partners.

In order to maintain leadership amidst Global competition and to complete the value chain model, your company is shortly embarking on the following projects:

- Commercial vessels operation - Launching commercial vessels in Oman waters to capture the deep sea catch straight from the seas. Your company has already tied up with a foreign company to purchase a pre-owned RSW fitted industrial pelagic fishing vessel having a capacity of more than 200 MT, as a part of its initial commercial fishing operations. The vessels is due to arrive in Oman shortly, and with its addition - the fishing capacity of the company is expected to increase significantly. Further with the commercial catch, the products would command extra value, due to its freshness and on-time processing.
- Sea Food Canning Project - An ultra-modern canning unit to process and can Sardine and Tuna besides extracting fish oil and fish meal. Your company, being the lead initiator in the project, has already contributed its initial share to primary capital call and the primary setup of the unit is underway as per its marked plan.
- Integrated Value-Added Plant - A new plant catering solely to processing of value-added variants at different stages. Feasibility studies for the project is underway.
- Corrugated carton manufacturing unit- to fill the supply gap in the corrugated sector in Oman as well as utilizing the produce for its own consumption as well as the constituents of the OFIC group companies. Feasibility studies for the project is underway.

Besides, your company has arranged strategic tie-ups with several national and international sea food processors to complement its processing capacity as well as increase its Global share.

Most of these projects are currently in the planning and implementation stage and once formed would add substantial value to the bottom-line.

Corporate social responsibility

Oman Fisheries Company remains committed to offering a responsibly-derived range of quality seafood products fished from its unpolluted sea waters. The company has upheld this commitment through the establishment of the Board-level Corporate Social Responsibility (CSR) Committee, which is unique in the industry. Your Company is sponsoring various social event of local communities during various occasions.

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 and State Audit Institution.

The Group's internal control and risk exposure are subject to continuous observation and improvement, and the work of reducing risk in different areas has a high priority. The Company had established an in-house internal audit department which is directly reporting through Internal Audit Committee to the Board of Directors. 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. Company is committed to follow laws and regulations set up through its Articles of Association and Capital Market Authority.

Acknowledgement

On behalf of the Board of Directors and Management of the Company, I wish to acknowledge and express 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, and 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 bin Ali al Masrouri
Chairman

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أبـو تمـام
محاسبون قانونيون

Abu Timam
Chartered Certified Accountants

الطابق الأول الرميلة ١٠٦
ص.ب ٥٧
الرمز البريدي ١١٨
سلطنة عمان

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P.O. Box 57
Postal Code 118
Sultanate of Oman

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ف. ٢٤٥٧١٣٢٤ ٩٦٨+
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REPORT OF FACTUAL FINDING
TO THE SHAREHOLDERS OF OMAN FISHERIES COMPANY SAOG

We have performed the procedures pursuant to the Capital Market Authority (CMA) circular no. E/4/2015, dated 22 July 2015, with respect to the 'Corporate Governance Report' of OMAN FISHERIES COMPANY SAOG (the "Company") as at and for the year ended 31 December 2018 and its application of the corporate governance practices in accordance with the amendments to CMA Code of Corporate Governance issued under circular no. E/10/2016 dated 1 December 2016 (collectively the "Code"). Our engagement was undertaken in accordance with the International Standards on Related Services applicable to the agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the extent of Company's compliance with the Code as issued by the CMA and are summarised as follows:

1) We obtained the corporate governance report (the "report") issued by the Board of Directors and checked that the report of the Company includes as a minimum, all items suggested by the CMA to be covered by the report as detailed in the Annexure 3 of the Code by comparing the report with such suggested content in Annexure 3; and

2) We obtained the details regarding areas of non-compliance with the Code identified by the Company's Board of Directors for the year ended 31 December 2018.

Our engagement was undertaken in accordance with the International Standards on Auditing 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 have no exceptions to report in respect of the procedures performed except the following,

- The Company had not convened the nomination and remuneration committee meeting during the year; and
- The Company do not have an approved risk management plan.

We found that the Board of Directors' Corporate Governance Report 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.

Abu Timam
Grant Thornton

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 included in its annual report for the year ended 31 December 2018 and does not extend to any financial statements of the Company taken as whole.

Nasser Al Mugheiry
License No. MH/64
ABU TIMAM
(Chartered Certified Accountants)
25 February 2019

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 seven Directors, and all of them are Non-executive Directors, six being Independent Directors and are elected by shareholders every three years during the AGM.

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 Second Principle of the Code of Corporate Governance.

3. Composition of board of directors

The Board of directors composed of the following members during the year ended on 31st December 2018.

Name of the director	Designate	Category, basis & capacity of membership	Number of other boards of SAOG companies in which Director
Sheikh Mohammed bin Hamad bin Ali al Masrouri	Chairman	Non – Executive, Independent & In Personal Capacity	-
Mr. Saleh bin Nasser bin Juma al Araimi	Deputy Chairman	Non – Executive, Independent & In Personal Capacity	2
Mr. Abdul Ameer bin Said bin Mohammed	Director	Non – Executive, Independent & In Personal Capacity	-
Mr. Musalam Amer Al – Ammri	Director	Non – Executive, Independent & In Personal Capacity	-
Mr. Dhiyab bin Khalfan bin Hidaib Al Siyabi	Director	Non – Executive, Independent & In Personal Capacity	-
Dr. Abdul Aziz bin Said Al Marzoqi	Director	Non – Executive, Independent & In Personal Capacity	1
Mr. Ahmed Muhammad Salman Al Kindi	Director	Non – Executive & Nominee of Oman Food Investment Holding Company (OFIC)	1
Sheikh Salah bin Hilal bin Naser al Mawali *	Director	Non – Executive, Independent & In Personal Capacity	-
Mr. Mal Allah Ali Yousuf Al Zadjali *	Director	Non – Executive, Independent & Nominee of Ministry of Finance.	-
Ms. Nahlah Abdul Wahab Ahmed Al Hamdi*	Director	Non – Executive, Independent & Nominee of OFIC.	-

*Membership of the Directors expired as on 27 June 2018.

4. Number of meetings held and dates of the meeting:

Meeting description	Name of directors / members	Designation	Date of holding meeting
Board of directors meeting	Sheikh Mohammed bin Hamad bin Ali al Masrouri Mr. Saleh bin Nasser bin Juma al Araimi Mr. Abdul Ameer bin Said bin Mohammed Mr. Musalam Amer Al – Ammri Mr. Dhiyab bin Khalfan bin Hidaib Al Siyabi Dr. Abdul Aziz bin Said Al Marzoqi Mr. Ahmed Muhammad Salman Al Kindi Sheikh Salah bin Hilal bin Naser al Mawali * Mr. Mal Allah Ali Yousuf Al Zadjali * Ms. Nahlah Abdul Wahab Ahmed Al Hamdi*	Chairman Dy. Chairman Director Director Director Director Director Director Director Director	16 May 2018 27 June 2018 12 August 2018 11 November 2018 24 December 2018
Executive committee meeting	Mr. Saleh bin Nasser bin Juma al Araimi Mr. Musalam Amer Al – Ammri Dr. Abdul Aziz bin Said Al Marzoqi	Chairman Director Director	27 September 2018 11 November 2018 19 December 2018
Internal Audit committee meeting	Mr. Abdul Ameer bin Said bin Mohammed Mr. Dhiyab bin Khalfan bin Hidaib Al Siyabi Mr. Ahmed Muhammad Salman Al Kindi Sheikh Salah bin Hilal bin Naser al Mawali*	Chairman Director Director Director	13 May 2018 12 August 2018 11 November 2018
Nomination and remuneration committee	Ms. Nahlah Abdul Wahab Ahmed Al Hamdi* Mr. Saleh bin Nasser bin Juma al Araimi Dr. Abdul Aziz bin Said Al Marzoqi Mr. Musalam Amer Al – Ammri Mr. Mal Allah Ali Yousuf Al Zadjali *	Chairman Director Director Director Director	No meeting

*Membership of the Directors expired as on 27 June 2018.

S no	Name of director	Parent Company					
		AGM	Board meeting	Executive committee meeting	Internal audit	Nomination and remuneration	Total sitting fees paid
1	Sheikh Mohammed bin Hamad bin Ali al Masrouri	Yes	5	-	-		2,500
2	Mr. Saleh bin Nasser bin Juma al Araimi	Yes	5	3			2900
3	Mr. Abdul Ameer bin Said bin Mohammed	Yes	5	-	3		2900
4	Mr. Musalam Amer Al – Ammri	Yes	5	3			2750
5	Mr. Dhiyab bin Khalfan bin Hidaib Al Siyabi	Yes	5		3		2750
6	Dr. Abdul Aziz bin Said Al Marzoqi	Yes	4	3			2350
7	Mr. Ahmed Muhammad Salman Al Kindi	Yes	4		2		2100
8	Sheikh Salah bin Hilal bin Naser al Mawali *	Yes	1		1		650
9	Mr. Mal Allah Ali Yousuf Al Zadjali *	Yes	1				400
10	Ms. Nahlah Abdul Wahab Ahmed Al Hamdi*	No	1				400
	Total		36	9	9		19,700

*Membership of the Directors expired as on 27 June 2018.

5. Election for the board of directors and change of financial year

The Company's Board of Directors comes up for election once in three years. Accordingly, the present Board Election was held during the year's AGM on 27 June 2018. The Article

No (19) of the article of association was changed to be "The Company is managed by a board of directors consisting of seven (7) members elected by the Ordinary General Assembly from among the shareholders or others".

The Company also changed the Article No (75) of the article of association to be "The Financial Year to be ended on 31 December every year" instead of March 31.

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.

6. Audit committee

The Board of Directors has formed an Audit Committee, comprising of three members and majority of them are Independent Directors. 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.
- a 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 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.

7. Executive committee

The Board Executive Committee, which comprises of 3 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.

8. Nomination and remuneration committee

The Board Nomination and Remuneration Committee comprises of three directors.

The summary of responsibilities is as under:

- Assist the general meeting in the nomination of proficient directors and the election the most fit for purpose.
- Assist the board in selecting the appropriate and necessary executives for the executive management.
- Provide succession planning for the executive management.
- Develop a succession policy or plan for the board or at least the chairperson.
- Prepare detailed job descriptions of the role and responsibilities for directors including the chairperson. This will facilitate orientate directors towards their tasks and roles, and appraise their performance.
- Look for and nominate qualified persons to act as interim directors on the board in the event of a seat becomes vacant.
- Notwithstanding the articles of association of the company, look for and nominate qualified persons to assume senior executive positions, as required or directed by the board.
- Prepare a bonus, allowances and incentive policy for the executive management.
- Review such policies periodically, taking into account market conditions and company performance.
- Taking into consideration avoiding conflict of interests, the committee may, upon obtaining the approval of the board, seek the assistance and advice of any other party in order to better deliver its tasks.

9. Remuneration matters

- Sitting Fees of RO 19,700 was paid to the Directors of the company.
- The top senior executives of the Company (Parent Co.) have received a total amount of R.O. 273,929/ for the year ended 31 December 2018. The above includes salary, benefits, bonuses and gratuity.
- Consolidated audit fees payable for the financial year 2018 is RO. 8,200/-

10. Details of non-compliance by the company

No meetings were held during the year (nine months) by the Nomination and Remuneration Committee

There were no penalties or strictures imposed on the Company by MSM/CMA or any statutory authority for the last 3 years.

11. 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

12. Market data

a) The following table depicts the high, and low of company's share traded during the financial year ended 31st December 2018 with month end general index.

Month	High (OR)	Low (OR)	MSM Index
April 2018	0.12	0.116	4729.05
May 2018	0.114	0.113	4606.68
June 2018	0.113	0.11	4571.75
July 2018	0.094	0.091	4336.55
August 2018	0.086	0.082	4419.27
September 2018	0.086	0.085	4543.68
October 2018	0.079	0.076	4422.91
November 2018	0.073	0.071	4412.06
December 2018	0.06	0.058	4323.74

b) Distribution of Shareholding

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

Major shareholders as of 31/12/2018

Shareholders	Number	No. of shares held	Shareholding %
Oman Food Investment Holding Company	1	30,000,000	24.00 %
Others – Public	15,630	95,000,000	76.00%

13. 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 statutory auditors. 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.

14. Internal audit department

Company having in-house Internal Audit Department headed by CIA. Adeel Imtiaz who certified Internal Auditor from The IIA-USA. His Previous Experience includes almost 5 years of working with a big four audit firm and 9 years of working in the internal audit function in Banking Sector. Company has also appointed Ms. Shatha Al Ghazali to the Audit Department recently, she is currently perusing ACCA and has previous working experience of more than 2 years with big four audit firm.

15. External or statutory auditors and their professional profile

Abu Timam Chartered Certified Accountants, member firm of Grant Thornton International

The shareholders of the Company appointed Abu Timam Chartered Certified Accountants, member firm of Grant Thornton International, as the Company's auditors for the year 2018. Grant Thornton is a network of independent assurance, tax and advisory firms, made up of over 50,000 people in more than 130 countries. Grant Thornton is here to help dynamic organizations unlock their potential for growth and is one of the 6 global accountancy firms as recognized by Wall Street. Abu Timam, the Oman member firm of Grant Thornton International, is headquartered in Muscat with a full-fledged branch office in Salalah. The Muscat office was established in 1995. It is one of the leading firms in Oman as evidenced by its portfolio of clients that includes many well-established companies across a broad spectrum of industries.

16. 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.

17. 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.

Mohammed bin Hamad bin Ali al Masrouri	**Abdul Ameer bin Said bin Mohammed**
Chairman Board of Directors	**Chairman Internal Audit Committee**

Management Discussion and Analysis Report

for the period ended 31st December 2018

1. Introduction

The shareholders of the Co. have passed a resolution to change the financial year to be at the end of December instead of at the end of March. The resolution was passed at the Extra Ordinary General Meeting held on 27th June 2018.

The Management of the Oman Fisheries Co. SAOG (OFC) is pleased to present the Management Discussion and Analysis Report ("MD&A") for the nine months Period ending on December 31st, 2018. Our Management's Discussion and Analysis ("MD&A") is provided to enable the reader to assess our results of operations and financial condition for the nine months period ending on December 31, 2018. This MD &AR should be read in conjunction with the 2018 consolidated financial statements and the related notes presented herewith.

Oman Fisheries Co. SAOG was formed by the Royal Decree no. 79/87 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 Oman Fisheries Co. SAOG is OMR 12,500,000 comprising of 125,000,000 shares of 100 bz each.

The Company has family of more than 15,000 shareholders and Government of Oman is holding 24% stake through Oman Food Investment Holding Company SAOC (OFIC).

Key Highlights of 9-month period:

1. Rapid Implementation of our Value Chain model-setting up key business segments under Oman Fisheries Group.
2. Awarded prestigious EU certification to major processing plants based on our stringent standards
3. Continuous upward growth in value addition and focus on high margin species.
4. Record penetration in the global market by addition of 125 new customers spanning across 80 countries worldwide.
5. Achieving record 45 percent Omanisation target (compared to 37 percent in 2017-2018 and 24 percent in 2016-2017) in line with Vision of His Majesty Sultan Qaboos Bin Said, without compromising on the performance, efficiency and growth.

2. Business performance

In line with the call for change from OFIC for synchronization of Accounting Years for all the Companies under its group, OFC had a nine-month period as contrary to 12-month operation cycle during previous years. The reduced accounting period had its own impact on the financial results of the company, which is explained below by way of similar results for the last five years:

Sales revenue and quantity (parent company)

Quarter wise revenue performance										
	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Total	
Years	Quantity (KG)	Value (OR)	Quantity (KG)	Value (OR)	Quantity (KG)	Value (OR)	Quantity (KG)	Value (OR)	Quantity (KG)	Value (OR)
2014-15	8,711,864	4,857,644	5,219,484	6,052,422	9,344,703	6,518,045	10,646,024	5,706,708	33,922,076	23,134,819
2015-16	7,345,994	3,819,239	4,658,309	5,105,977	10,378,298	7,188,858	16,493,864	6,496,279	38,876,465	22,610,353
2016-17	10,130,708	4,305,023	4,635,178	6,022,519	11,946,621	8,365,834	14,201,367	4,866,793	40,913,874	23,560,169
2017-18	7,643,697	2,861,442	4,062,198	5,464,965	8,586,051	8,010,538	9,165,286	4,846,655	29,457,232	21,183,600
2018*	5,995,261	2,923,203	4,346,690	6,197,869	7,037,161	4,381,464	-	-	17,379,112	13,502,536
Grand Total	39,827,524	18,766,551	22,921,860	28,843,753	47,292,834	34,464,739	50,506,541	21,916,435	160,548,760	103,991,477

*Nine months pursuant to change in the Accounting period from 12 months to 9 months vide Article No (75) of the article of association

2.1 Business challenges

The abovementioned curtailment had negative impact both on the sales volume and value, and consequently - on the overall profitability.

Further challenges include:

- Early closure of summer fishing season due to high volatility of seas in Al Wusta and Dhofar region starting from Mid-May contrary to normal closure in June as per past years' trend.
- Stringent import restrictions imposed by Chinese authorities, over usage of Vietnam corridor for import into China which had adversely affected trade - particularly the fisheries sector in Oman which exports major portion of its fish through Vietnam corridor to China.
- Imposition of more stringent quality parameters by Brazilian Ministry of Health on sardines by insistence of cadmium test and applicability in the fish below 0.05 mg per gram through Anvisa test (Testing through skin, bones and meat) compared to earlier applicable international method (only meat) of analysis.
- Low landing of ribbon fish (which incidentally is one of the top revenues and margin earners) during the peak fishing season.
- Huge landing of Dolphin fish in Latin America during (October-November) leading to sudden crash of price in the World market and its spiraling effect in the GCC.
- Tuna landings had not been bountiful either during June-July season in the northern area in Sharqiyah region, which forced the purchase price to be high in Oman (ranging from 900 bz to OMR 1.2 which is equivalent to USD 2.3 to USD 3.1) This pricing is in stark contrast to heavy landing of Tuna in Indian subcontinent (India, Maldives, Indonesia, Sri Lanka) where the average landing price ranged between USD 1.1-USD 1.4).
- Product shelf life of frozen fish in the GCC is typically nine months as compared to two years or more in most of the other competitive countries, which again sets Oman on back foot when exporting our products in the world market. This short shelf life poses challenge for onward sales to wholesalers and retailers who would also require adjusting within the shelf life.

2.2 Achievements

Despite several challenges your company had several landmark achievements which would be translated into growth, both in terms of volume, value and overall profit. Notable amongst them are:

1. Addition of our Shogra, Masirah and Salalah branches in the prestigious EU accreditation list along with the earlier existing Ghala and Buraimi Branches. With the inclusion of these three branches, your company has earned the distinction of being the only company in the Middle East to have most of its processing plants EU certified, thereby creating a new benchmark in terms of quality and exportability.

2. Inclusion of five new processing centers managed by SMES, under our processing arm - thereby increasing our processing capacity to 75,000 MT (combined with 50,000 MT of our self-processing capacity). These new centers, being in the proximity of potential landing centers, will assist in building our procurement and processing capacity.

3. Vibrant marketing effort and active participation in the international fisheries exhibitions, combined with rapid penetration in the domestic sector ensured addition of over 100 customers, which is a record feat achieved in a single year. This will ensure that our marketing will not be further dependent on cluster of major customers having inherent risk of cancellation of orders or lower bargaining power.

4. Recruitment of Chief Operating Officer to head the Operations and Marketing, who is a veteran in this sector with over 25 years of experience and association with Multinational fisheries companies across the globe.

Apart from the above footprints, and in continuance to our commitment to our mission towards product development and brand building, your company focused on active marketing of SADAF brand in the Oman and MENA region to ensure maximum reach of fresh fish and fish products in value-added forms, to our customers.

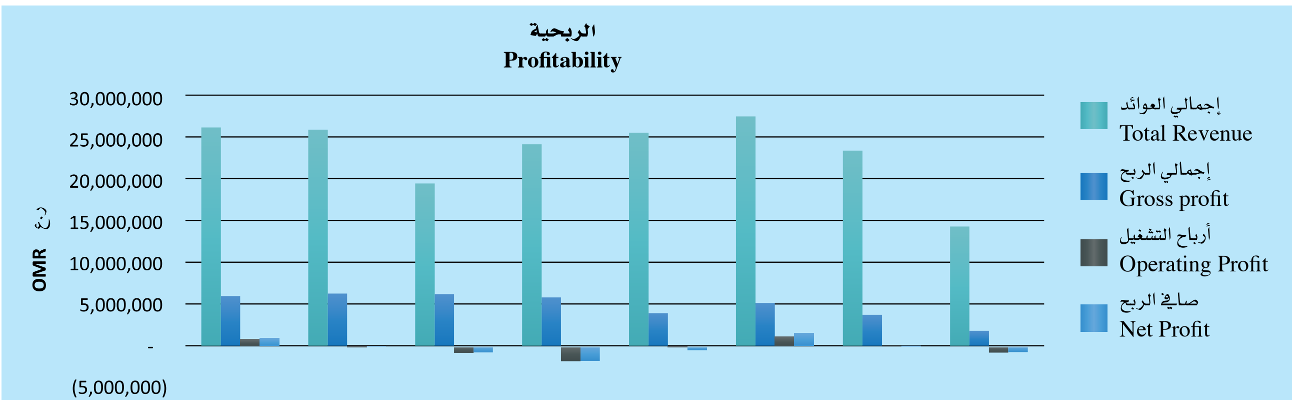
Our other two strong brands TAQA and Fun-Fish continued to delight our customers with consistency in quality and price competitiveness.

2.3 Financial performance

Summary performances of last eight years of Oman Fisheries Co. SAOG (Group)

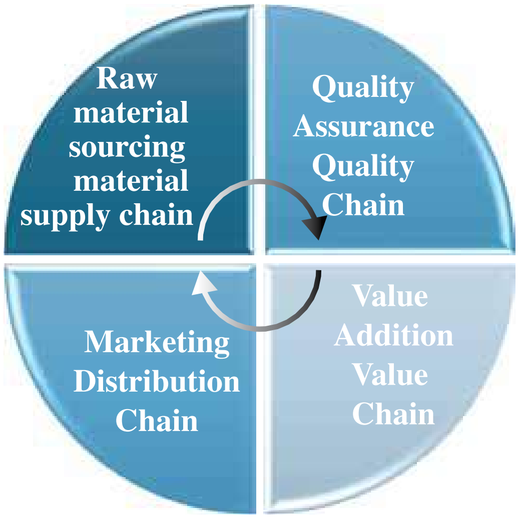
Particulars (OR) / Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018 (9 month period)
Total Revenue	26,592,406	26,309,710	19,794,807	24,541,672	25,958,365	27,935,113	23,759,287	14,580,554
Cost of Goods Sold	(20,454,387)	(19,870,186)	(13,438,464)	(18,590,891)	(21,893,671)	(22,652,964)	(19,914,768)	(12,665,192)
Gross profit	6,138,019	6,439,524	6,356,343	5,950,781	4,064,694	5,282,149	3,844,519	1,915,362
Operating Expenses	(5,274,906)	(6,661,801)	(7,138,253)	(7,724,815)	(4,343,156)	(4,074,061)	(3,597,810)	(2,650,137)
Operating Profit	863,113	(222,277)	(781,910)	(1,774,034)	(278,462)	1,208,088	246,709	(734,775)
Financial net Effects	259,126	258,301	143,964	33,617	(21,668)	(91,642)	(100,314)	(80,489)
Profit before Taxation	1,122,239	36,024	(637,946)	(1,740,417)	(300,130)	1,116,446	146,395	(815,264)
Taxation	(126,348)	34,050	(73,075)	(13,297)	(146,082)	535,802	(30,324)	139,964
Net Profit	995,891	70,074	(711,021)	(1,753,714)	(446,212)	1,652,248	116,071	(675,300)

* Nine months pursuant to change in the Accounting period from 12 months to 9 months vide Article No (75) of the Articles of Association



The Current (9-months period) performance has been quite commendable considering the challenges mentioned before, the Global and regional economic downturn due to Oil price volatility and the Middle East unrest and climatic volatilities affecting Oman which has affected most of the companies in Oman and to a great extent, the fisheries sector.

Your company continues to focus on the key pillars of operation and develop the products and activities to ensure overall growth of the organization in the long-term.



The future growth dynamics for the seafood industry globally are predicted to be very strong. To be in sync with these expectations, we are excited about the opportunities ahead for our businesses. In addition, your company is striving to deliver further cost efficiencies which will help to support future growth and enable us to make further progress on our operating margins. As a result, we remain confident in our ability to continue to create value for our shareholders.

In order to pursue cumulative growth, Oman Fisheries has been actively targeting the seasonal landings and promoting the market to align with the landing pattern of Oman.

2.4 Business growth, marketing and other market dynamics

With over 30 years of market presence and being a premium quality provider of seafood, your company has constantly been endeavoring to surge ahead of competition and increase its brand presence in the global arena.

This year the emphasis has been on brand building and increasing product offerings with an eye on regional tastes.

While Salted products had been extremely popular in GCC markets, our Dry products had earned high reputation in South east Asia.

Starting from this year, your company has also partnered with several multinational companies both locally and internationally for increasing its presence in the fresh fish and VAP market.

Along with these initiatives, Oman Fisheries is constantly targeting newer markets either through its own presence or through its agents - wholesale and retail.

In order to increase its market presence, your Company ensures active participation in various global sea food exhibitions and imprinted its presence in those events.

In all the trade shows and expos attended, your Company has earned accolades for its professional set-up, product display, customer attendance and earned high footfalls. MoUs were entered with international customers for business opportunities under technical tie-ups.

These MOUs apart from their current presence will have far reaching impact on the business growth, turnover and Oman Fisheries' prominence in the world market.

Apart from the above, your Company is also investing in increasing its range in fresh, frozen and value-added products to suit the customers of different parts of the world.

During the year, your company has launched vacuum packed fresh seafood in partnership with major hypermarket chains in Oman and aims to diversify in GCC region in line with the growing demand.

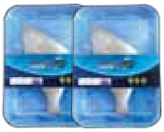
Our R&D section is exclusively dedicated to bringing out new range of products tailor-made to our customer demands.

In the current world, where the customers are more inclined to ready-to-cook and ready to eat-foods, Oman Fisheries has re-launched its signature variants in burgers, nuggets, fingers, cuttlefish cubes and various other categories.

Your company is working closely with an extensive network of highly qualified professionals and know-how partners around the globe. We strive to innovate and provide a broad range of fish and seafood by offering our customers combined product solutions from our factories and distribution systems.

Product ranges


Ready Meals
Variety of Ready made solutions for food service and reatil shops


Fresh
Read Sea Bream,Tuna loins,steaks cuts,Greasy Grouper and many more


Breaded Products
Battered fish, breaded fish, specialties, portions and fish cakes, main meals, children range


Shellfish
Shrimps,prawns,lobsters,mussels,blue swimming crabs,cut crabs


Smokedfish
Salmon


Land Frozen
200 variteies plus products including Tuna mackerels,sardines,hilsa,catfish.


Wet Salted
Tuna mackerels,sardines, catfish


Sea Frozen
Tuna mackerels,sardines, catfish


Pelagic Fish
Tuna mackerels,sardines, catfish

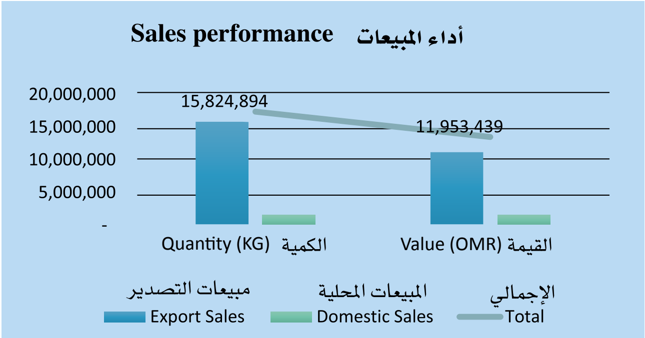

Dried Products
Queen Fish,Catfish,shark fins


Marinated spiced
sardines,cuttelfish,squids


Omani Tuna chunk
Tuna

Total sales of Oman Fisheries for the nine months (Parent Company) have been broken down as under:

Sales performance (9-month period)			
Particulars	**Quantity (Kg)**	**Value (OR)**	**Percentage (%)**
Export Sales	15,824,894	11,953,439	89
Domestic Sales	1,554,218	1,549,096	11
Total	17,379,112	13,502,535	

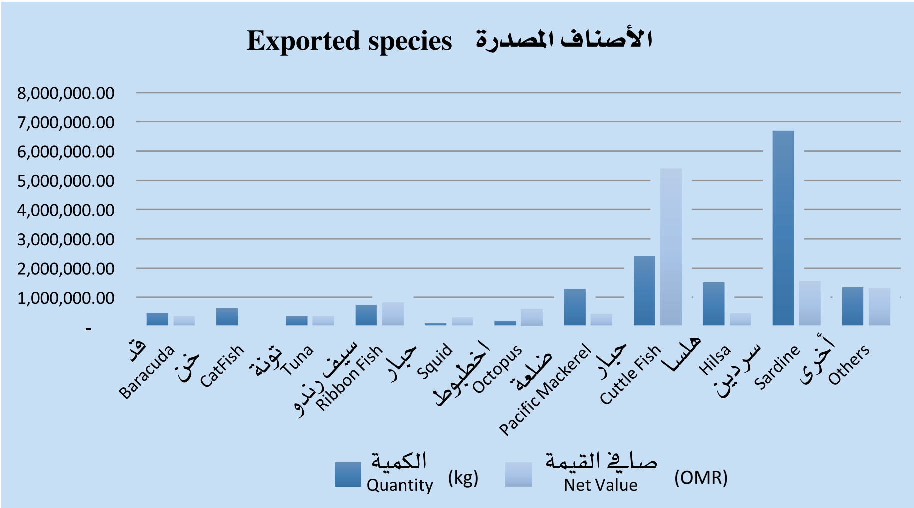


The marketing division along with its sub-unit- trading division penetrated in newer markets while retaining its presence in the existing markets.

2.5 Export performance

Top species which had high customer demand in the export market has been depicted in terms of Quantity and value for during the 9-month period is as under:

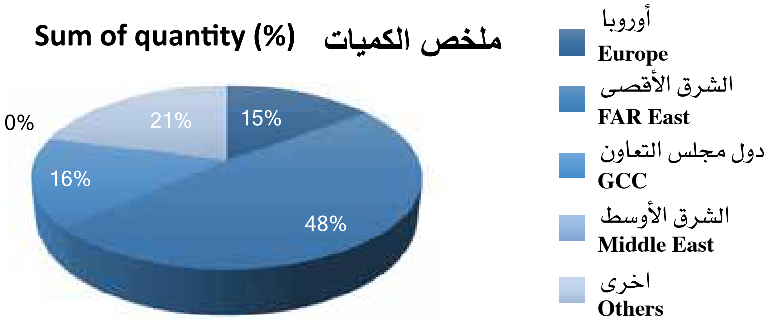
Major species exported		
Species	**Quantity (Kg)**	**Net Value (OR)**
Barracuda	468,946.30	379,686
Catfish	623,077	253,013
Tuna	356,780	381,431
Ribbon Fish	753,665	836,290
Squid	131,120	320,428
Octopus	213,990	610,140
Pacific Mackerel	1,295,820	440,576
Cuttle Fish	2,419,452	5,408,373
Hilsa	1,512,380	455,375
Sardine	6,701,510	1,561,219
Others	1,348,155	1,306,908
Total	15,824,894	11,953,434



Summary of sales - region wise

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

Region-wise break-up of sales-quantity and value		
Region	**Sum of quantity (Kg)**	**Sum of net value (OR)**
Europe	1,353,212	2,004,376
FAR East	4,280,322	6,563,147
GCC	2,476,156	2,108,345
Middle East	117,417	42,310
Others	9,152,005	2,784,358
Grand Total	17,379,112	13,502,536



2.6 Local sales

Your company has always placed prime importance to local sales and has therefore created special marketing team to promote the fresh fish, frozen fish and value-added products in Hypermarkets, fish shops, catering segments and reputed institutions. During the Ramadhan season, we have taken extra efforts to ensure that fresh fish is available at major market centers. Further we stocked around 1000 tons of fish for local sales to ensure steady supply of fish for local market.

Our prices are regularly monitored and controlled at reasonable levels for local sales. Total local sales for the last Financial Period is 1,554 MT.

In association with Ministry of Agriculture and Fisheries and with local SMES, Oman Fisheries is promoting the local species at most competitive prices through the fish shops, Central Fish market and other local markets.

2.7 Brand building

Seafood consumption globally is on the rise and seafood is the fastest growing protein source in many important markets. With the rising middle class, focus on health and wellness, and the millennium generation demanding food solutions that meet all their value categories, the seafood industry is well placed for great opportunities in the future. Oman Fisheries is in a strong position to drive and benefit from these opportunities.

Oman Fisheries has been a popular name in Oman and abroad over the last 30 years. Its brands are not only popular globally due to its freshness and unique identity, but also due to its price competitiveness. Besides our principal brand “taQa” our other two brands “Sadaf” and “Fun fish” have also been able to regain their popularity with consumers, especially in GCC markets. The packaging had been re-designed for the products. From last year, your company had promoted its brand through selling of company’s products in new packaging, through advertisement in hypermarkets, in local newspapers, bill boards etc. We believe there is a good scope for the company to benefit from this.

2.8 Fish procurement and operations

Fish procurement

In line with sales growth, Fish procurement and operations have grown significantly.

To ensure steady supply of fish with its freshness intact from the landing centers, Oman Fisheries has nominated key representatives at each potential landing sites who are responsible for networking collection and transporting the products to our processing centers.

Apart from the above, the following strategic actions have been introduced in procurement:

- **Concentrating on high volume and ready market species:** In order to strike a balance between the volume and margin, Oman Fisheries has launched a drive to target five to six major species which have ready market in line with seasonal trends.

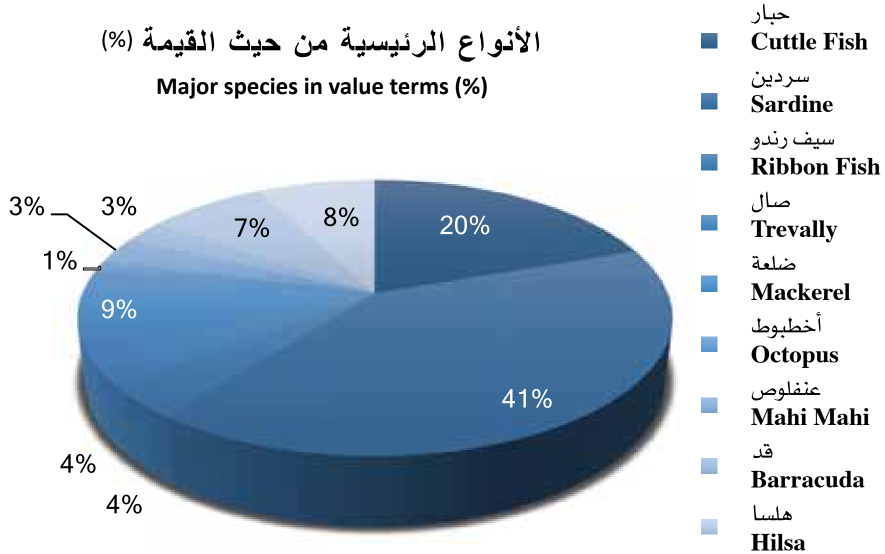
  Principal targeted species are Cuttlefish, ribbon fish, Hilsa, sardines, mackerel's catfish and Tuna. These are mainly "commodity species" which have high demand in the export market and therefore would boost market growth while taking care of covering the operating expenses of the company.

- **Processing of other species as per availability:** Apart from the principal species other seasonal species are targeted with equal importance to ensure growth in volume and margin alongside supporting the fishermen.
- **Quality inspection and quality training at site:** Our quality team is present at the landing sites as well as at the processing centers to ensure that quality is checked at every stage of the value chain.
- **Networking with vessel owners:** Strong networking with vessel owners - large, medium and small has been established to ensure regular and consistence in fresh catch. This exercise had tremendous upside impact and steady supply to all processing plants were guaranteed during major part of the fishing season despite climatic volatility.

  Apart from the above, the following activities continue to play a key role the purchases:

- Procurement for the major species is based on the marketing potential.
- Procurement of fresh fish would be targeted both from own vessels as well as the company operated landing centers.
- Apart from the above, OFC continued to purchase from the fishermen at all landing centers.

Total fish purchased-species wise (2018)			
Species	Qty (Kg)	Net value (OR)	Percentage (%)
Cuttle Fish	3,460,870	6,549,015	62
Sardine	7,208,557	958,720	9
Ribbon Fish	664,473	535,279	5
Trevally	730,511	399,904	4
Mackerel	1,657,745	366,655	3
Octopus	219,086	288,242	3
Mahi Mahi	544,109	244,362	2
Barracuda	476,486	225,267	2
Hilsa	1,339,049	222,507	2
Others	1,348,884	823,420	8
	17,649,770	10,613,369	



Major species in quantity (MT)

2.9 Fish processing

Oman Fisheries has six operating branches which are independent cost centers and run by a complete team headed by branch Managers.

Each branch is assigned monthly targets based on species available at the nearby and targeted landing centers.

Further, a full-fledged independent monitoring committee has been formed to have surprise inspections on the operations of the branches.

Each branch has full-fledged Quality Control center to implement HACCP plan, sanitation monitoring and Hazard analysis.

As mentioned above, currently the branches have acquired EU certifications and are exporting the products directly to more than 80 countries abroad directly from the branches.

Apart from our own processing centers, Oman Fisheries also has teamed up with several SMEs who process fish under Oman Fisheries' brand name and subject to strict supervision and quality assurance policy of your company.

2.10 Staff costs and operating expenses

Staff costs

Staff costs are in line with the production targets set.

Total Staff cost incurred during the year is OMR 1,798,068.

In line with the vision of His Majesty Sultan Qaboos Bin Said, Oman Fisheries took aggressive steps to Omanis most of the key positions and inducted fresh graduates as management trainees in key processing areas who had been further added to mainstream, after successful completion of training.

The company has attained 41 percentage of Omanisation compared to 37 percentage during the preceding year.

Further the management has actively rightsized the company to achieve the optimum profit-volume mix without increasing operating costs.

Operating expenses

Operating expenses remained consistent to the procurement and production

3. Al Ameen Refrigeration Company LLC

(Al Ameen) our 100 percent subsidiary has three divisions namely: Warehousing, Trading and Logistics.

As a part of its growth, both in horizontal and vertical base, a new subsidiary company AL Ameen Stores & Refrigeration LLC., was formed in 2012-13. This Company is involved in 3rd Party Logistic (3PL) service, trading of edible commodities and storage services. Its existing warehouse facility of 6,000 metric tons was increased this year to 9,000 metric tons, making this warehouse the largest of its kind in Oman.

The warehouse facility is dedicated to storage of frozen and chilled food products like fish, fish products, chicken, meat, vegetables and fruits.

The warehousing capacity is at present running at 80 percent occupancy level and soon expected to reach to its optimum limit.

Apart from outside customers, Al Ameen warehouse section also caters to the need of Oman Fisheries.

Trading division of Al Ameen, which caters to trading of frozen products have started three new lines in its trading division namely beef and French fries' variants apart from its existing market of chicken and mutton.

Though the market for frozen products have become extremely competitive, Al Ameen trading division managed to increase its business due to its tie - up with respected brands of the world.

Al Ameen logistics division caters to the logistics needs to both its parent company, Oman Fisheries as well as 3PL customers within Oman and GCC region.

As part of its future plans, Al Ameen is setting its goals to expand its logistics hub to be a complete logistics solution provider in the GCC region.

4. Other significant achievements of 2018

Employee costs at the corporate level have been right sized and is in line with the size of operation and this is considered as an ongoing exercise for increasing efficiency.

Optimization of short-term loans to fit the working capital requirements of the company.

Significant reduction in Quality complaints, thereby asserting our strength and dedication towards Quality Policy and Quality Improvement.

5. Internal control system, governance process and control adequacy

OFC has a well-established governance and accountability structure to support departmental assessments and overseeing its system of internal control. The internal control and risk management system is organized around three operational levels: Group, business segments and entities. Each level is directly involved in and responsible for designing and implementing internal control, in line with the degree of centralization targeted by General Management. The Internal Control management framework 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 heads through the Internal Audit Department and Internal Audit Committee.

Under these internal control principles, which are part of the corporate governance of the Company, the Audit Committee is responsible and consistently monitoring the efficiency of internal control and risk management procedures, assisted by the Internal Control and Audit Department.

OFC realizes 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.

The operations of the Company are audited by external ISO agency to ensure that the Company strictly adheres to HACCP norms. No major non-compliance is reported on this front too.

6. Corporate social responsibility

Being one of the largest processors and trader in seafood in GCC, we ensure our sources are sustainable. We provide 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 that 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 fish from the native fishermen thereby encouraging the sustainable fishing activities.

Oman Fisheries is fully committed to developing the local communities around the landing sites and processing centers, where the Group's different facilities are located and aims to generate increased earnings for these communities by purchasing fish, hiring equipment and services wherever possible.

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 conduct regular inspections 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.

Apart from the above, Oman Fisheries regularly invests in education of socially challenged class by donating in cash and kind.

7. Training & development

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

As part of its business plan implementation priorities, we focused on improving individual development 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.

Special mention to be made of training certification provided to Young Omani recruits as Quality Controllers in August 2018 for HACCP and Quality Assurance.

8. 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.

9. Outlook

9.1 Future strategy and vision

In order to capture the vast potential along the fisheries value chain, and enhance the growth of the company, Oman Fisheries is embarking on an ambitious growth model whose success would be reaped within next five years.

The new business growth plan is devised to restructure the OFC into five separate wings:

- Commercial fishing vessels.
- Seafood Canning project.
- Oman Fisheries Co. (Parent).
- Integrated Value-Added Plant .
- Horizontal diversification under Al Ameen Stores & Refrigeration Co.

All these Lines of Business (LoBs) will be integrated under OFC Group which will be responsible for overall management.

As per the above strategy, Oman Fisheries has already contributed its share value in the initial capital call for the Sea food canning project which is running as per schedule.

For the other projects, Oman Fisheries is currently coordinating with the consultants to finalize the feasibility reports.

Meanwhile, as a part of its expansion drive, Oman Fisheries has budgeted and is in the process of acquiring and industrial RSW fitted pelagic fishing vessel and expects to start commercial fishing with immediate effect.

9.2 RSW fitted pelagic fishing vessels

In order to tap the unharvested potential of pelagic fish in Oman, your Co. has initiated preliminary launching of Commercial fishing vessels, from the 2ed quarter of 2019.

Primarily the commercial fishing vessels will be operating in the Al Wusta and Dhofar region which are having abundant flow of pelagic fish like fish like Sardines tuna, mackerels, hilsa and other species on more consistent basis than other fishing regions in Oman.

The vessel would be having approximate storage capacity of 250 MT-300 MT with chilled water bath facility wherein the fish would be automatically pumped to the vessels after trapping through purseine nets.

This will not only retain the quality of the fish at its absolute best but also ensure commercialization of the haulage and enough supply of fish for processing at the processing plants of Oman Fisheries situated at various places across Oman.

The commercial fishing project will be handled in four comprehensive stages as mentioned hereunder:

Stage 1

At the first stage the pelagic fish will be hauled in whole form, processed and exported in whole frozen form as per the cycle below:

Stage 2

Second stage is directed at constructive value addition of pelagic fish hauled for earning higher profit through value addition in the following form:

Stage 3

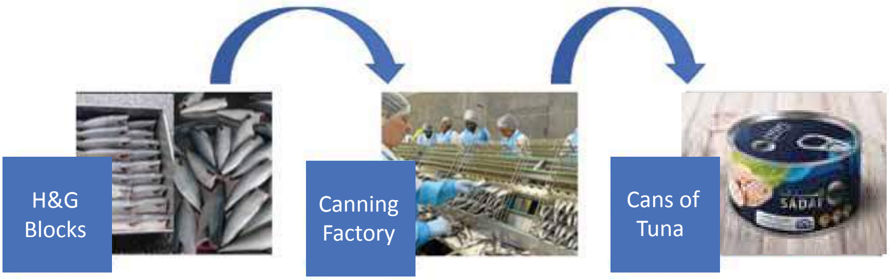
Value addition through waste processing and product expansion.

Your Co. has ambitious project of waste processing and processing of by-products for higher revenue generation per unit in the following order:

Stage 4

At the fourth stage Oman Fisheries would be taking up the canning as part of its chain processing and value addition thereby inducing multiplier effect on profitability per unit of the products.

The entire chain cycle of value addition process induced through Commercial fishing is expected to take pace within next two years in line with our vision for restructuring of OFC towards robust growth.



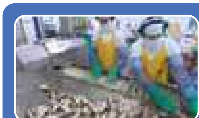
Status of other new projects:

Within the framework of the overall vision and within the strategy being prepared, the company is carrying out feasibility studies for five projects summarized in the following table:

Summery status of the progress of other projects

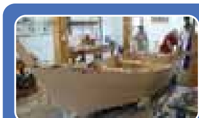
Commercial Fishing vessels

- The feasibility studies is in progress and under review
- Expected initiation period :2019
- To be operational by:2021



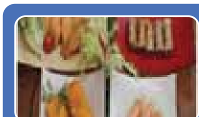
Seafood Canning Project

- Initial subscription of share capital already made by founding member Cos.
- Expected initiation period :2019
- To be operational by:2021



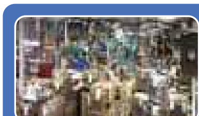
Boat Building and Repairing Yard

- The feasibility studies is in progress and under review
- Expected initiation period :2019
- To be operational by:2021



Grand Value Added Project

- The feasibility studies is in progress and under review
- Expected initiation period :2019
- To be operational by:2021



Corrugated Cardboard Packaging Unit

- The feasibility studies is in progress and under review
- Expected initiation period :2019
- To be operational by:2021

10. Acknowledgement

On behalf of the Management, I thank the Chairman and Board of Directors for their continued guidance and direction in managing the Company.

Our sincere appreciation and thanks to the officials in the Ministry of Agricultural and Fisheries, the Ministry of Finance, Oman Chamber of Commerce and Industry and all other Government bodies who supported us in our endeavors.

Our special gratitude to our principal shareholder Oman Food & Investment Co. (OFIC), H.E. The Minster of Agriculture and Fisheries and Chairman of OFIC Dr. Fuad Jaffer Al Sajwani, who had constantly encouraged this sector to grow and turn into a major revenue earner for the Oman economy, respected Vice Chairman Dr. Rashid Salem Al Masrouri and respected CEO of OFIC Engg. Salah Mohammad Al Shanfari.

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

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

Dr. Khalid Mansoor Al Zadjali
Chief Executive Officer

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أبـو تمـام
محاسبون قانونيون
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Chartered Certified Accountants

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Independent Auditor's Report

To the Members of
Oman Fisheries Company SAOG
P.O. Box 2900,
Postal Code 112
Sultanate of Oman

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the separate and consolidated financial statements of Oman Fisheries Company SAOG (the Parent Company) and its subsidiaries (together referred as the Group) set out on pages 5 to 42, which comprise the separate and consolidated statements of financial position as at 31 December 2018, the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Parent Company and the Group as at 31 December 2018, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company and the Group for the year ended 31 March 2018 were audited by another auditor whose report dated 22 May 2018 expressed an unmodified opinion.

Abu Timam
Grant Thornton

Independent Auditor's Report (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current year. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report:

Inventories	
Key audit matter	**How our audit addressed the key audit matter**
The financial statements of the Group include inventories amounting to RO 4,481,209 representing 25% of the total assets. As disclosed in Note 6 to the financial statements, inventories are carried at lower of cost and net realisable value. We focused on this area because of its size and the assumptions used in the valuation.	We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by: • Checking the effectiveness of key inventory controls operating within the Company; • For sample of store yards, attending inventory counts for physical verification of the stocks held by the Company at year end; • Testing on a sample basis the accuracy of cost for inventory by verifying the actual production costs, and testing the net realizable value by comparing actual cost with relevant market data.

Other information

Management is responsible for the other information. The other information comprises the Chairman's report and Management Discussion and Analysis report but does not include the financial statements and our auditors' report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and , in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Government for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRS and their preparation in compliance with the relevant disclosure requirements of the Capital Market Authority and the applicable provisions of the Commercial Companies Law of 1974, as amended, and for such internal control as management determines is necessary to enable the preparation of separate , and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (continued)

In preparing the separate and consolidated financial statements, Management is responsible for assessing the Parent Company and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parent Company and the Group or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing the Parent Company and the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Parent Company and the Group to cease to continue as a going concern.

Abu Timam
Grant Thornton

Independent Auditor's Report (continued)

Auditors' Responsibilities for the Audit of the Separate and Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the separate and the consolidated financial statements, including the disclosures, and whether the separate and the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory requirements

We report that the separate and consolidated financial statements as at and for the year ended 31 December 2018, in all material respects, comply with the:

- Relevant disclosure requirements of the Capital Market Authority; and
- Applicable provisions of the Commercial Companies Law of 1974, as amended.

The engagement Partner on the audit resulting in this Independent Auditor's Report is Nasser Al Mugheiry.

أبو تمام محاسبون قانونيون
Abu Timam
Grant Thornton
C.R. No. 1050077
Abu Timam - Chartered Certified Accountants

Nasser Al Mugheiry
Licence No. MH/64
ABU TIMAM
(Chartered Certified Accountants)

25 February 2019

Separate and Consolidated Statement of Financial Position

Oman Fisheries CO.S.A.O.G

as at 31 December 2018

	Notes	Group 31 December 2018 RO	Group 31 March 2018 RO	Parent Company 31 December 2018 RO	Parent Company 31 March 2018 RO
ASSETS					
Non-current					
Property, plant and equipment	5	**6,406,433**	7,113,759	**3,683,610**	4,182,275
Investment in subsidiaries		**-**	-	**515,750**	515,750
Fixed deposit	9.1	**1,048,399**	-	**1,048,399**	-
Deferred tax assets	27	**675,393**	537,722	**727,632**	602,078
Non-current assets		**8,130,225**	7,651,481	**5,975,391**	5,300,103
Current					
Inventories	6	**4,481,209**	3,832,010	**4,450,529**	3,651,720
Trade and other receivables	7	**3,771,104**	3,502,574	**3,244,883**	2,758,158
Due from related parties	18	**-**	-	**351,897**	2,439,914
Financial assets at fair value through profit or loss	8	**187,604**	193,088	**187,604**	193,088
Fixed deposit	9.1	**-**	1,025,000	**-**	1,025,000
Cash and bank balances	9	**908,878**	1,193,601	**901,098**	1,173,652
Current assets		**9,348,795**	9,746,273	**9,136,011**	11,241,532
Total assets		**17,479,020**	17,397,754	**15,111,402**	16,541,635
EQUITY AND LIABILITIES					
Equity					
Share capital	10	**12,500,000**	12,500,000	**12,500,000**	12,500,000
Legal reserve	11	**3,480,985**	3,480,985	**3,314,319**	3,314,319
Capital reserve	12	**29,269**	29,269	**29,269**	29,269
Retained earnings		**(2,024,793)**	(1,340,564)	**(3,838,147)**	(3,239,839)
Total equity		**13,985,461**	14,669,690	**12,005,441**	12,603,749
LIABILITIES					
Non-current					
Term loans	13	**684,360**	861,368	**34,387**	61,393
Employees› end of service benefits	14	**101,855**	132,220	**90,330**	123,072
Non-current liabilities		**786,215**	993,588	**124,717**	184,465
Current					
Term loans	13	**234,682**	234,682	**34,678**	34,678
Short term loan	15	**1,500,000**	-	**1,500,000**	-
Trade and other payables	16	**969,718**	1,478,341	**883,279**	1,177,208
Income tax payable		**2,944**	21,453	**-**	-
Due to related parties	18	**-**	-	**563,287**	2,541,535
Current liabilities		**2,707,344**	1,734,476	**2,981,244**	3,753,421
Total liabilities		**3,493,559**	2,728,064	**3,105,961**	3,937,886
Total equity and liabilities		**17,479,020**	17,397,754	**15,111,402**	16,541,635

The financial statements on pages 5 to 42 were approved by the Members on 25 February 2019 and were signed on their behalf by:

Mohammed Bin Hamad Al Masrouri	**Abdul Amir Bin Said Bin Mohammed**
Chairman	Director

The accompanying notes on pages 9 to 42 form an integral part of these financial statements.

The report of the Auditor is set forth on page 1.

Separate and consolidated statement of profit or loss and other comprehensive income

for the period ended from 1 April 2018 to 31 December 2018 and the year ended from 1 April 2017 to 31 March 2018

		Group		Parent Company	
		Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018	**Period from 1 April 2018 to 31 December 2018**	Period from 1 April 2017 to 31 March 2018
	Notes	**RO**	RO	**RO**	RO
Revenue	19	**14,580,554**	23,759,287	**13,502,536**	21,183,600
Direct costs	21	**(12,665,192)**	(19,914,768)	**(12,137,274)**	(18,244,219)
Gross profit		**1,915,362**	3,844,519	**1,365,262**	2,939,381
Administration and general expenses	22	**(1,957,272)**	(2,583,579)	**(1,554,571)**	(2,138,154)
Selling and distribution expenses	23	**(924,445)**	(1,350,347)	**(994,766)**	(1,456,472)
Loss on disposal of property, plant and equipment	5	**-**	(90,988)	**-**	(90,988)
Loss on investment – net	24	**(4,375)**	(13,927)	**(4,375)**	(13,927)
Other income	20	**209,349**	375,285	**483,187**	765,957
Finance income	25	**26,606**	65,746	**26,606**	65,746
Operating (loss)/profit		**(734,775)**	246,709	**(678,657)**	71,543
Finance costs	25	**(80,489)**	(100,314)	**(36,276)**	(29,665)
(Loss)/profit before tax		**(815,264)**	146,395	**(714,933)**	41,878
Tax income/(expense)	27	**139,964**	(30,324)	**125,554**	(22,960)
(Loss)/profit for the period/year		**(675,300)**	116,071	**(589,379)**	18,918
Other comprehensive income for the period/year		**-**	-	**-**	-
Total comprehensive (loss)/income for the period/year		**(675,300)**	116,071	**(589,379)**	18,918

The accompanying notes on pages 9 to 42 form an integral part of these financial statements.
The report of the Auditor is set forth on page 1.

Separate and consolidated statement of changes in equity

for the period ended from 1 April 2018 to 31 December 2018 and the year ended from 1 April 2017 to 31 March 2018

Group

	Share capital RO	Legal reserve RO	Capital reserve RO	Accumulated losses RO	Total RO
At 1 April 2017	12,500,000	3,362,455	29,269	(1,338,105)	14,553,619
Profit for the year	-	-	-	116,071	116,071
Total comprehensive income for the year	-	-	-	**116,071**	**116,071**
Transfer to legal reserve	-	**118,530**	-	**(118,530)**	-
At 31 March 2018	**12,500,000**	**3,480,985**	**29,269**	**(1,340,564)**	**14,669,690**
At 1 April 2018	**12,500,000**	**3,480,985**	**29,269**	**(1,340,564)**	**14,669,690**
Adjustment from the adoption of IFRS 9 (Note 29)	-	-	-	**(8,929)**	**(8,929)**
Adjusted balance as at 1 April 2018	**12,500,000**	**3,480,985**	**29,269**	**(1,349,493)**	**14,660,761**
Loss for the period	-	-	-	**(675,300)**	**(675,300)**
Total comprehensive income for the period	-	-	-	**(675,300)**	**(675,300)**
At 31 December 2018	**12,500,000**	**3,480,985**	**29,269**	**(2,024,793)**	**13,985,461**

Parent Company

	Share capital RO	Legal reserve RO	Capital reserve RO	Accumulated losses RO	Total RO
At 1 April 2017	12,500,000	3,312,427	29,269	(3,256,865)	12,584,831
Profit for the year	-	-	-	18,918	18,918
Total comprehensive income for the year	-	-	-	**18,918**	**18,918**
Transfer to legal reserve	-	**1,892**	-	**(1,892)**	-
At 31 March 2018	**12,500,000**	**3,314,319**	**29,269**	**(3,239,839)**	**12,603,749**
At 1 April 2018	**12,500,000**	**3,314,319**	**29,269**	**(3,239,839)**	**12,603,749**
Adjustment from the adoption of IFRS 9 (Note 29)	-	-	-	**(8,929)**	**(8,929)**
Adjusted balance as at 1 April 2018	**12,500,000**	**3,314,319**	**29,269**	**(3,248,768)**	**12,594,820**
Loss for the period	-	-	-	**(589,379)**	**(589,379)**
Total comprehensive loss for the period	-	-	-	**(589,379)**	**(589,379)**
At 31 December 2018	**12,500,000**	**3,314,319**	**29,269**	**(3,838,147)**	**12,005,441**

The accompanying notes on pages 9 to 42 form an integral part of these financial statements.

The report of the Auditor is set forth on page 1.

Separate and consolidated statement of cash flows

for the period from 1 April 2018 to 31 December 2018 and the year ended from 1 April 2017 to 31 March 2018

	Notes	Group		Parent Company	
		Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018	**Period from 1 April 2018 to 31 December 2018**	Period from 1 April 2017 to 31 March 2018
Operating activities					
(Loss)/Profit before tax		**(815,264)**	146,395	**(714,933)**	41,878
Adjustments for:					
Depreciation on property, plant and equipment	5	**776,575**	1,084,032	**535,284**	785,612
Finance income	25	**(26,606)**	(65,746)	**(26,606)**	(65,746)
Dividends income	24	**(1,109)**	(13,396)	**(1,109)**	(13,396)
Gain on sale of financial assets at fair value through profit or loss		**-**	(1,554)	**-**	(1,554)
Loss on disposal of property, plant and equipment		**-**	90,988	**-**	90,988
Allowance for impairment of trade receivables		**1,031**	38,596	**5,952**	34,373
Finance expense		**80,489**	100,314	**36,276**	29,665
Fair value gain on financial assets at fair value through profit or loss	24	**5,484**	28,877	**5,484**	28,877
Allowance for advance to suppliers	22	**49,467**	129,800	**49,467**	129,800
Provision for end of service benefits	14	**3,414**	23,472	**748**	20,116
Operating surplus/(loss) before working capital changes		**73,481**	1,561,778	**(109,437)**	1,080,613
Changes in:					
Inventories		**(649,199)**	(2,169,065)	**(798,809)**	(2,473,514)
Trade and other receivables		**(327,955)**	123,460	**(551,073)**	(661,287)
Due from related parties		**-**	-	**2,088,017**	(743,917)
Due to related parties		**-**	-	**(1,978,248)**	969,688
Trade and other payables		**(508,623)**	(82,966)	**(293,929)**	(252,475)
Cash used in operations		**(1,412,296)**	(566,793)	**(1,643,479)**	(2,080,892)
End of service benefits paid		**(33,779)**	(26,602)	**(33,490)**	(25,891)
Tax paid		**(16,218)**	(69,765)	**-**	(614)
Finance costs		**(80,489)**	(100,314)	**(36,276)**	(29,665)
Net cash used in operating activities		**(1,542,782)**	(763,474)	**(1,713,245)**	(2,137,062)
Investing activities					
Purchase of property, plant and equipment	5	**(69,249)**	(1,517,038)	**(36,619)**	(324,893)
Proceeds from sale of property, plant and equipment		**-**	31,217	**-**	31,217
Proceeds from sale of financial assets at fair value through profit or loss		**-**	36,525	**-**	36,525
Dividends received		**1,109**	15,943	**1,109**	15,943
Interest received		**26,606**	75,165	**26,606**	75,165
Fixed deposits (placed)/encashed		**(23,399)**	1,975,000	**(23,399)**	1,975,000
Net cash (used in)/generated from investing activities		**(64,933)**	616,812	**(32,303)**	1,808,957
Financing activities					
Repayment of term loan		**(177,008)**	(234,939)	**(27,006)**	(34,934)
Receipt of short term borrowing		**1,500,000**	-	**1,500,000**	-
Net generated from/(cash used) in financing activities		**1,322,992**	(234,939)	**1,472,994**	(34,934)
Net decrease in cash and cash equivalents		**(284,723)**	(381,601)	**(272,554)**	(363,039)
Cash and cash equivalents, beginning of the year		**1,193,601**	1,575,202	**1,173,652**	1,536,691
Cash and cash equivalents, end of the year	9	**908,878**	1,193,601	**901,098**	1,173,652

The accompanying notes on pages 9 to 42 form an integral part of these financial statements.

The report of the Auditor is set forth on page 1.

1 Nature of operations

Oman Fisheries Company SAOG ("the Company" or "the Parent Company") is an Omani Joint Stock Company registered under the Commercial Companies Law of the Sultanate 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 AED 150,000. Oman Fisheries Co. FZE registered in UAE as a Free Zone Company and is a wholly owned subsidiary of the Parent Company. The subsidiary 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 Parent 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%. 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.

During the year, the Members of the Company in an Extraordinary General Meeting held on 27 June 2018 passed a resolution to change the financial year from 31 March to 31 December of the Company and the Group. Accordingly, the current period amounts of the Company and the Group presented in statement of profit or loss and other comprehensive income, statement of changes in equity. Statement of cash flows and the respective notes to the financial statements are for the period of 9 months from 1 April 2018 to 31 December 2018, whereas, the respective comparative amounts are for the period of 12 months from 1 April 2017 to 31 March 2018, hence the above mentioned statements are not comparable.

These are the separate and the consolidated financial statements including the results of the subsidiaries (together referred as "the Group").

2 General information, statement of compliance with IFRSs and going concern assumption

The Parent Company's and the Group's consolidated 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.

These Parent Company and the Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the applicable disclosure requirements of the Capital Market Authority (CMA) and the relevant requirements of the Commercial Companies Law of 1974, as amended.

2 General information, statement of compliance with IFRSs and going (continued)

In 2018 the Group has adopted new guidance for the recognition of revenue from contracts with customers (see Note 3.1 below). This guidance was applied using a modified retrospective ('cumulative catch-up') approach under which changes having a material effect on the consolidated statement of financial position as at 1 January 2018 are presented together as a single adjustment to the opening balance of retained earnings. Accordingly, the Group is not required to present a third statement of financial position as at that date.

Further, the Group has adopted new guidance for accounting for financial instruments (see Note 3.1 below). This guidance was applied using the transitional relief allowing the entity not to restate prior periods. Differences arising from the adoption of IFRS 9 in relation to classification, measurement, and impairment are recognised in retained earnings.

3 New or revised standards or interpretations

3.1 New standards adopted as at 1 January 2018

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2018. Information on these new standards is presented below.

- 'Annual Improvements to IFRSs' 2012-2014 cycle;
- 'Disclosure Initiative' (Amendments to IAS 7); and
- 'Recognition of Deferred Tax Assets for unrealized losses' (Amendments to IAS 12).

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. IFRS 15 introduced a 5-step approach to revenue recognition. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

For contracts determined to be within the scope of revenue recognition, the Company is required to apply a five-step model to determine when to recognise revenue, and at what amount.

3 New or revised standards or interpretations (continued)

The Company recognises revenue from contracts with customers based on the five step model set out in IFRS 15:

Step 1 Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify the performance obligations in the contract: A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

The customer simultaneously receives and consumes the benefits provided by the Company's performance as and when the Company performs; or

The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Impact on adoption of IFRS 15

Based on the impact assessment carried out by the Company, there is no significant impact on the financial statements of the Company.

3 New or revised standards or interpretations (continued)

IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets.

Impact on adoption of IFRS 9

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied with effect from 1 January 2018, using modified retrospective method and has accordingly not restated the comparative period. Differences in the carrying amounts of assets and liabilities resulting from the adoption of IFRS 9 are recognised in opening retained earnings as at 1 January 2018.

Accordingly, the information presented for 31 March 2018 does not reflect the requirements of IFRS 9 and therefore is not comparable.

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for the Company's assets subject to ECL as at 1 April 2018:

Asset subject to ECL	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9	Retained Earnings effect as at Jan 1, 2018
			RO	RO	RO
Trade receivables	Loans and receivables	Amortised cost	2,066,943	**2,058,014**	**8,929**
Cash at bank	Loans and receivables	Amortised cost	1,140,560	1,140,560	-
Fixed deposit	Loans and receivables	Amortised cost	1,025,000	**1,025,000**	**-**
Due from related parties	Loans and receivables	Amortised cost	2,439,914	2,439,914	-
Total			**6,672,417**	**6,663,488**	**8,929**

3 New or revised standards or interpretations (continued)

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for the Group's assets subject to ECL as at 1 January 2018:

Asset subject to ECL	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9	Retained Earnings effect as at Jan 1, 2018
			RO	RO	RO
Trade receivables	Loans and receivables	Amortised cost	2,737,973	**2,729,044**	8,929
Cash at bank	Loans and receivables	Amortised cost	1,160,509	**1,160,509**	-
Fixed deposit	Loans and receivables	Amortised cost	1,025,000	**1,025,000**	-
Total			**4,923,482**	**4,914,553**	**8,929**

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these consolidated and separate financial statements, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Company and the Group. Information on those expected to be relevant to the Group's financial statements is provided below.

IFRS 16 Leases

IFRS 16 Leases sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the entity. IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application of the standard is permitted for entities adopting IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16. The Company is currently assessing the potential impact of this standard and does not plan to adopt early.

3 New or revised standards or interpretations (continued)

Management anticipates that the new standard, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of the new standard IFRS 16 may have a material impact on the financial statements of the company in the period of initial application. They will require changes to accounting policies, processes and systems.

However, it is not practicable to provide a reasonable estimate of effects of the application of the standard as the Company is still in process of performing a detailed assessment of the application of the new standard and their expected impacts.

Other

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company. These standards are listed as follows:

- IFRIC 23 Uncertainty over Income Tax Positions (effective 1 January 2019);
- Amendments to IFRS 9 Prepayment Features with Negative Compensation (effective 1 January 2019);
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (effective 1 January 2019); and
- IFRS 17 Insurance Contracts (effective 1 January 2022).

4 Summary of accounting policies

4.1 Basis of preparation

The Group consolidated financial statements have been prepared using the measurement bases specified by IFRSs for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and the entity controlled by the Parent Company up to the reporting date. Control is achieved where the Parent Company has the power over the investee, is exposed or has rights to variable return from its involvement with the investee and has the ability to use its power to affect its returns.

4 Summary of accounting policies (continued)

4.3 Business combinations

Entities are consolidated from the date on which control is transferred to the Parent Company and cease to be consolidated from the date on which control is transferred out of the Parent Company. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary. The Parent Company applies the acquisition method to account for business combinations in accordance with IFRS 3 "Business Combinations".

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies consistent with those used by the Parent Company.

All intercompany transactions, balances and gains or losses on transactions between members of the Parent Company are eliminated as part of the consolidation process.

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

Name of the subsidiary	Country of incorporation	Year end	Percentage held		Principal activities
			2018	2017	
Oman Fisheries Co. FZE	UAE	31 December	**100%**	100%	Procurement and sale of fish and fish product
Al Ameen Stores and Refrigeration LLC	Sultanate of Oman	31 December	**100%**	100%	Storing of fish, meat, chicken, vegetables and fruits.

In the Parent Company's separate financial statements, the investment in the subsidiaries are carried at cost less impairment.

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

4 Summary of accounting policies (continued)

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquirer's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquirer's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

4.4 Foreign currency translation

Functional and presentation currency

Consolidated financial statements of the Group are presented in the Rial Omani (RO) which is also the functional currency of the Parent Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognised in the statement of profit or loss and other comprehensive income.

In the Group's financial statements, all items and transactions of Group entities with a transaction currency other than the Rial Omani (the Group's presentation currency) were translated into the reporting currency. Assets and liabilities have been translated into the Rial Omani at the closing rate at the reporting date.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

4 Summary of accounting policies (continued)

4.5 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment) whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker ("CODM"), which is subject to risks and rewards that are different from those of other segments. The CODM, 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.

4.6 Revenue

Revenue of the Company consists of procurement, processing and sale of fresh, frozen and coated fish. The Company also offers the ready to eat breaded and battered seafood products such as Fish Finger, Fish Nuggets, Fish Fillets etc.

As described in Note 3.1, the Company uses the following 5 steps model for revenue recognition.

- Identifying the contract with a customer
- Identifying performance obligation
- Determining the transaction price
- Allocating the transaction price to the performance obligation
- Recognising revenue when/as performance obligations are satisfied

Local sales

Revenue from local sales is recorded at a point in time when entity transfers the control of goods to the customer. This is generally when the goods are delivered to the customer.

Export sales

Revenue is recognised when the control of the goods is transferred to the customer, which is being the goods are delivered to the port of departure or the port of arrival depending on the specific term of the contract with the customer. Hence, revenue is recognised at a point in time.

Policy applicable before 1 January 2018

Revenue comprises revenue from the sale of fish products and rental income earned on rental of processing plant. Revenue is measured by reference to the fair value of consideration received or receivable by the Company for goods supplied, excluding trade discounts.

4 Summary of accounting policies (continued)

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods supplied or the services provided;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company, and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

4.7 Financial instruments

IFRS 9 Financial instruments

Recognition & Initial measurement of financial instruments

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Classification and measurement of financial assets and financial liabilities

IFRS 9 Financial Instruments introduces principle-based requirements for the classification of financial assets and liabilities. The standard contains two primary measurement categories for financial assets: amortised cost and fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables. The classification of financial assets under IFRS 9 is generally based on the business model in which the financial asset is managed and contractual cash flow characteristics.

Initial recognition

Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income – debt instruments; fair value through other comprehensive income – equity instruments; or fair value through profit or loss account.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss account:

Oman Fisheries CO.S.A.O.G

4 Summary of accounting policies (continued)

Business model test: The objective of the entity's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The business model reflects how the Company manages the assets in order to generate cash flows. This is whether the Company objective is solely to collect contractual cash flows from the assets or is it to collect both the contractual cash flows and cash flows arising from the sale of the assets. If neither of these are applicable then the financial assets are classified as other business model. Factors considered by the Company in determining the business model for a Company of assets includes the past experience on how the cash flows for the asset were collected, how the assets performance was evaluated by the key management personnel, how risks are assessed and managed and how managers are compensated.

Contractual cash flows comprise of solely payment of principal and interest

Where the Company has a business model to collect contractual cash flows, the Company assesses whether the financial instrument cash flows represents solely payments of principal and interest (SPPI). 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. Interest is defined as consideration for time value of money and for the credit risk associated with the principal and for other basic lending risks and costs as well as a profit margin.

In making this assessment, the Company considers whether the contractual cash flows are consistent with the basic lending agreement which means the interest paid only includes the consideration for time value of money and credit risk. Financial instruments whose cash flows characteristics include elements other than time value of money and credit risk do not pass the test and are classified and measured at fair value through profit or loss.

Financial assets at fair value through other comprehensive income

Equity instrument which are not held for trading or issued as contingent consideration in business combination, and for which the company has made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss. This election is made on an investment-by-investment basis.

4 Summary of accounting policies (continued)

Debt instruments where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets at fair value through profit or loss accounts

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss account.

Financial assets, at initial recognition, may be designated at fair value through profit or loss, if the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis.

Financial Liabilities

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss account. A financial liability is classified as at fair value through profit or loss account if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities, at initial recognition, may be designated at fair value through profit or loss if the following criteria are met:

The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis;

The liabilities are part of a Company of financial liabilities which are managed and their performance evaluated on fair value basis, in accordance with a documented risk management strategy; or

The financial liability contains an embedded derivative that would otherwise need to be separately recorded.

Financial liabilities at fair value through profit or loss account are measured at fair value and net gains and losses, including any interest expense, are recognised in the profit or loss account

4 Summary of accounting policies (continued)

Subsequent measurement and gain or losses

Financial assets

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the profit or loss account. Any gain or loss on derecognition is recognised in the profit or loss account.

Financial assets at fair value through other comprehensive income

a) Debt instruments

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the profit or loss account. Other net gains and losses are recognised in the statement of other comprehensive income. On derecognition, gains and losses accumulated in the statement of other comprehensive income are reclassified to the profit or loss account.

b) Equity instruments

These assets are subsequently measured at fair value. Dividends are recognised as income in the profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in the statement of other comprehensive income and are never reclassified to the profit or loss account.

Financial assets at fair value through profit or loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the profit or loss account.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method, if applicable. The effective interest method is the method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

4 Summary of accounting policies (continued)

Interest expense and foreign exchange gains and losses are recognised in the profit or loss account. Any gain or loss on derecognition is also recognised in the profit or loss account.

Reclassification

Financial assets

The Company will only reclassify financial assets if, and only if, the objective of the business model for managing those financial assets is changed. Such changes are expected to be very infrequent as these changes must be significant to the Company's operations and demonstrable to external parties.

If he Company determines that its business model has changed in a way that is significant to its operations, then it reclassifies all affected assets prospectively from the first day of the next reporting period (the reclassification date). Prior periods are not restated.

Financial liabilities

The Company determines the classification of financial liabilities on initial recognition. Subsequent reclassification is not allowed. The Company's financial liabilities include trade payables, accruals and provisions, amounts due to the related parties, term loans and short term loan which are measured at amortised cost.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the profit or loss account.

Financial liabilities

If the terms of a financial liability are modified and the cash flows of the modified liability are substantially different then, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss account.

Oman Fisheries CO.S.A.O.G

4 Summary of accounting policies (continued)

Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

a) The rights to receive cash flows from the asset have expired; or

b) The Company retains the right to receive cash flows from the asset, but assumes an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

c) The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in the statement of other comprehensive income is recognised in the profit or loss account.

From 1 January 2018, any cumulative gain/loss recognised in the statement of other comprehensive income in respect of equity instrument designated as fair value through other comprehensive is not recognised in the profit or loss account on derecognition of such instrument. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

4 Summary of accounting policies (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss account.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if:

- there is a currently enforceable legal right to offset the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets receivables`, lease receivables and debt investments at FVOCI, but not on investments in equity instruments. The financial assets at amortized cost consist of trade receivables and cash at bank.

Under IFRS 9, loss allowance are measured on either of the following bases:

- 12 month ECL: these are ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECL: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured as 12- month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Finance assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

4 Summary of accounting policies (continued)

General approach

General approach is a three-stage approach to measuring ECL. Assets migrate through the three stages based on the change in credit quality since initial recognition. Financial assets with significant increase in credit risk since initial recognition, but not credit impaired, are transitioned to stage 2 from stage 1 and ECL is recognized based on the probability of default (PD) of the counter party occurring over the life of the asset. All other financial assets are considered to be in stage 1 unless it is credit impaired and an ECL is recognized based on the PD of the customer within next 12 months. Financial assets are assessed as credit impaired when there is a detrimental impact on the estimated future cash flows of the financial asset.

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held) or based on the certain delinquency period (days past due).

Simplified approach

The Company applies simplified approach to measuring credit losses, which mandates recognition of lifetime expected loss allowance for trade receivables without significant financing component. Under simplified approach, there is no need to monitor for significant increases in credit risk and the company will be required to measure lifetime expected credit losses at all times.

Measurement of ECLs:

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

4 Summary of accounting policies (continued)

Credit- impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Presentation of impairment

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to financial assets are presented separately in the statement of profit or loss and other comprehensive income.

Policy applicable before 1 January 2018

Trade and other receivables

Trade and other receivables are initially recognised at cost and subsequently measured at amortised cost, using the effective interest method. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents

Cash and bank balance comprises of cash in hand and cash at bank which is subject to insignificant risk of changes in value.

Interest-bearing borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense of the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount of the financial liability. Instalments due within one year at amortised cost are shown as a current liability.

4 Summary of accounting policies (continued)

Interest costs are recognised as an expense when incurred except those that qualify for capitalisation.

Trade and other payables

Trade payables are initially measured at their fair value at the time of the transaction and subsequently measured at amortised cost, using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount of the financial liability. Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Group.

4.8 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group. Property, plant and equipment are subsequently measured using the cost model, cost less accumulated depreciation and impairment losses.

Depreciation is recognised on straight-line to write down the cost less estimated residual value of property, plant and equipment other than land. The following useful lives are applied:

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

The depreciation method, 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 or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

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.

4 Summary of accounting policies (continued)

4.9 Impairment testing

Property, plant and equipment are subject to impairment testing. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. The management of the Group has reviewed the assets of the Group and is of the opinion that no impairment has occurred to any of the Group's property, plant and equipment.

Individual assets or cash-generating units with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

4.10 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 estimated selling price in the ordinary course of business less any applicable selling expenses. An allowance is made where necessary for obsolete, slow moving and defective items.

4.11 Income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

4 Summary of accounting policies (continued)

Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions.

4.12 Equity and dividend payments

Share capital represents the nominal value of shares that have been issued.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

4.13 Employees' terminal benefits

The provision for employees' terminal benefits is based upon the liability 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 and the Social Security Law, 1991.

Government of Oman Social Insurance Scheme (the Scheme)

The Group contributes to the Scheme for all Omani employees. The Scheme, which is a defined contributions retirement plan, is administered by the Government of Oman. The Group and Omani employees are required to make monthly contributions to the Scheme at 11.5% and 7% respectively, of gross salaries.

Non-Omani employee terminal benefits

The provision for end of service benefits for non-Omani employees is made in accordance with the requirements of the Oman Labour Law of 2003. Employees are entitled to end of service benefits calculated at the rate of 15 days basic salary for each of the first three years of continuous service and at a rate of 30 days basic salary for each year of continuous service following the first three years. This is an unfunded defined benefits retirement plan. Accrued non-Omani staff terminal benefits are payable on termination of employment.

4.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

4 Summary of accounting policies (continued)

4.15 Earnings per share

The Group presents basic and diluted 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 Group by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

4.16 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 provided that such fees shall not exceed 5% of the annual net profit after deduction of the legal reserve, the optional reserve and 5% of share capital as the 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.

The Annual General Meeting of the public joint stock Company that makes no profits but whose capital is not eroded or make less profits to the extent that notionally calculating or distributing dividends to shareholders is not possible, shall determine the annual remuneration at not more than RO 50,000.

4.17 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain.

A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long term provisions are discounted to their present values, where the time value of money is material.

4 Summary of accounting policies (continued)

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

4.18 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements management makes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following are the judgements made by management in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. At 31 December 2018 management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amounts are mentioned in Note 5.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

4 Summary of accounting policies (continued)

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible.

Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Measurement of the expected credit loss allowance

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the accounting policy above.

5 Property, plant and equipment

Group

	Land, buildings and cabins RO	Plant and equipment RO	Boats and trawlers RO	Motor vehicles RO	Furniture, fixture and office equipment RO	Capital work in progress RO	Total RO
Cost							
Balance 1 April 2018	6,764,890	5,942,775	1,049,832	939,232	635,103	44,887	15,376,719
Additions	22,300	19,910	-	-	33,589	(6,550)	69,249
Balance at 31 December 2018	6,787,190	5,962,685	1,049,832	939,232	668,692	38,337	15,445,968
Depreciation							
Balance at 1 April 2018	2,687,497	3,644,362	620,828	748,904	561,369	-	8,262,960
Provided during the period	252,362	338,747	65,498	97,007	22,961	-	776,575
Balance at 31 December 2018	2,939,859	3,983,109	686,326	845,911	584,330	-	9,039,535
At 31 December 2018	3,847,331	1,979,576	363,506	93,321	84,362	38,337	6,406,433

5 Property, plant and equipment (continued)

For the comparative year the carrying amounts can be presented as follows:

	Land, buildings and cabins RO	Plant and equipment RO	Boats and trawlers RO	Motor vehicles RO	Furniture, fixture and office equipment RO	Capital work in progress RO	Total RO
Cost							
Balance 1 April 2017	5,577,929	6,010,848	1,050,622	941,597	593,637	37,337	14,211,970
Additions	1,216,000	212,403	-	35,750	45,335	7,550	1,517,038
Disposal	(29,039)	(280,476)	(790)	(38,115)	(3,869)	-	(352,289)
Balance at 31 March 2018	6,764,890	5,942,775	1,049,832	939,232	635,103	44,887	15,376,719
Depreciation:							
Balance at 1 April 2017	2,395,752	3,344,169	513,101	645,101	510,889	-	7,409,012
Provided during the year	304,041	475,709	108,515	141,908	53,859	-	1,084,032
Disposal	(12,296)	(175,516)	(788)	(38,105)	(3,379)	-	(230,084)
Balance at 31 March 2018	2,687,497	3,644,362	620,828	748,904	561,369	-	8,262,960
Carrying amount 31 March 2018	4,077,393	2,298,413	429,004	190,328	73,734	44,887	7,113,759

Parent Company

	Land, buildings and cabins RO	**Plant and equipment RO**	**Boats and trawlers RO**	**Motor vehicles RO**	**Furniture, fixture and office equipment RO**	**Capital work in progress RO**	**Total RO**
Cost							
Balance 1 April 2018	**4,192,381**	**4,649,759**	**1,049,832**	**461,183**	**579,624**	**38,337**	**10,971,116**
Additions	**4,450**	**19,780**	**-**	**-**	**12,389**	**-**	**36,619**
Balance at 31 December 2018	**4,196,831**	**4,669,539**	**1,049,832**	**461,183**	**592,013**	**38,337**	**11,007,735**
Depreciation							
Balance at 1 April 2018	**2,227,007**	**3,046,336**	**620,828**	**379,425**	**515,245**	**-**	**6,788,841**
Provided during the period	**158,419**	**262,344**	**65,498**	**32,073**	**16,950**	**-**	**535,284**
Balance at 31 December 2018	**2,385,426**	**3,308,680**	**686,326**	**411,498**	**532,195**	**-**	**7,324,125**
At 31 December 2018	**1,811,405**	**1,360,859**	**363,506**	**49,685**	**59,818**	**38,337**	**3,683,610**

5 Property, plant and equipment (continued)

For the comparative year the carrying amounts can be presented as follows:

	Land, buildings and cabins RO	Plant and equipment RO	Boats and trawlers RO	Motor vehicles RO	Furniture, fixture and office equipment RO	Capital work in progress RO	Total RO
Cost							
Balance 1 April 2017	4,131,420	4,774,462	1,050,622	470,298	540,923	30,787	10,998,512
Additions	90,000	155,773	-	29,000	42,570	7,550	324,893
Disposal	(29,039)	(280,476)	(790)	(38,115)	(3,869)	-	(352,289)
Balance at 31 March 2018	4,192,381	4,649,759	1,049,832	461,183	579,624	38,337	10,971,116
Depreciation							
Balance at 1 April 2017	2,026,228	2,851,661	513,101	367,391	474,932	-	6,233,313
Provided during the year	213,075	370,191	108,515	50,139	43,692	-	785,612
Disposal	(12,296)	(175,516)	(788)	(38,105)	(3,379)	-	(230,084)
Balance 31 March 2018	2,227,007	3,046,336	620,828	379,425	515,245	-	6,788,841
Carrying amount 31 March 2018	1,965,374	1,603,423	429,004	81,758	64,379	38,337	4,182,275

Depreciation charge for the year has been allocated between the cost of sales and admin and general expenses as follows:

	Group		Parent Company	
	Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018	**Period from 1 April 2018 to 31 December 2018**	Period from 1 April 2017 to 31 March 2018
	RO	RO	**RO**	RO
Cost of goods sold (Note 21)	**570,902**	742,612	**335,622**	454,361
Administration and general expenses (Note 22)	**205,673**	341,420	**199,662**	331,251
	776,575	1,084,032	**535,284**	785,612

6 Inventories

	Group		Parent Company	
	31 December 2018	31 March 2018	**31 December 2018**	31 March 2018
	RO	RO	**RO**	RO
Fish	**4,189,785**	3,453,740	**4,189,689**	3,453,741
Trading stock	**25,334**	180,146	**-**	-
Packing materials	**160,034**	147,746	**160,034**	147,746
Maintenance spares	**86,465**	82,177	**86,465**	82,177
Others	**19,591**	10,690	**14,341**	10,545
	4,481,209	3,874,499	**4,450,529**	3,694,209
Less: allowance for slow moving inventory	**-**	(42,489)	**-**	(42,489)
	4,481,209	3,832,010	**4,450,529**	3,651,720

Movement in allowance for slow moving inventory was as follows:

	Parent Company and Group	
	31 December 2018	31 March 2018
	RO	RO
Opening balance	**42,489**	108,232
Less: Write-off	**(42,489)**	(65,743)
Closing balance	**-**	42,489

7 Trade and other receivables

	Group		Parent Company	
	31 December 2018	31 March 2018	**31 December 2018**	31 March 2018
	RO	RO	**RO**	RO
Financial assets				
Trade receivables	**3,346,006**	3,095,456	**2,911,749**	2,411,880
Less: allowance for impaired receivables	**(367,441)**	(357,483)	**(359,818)**	(344,937)
	2,978,565	2,737,973	**2,551,931**	2,066,943
Accrued income	**29,624**	28,559	**29,624**	28,559
Other receivables	**314,613**	222,810	**228,496**	222,171
Non-financial assets				
Advances to suppliers	**599,058**	564,395	**599,058**	512,608
Less: allowance for advance to suppliers	**(194,526)**	(145,059)	**(194,526)**	(145,059)
	404,532	419,336	**404,532**	367,549
Prepayments	**43,770**	93,896	**30,300**	72,936
	3,771,104	3,502,574	**3,244,883**	2,758,158

7 Trade and other receivables (continued)

At the reporting date, 53% of trade receivables are receivable from five parties outside the Sultanate of Oman and four parties in the Sultanate of Oman (31 March 2018: 55% from three parties outside the Sultanate of Oman and five parties in the Sultanate of Oman).

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Note 29 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses. The above comparative for impairment provisions refers to the IAS 39 measurement basis which applied an incurred loss model, whereas the current year applies IFRS 9 which is an expected loss model.

Other receivables includes an amount of RO 110,000 (31 March 2018: RO 110,000) receivable from Ministry of Finance in respect of claim against the custom duty paid by the Company at the time of import for duty exempted goods.

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

	Group		**Parent Company**	
	31 December 2018	31 March 2018	**31 December 2018**	31 March 2018
	RO	RO	**RO**	RO
USD	**1,866,902**	1,465,705	**1,866,255**	1,421,941
Rial Omani	**1,462,329**	1,629,207	**1,045,493**	989,939
UAE Dirhams	**16,775**	544	**-**	-
	3,346,006	3,095,456	**2,911,749**	2,411,880

8 Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL include the investment in listed equity securities. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for it at Fair Value through OCI. The movement in financial assets at FVTPL is as follows:

	Group and Parent Company	
	31 December 2018	31 March 2018
	RO	RO
Opening balance	**193,088**	256,936
Disposals	**-**	(34,971)
Change in the fair value (Note 24)	**(5,484)**	(28,877)
Closing balance	**187,604**	193,088

8 Financial assets at fair value through profit or loss (FVTPL) (continued)

Investments at FVTPL can be analysed based on sectors as below:

	Parent Company and Group			
	31 December 2018		31 March 2018	
	Cost	**Fair Value**	Cost	Fair value
	RO	**RO**	RO	RO
Banking	**72**	**126**	72	158
Services	**170,865**	**159,379**	170,865	148,290
Industrial	**51,028**	**28,099**	51,028	44,640
	221,965	**187,604**	221,965	193,088

Details of significant investments held by the Parent Company and Group are as follows:

31 December 2018

	Number of shares	Market value RO	Cost RO
Oman Telecommunication Co. SAOG	**29,600**	**23,325**	**42,032**
SMN Power Holding Co. SAOG	**58,110**	**21,617**	**40,677**
Omani Qatari Telecommunication Co. SAOG	**221,700**	**125,926**	**118,831**

1 April 2018

	Number of shares	Market value RO	Cost RO
Oman Telecommunication Co. SAOG	29,600	26,995	42,032
SMN Power Holding Co. SAOG	58,110	38,353	40,677
Omani Qatari Telecommunication Co. SAOG	221,700	113,293	118,831

9 Cash and cash equivalents

	Group		Parent Company	
	31 December 2018	31 March 2018	**31 December 2018**	31 March 2018
	RO	RO	**RO**	RO
Cash in hand	**38,561**	33,092	**36,633**	33,092
Cash at bank	**870,317**	1,160,509	**864,465**	1,140,560
	908,878	1,193,601	**901,098**	1,173,652

9.1 Fixed deposit

The Company has placed term deposit with a local commercial banks and earns interest at the rate of 3.50% (31 March 2018: 2.50%) per annum and are maturing on 13 June 2020.

10 Share capital

The authorised and issued and paid up share capital comprises of 125,000,000 (31 March 2018 - 125,000,000) fully paid ordinary shares of RO 0.100 (31 March 2018 - 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:

	31 Dec 2018 Number of shares	% Holding	1 April 2018 Number of shares	% Holding
Oman Food Investment Holding Co. (SAOC)	**30,000,000**	**24**	30,000,000	24

11 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.

12 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.

13 Term loans

The Parent Company has obtained a term loan from Oman Development Bank of RO 167,612 carrying interest at 3% during the year 2014. The loan is repayable in twenty quarterly instalments.

A subsidiary company has obtained a loan from a local commercial bank repayable in equal monthly instalments over 10 years with the first monthly instalment due in April 2013. The facility is secured against the corporate guarantee given by the Parent Company and carries interest at 6.25% per annum.

	Group		Parent Company	
	31 December 2018 RO	31 March 2018 RO	31 December 2018 RO	31 March 2018 RO
Non-current:				
Term loan	**919,042**	1,096,050	**69,065**	96,071
Current portion	**(234,682)**	(234,682)	**(34,678)**	(34,678)
Total non-current	**684,360**	861,368	**34,387**	61,393
Within one year	**234,682**	234,682	**34,678**	34,678
Above one year and within five years	**684,360**	861,368	**34,387**	61,393
Total borrowings	**919,042**	1,096,050	**69,065**	96,071
Future interest cost	**117,450**	160,133	**2,343**	3,583

13 Term loans (continued)

13.1 Reconciliation of liabilities arising from financing activities

Reconciliation of movement of liabilities to cash flows arising from financing activities:

	Group		Parent Company	
	Long term loan	Short term loan	Long term loan	Short term loan
	RO	RO	RO	RO
Balance at the beginning of the period	1,096,050	-	96,071	-
Receipts during the period	-	2,000,000	-	2,000,000
Repayments during the period	(177,008)	(500,000)	(27,006)	(500,000)
Balance at the end of the period	919,042	1,500,000	69,065	1,500,000

14 Staff terminal benefits

	Group		Parent Company	
	31 December 2018	31 March 2018	31 December 2018	31 March 2018
	RO	RO	RO	RO
Opening balance	132,220	135,350	123,072	128,847
Provided during the period/year	3,414	23,472	748	20,116
Paid during the period/year	(33,779)	(26,602)	(33,490)	(25,891)
Closing balance	101,855	132,220	90,330	123,072

15 Short term loans

During the year, the Company obtained short term loans from local commercial bank. The loan carry mark-up at 3.25%. The loan is secured against lien over fixed deposit of RO 1,000,000 including accrued interest of RO 25,000 held in the Company's account with the Bank.

16 Trade and other payables

	Group		Parent Company	
	31 December 2018	31 March 2018	31 December 2018	31 March 2018
	RO	RO	RO	RO
Trade payables	473,702	945,847	429,594	693,348
Accruals and provisions	389,687	451,036	347,356	416,346
Advances from customers	106,329	81,458	106,329	67,514
	969,718	1,478,341	883,279	1,177,208

17 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:

	Group		Parent Company	
	31 December 2018	31 March 2018	**31 December 2018**	31 March 2018
Net assets (RO)	**13,956,424**	14,669,690	**11,991,118**	12,603,749
Number of shares outstanding (No.)	**125,000,000**	125,000,000	**125,000,000**	25,000,000
Net Assets per share (RO)	**0.112**	0.117	**0.096**	0.101

18 Related party transactions and balances

The Group and the Parent Company enter into transactions with shareholders, with entities over which certain Directors have significant influence and with senior management. The Parent Company also 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.

	Parent Company	
	31 December 2018	31 March 2018
	RO	RO
Amounts due from related parties:		
Al Ameen Cold Stores and Refrigeration LLC	**308,133**	2,396,150
Oman Fisheries FZE - Sharjah	**43,764**	43,764
	351,897	2,439,914

	Parent Company	
	31 December 2018	31 March 2018
	RO	RO
Amounts due to related parties:		
Al Ameen Cold Stores and Refrigeration LLC	**502,473**	2,467,070
Oman Fisheries FZE - Sharjah	**60,814**	74,465
	563,287	2,541,535

Amounts due from and due to the related parties do not carry interest and have no fixed repayment terms. However, management has estimated the receipts are expected within the next twelve months and accordingly classified as a current.

18 Related party transactions and balances (continued)

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

	Parent Company	
	Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018
Hire charges of cold store	**680,561**	757,425
Hire charges of vehicles	**98,010**	144,893
Management charges	**270,000**	360,000
Rent	**23,004**	30,672

b) Sitting fees and remuneration:

	Parent Company and Group	
	Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018
Directors› sitting fees	**23,100**	30,450
Directors' remuneration	**-**	25,550
	23,100	56,000

c) Key management compensation:

	Group	
	Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018
Salaries and allowances	**233,286**	231,729
Other benefits and expenses	**53,422**	19,150
End of service benefits	**23,843**	5,196
	310,551	256,075

19 Sales

	Group		Parent Company	
	Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018	**Period from 1 April 2018 to 31 December 2018**	Period from 1 April 2017 to 31 March 2018
	RO	RO	**RO**	RO
Export sales	**12,323,140**	19,608,609	**11,953,439**	18,822,956
Local sales	**2,257,414**	4,150,678	**1,549,097**	2,360,644
	14,580,554	23,759,287	**13,502,536**	21,183,600

The Parent Company and Group's revenue disaggregated by primary geographical markets is as follows:

	Group		**Parent Company**	
	Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018	**Period from 1 April 2018 to 31 December 2018**	Period from 1 April 2017 to 31 March 2018
	RO	RO	**RO**	RO
Far East	**6,563,147**	10,638,650	**6,563,147**	9,477,700
GCC and Middle East	**2,999,384**	5,798,781	**2,150,655**	4,356,044
Africa and others	**2,891,371**	5,096,030	**2,784,358**	5,129,804
Europe	**2,126,652**	2,225,826	**2,004,376**	2,220,052
	14,580,554	23,759,287	**13,502,536**	21,183,600

The Parent Company and Group's revenue disaggregated by pattern of revenue recognition is as follows:

	Group		**Parent Company**	
	Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018	**Period from 1 April 2018 to 31 December 2018**	Period from 1 April 2017 to 31 March 2018
	RO	RO	**RO**	RO
Goods transferred at a point in time	**14,580,554**	23,759,287	**13,502,536**	21,183,600

20 Other income

	Group		Parent Company	
	Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018	**Period from 1 April 2018 to 31 December 2018**	Period from 1 April 2017 to 31 March 2018
	RO	RO	**RO**	RO
Income from sale of ice	**6,162**	3,805	**6,162**	3,805
Compensation from Ministry - net	**16,981**	22,880	**16,981**	22,880
Lease rentals	**64,975**	206,082	**64,975**	206,082
Accrual written back	**24,093**	63,312	**24,093**	63,312
Insurance claim	**56,298**	17,536	**56,298**	17,536
Management Charges	**-**	-	**293,004**	390,672
Others	**40,840**	61,670	**21,674**	61,670
	209,349	375,285	**483,187**	765,957

Lease rental income related to branches and shops rented to third parties for processing and sale of fish on the behalf of the parent Company at agreed compensation.

21 Direct costs

	Group		Parent Company	
	Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018	**Period from 1 April 2018 to 31 December 2018**	Period from 1 April 2017 to 31 March 2018
	RO	RO	**RO**	RO
Opening stock of fish and meat	**3,591,397**	1,426,413	**3,411,252**	941,674
Purchases	**11,233,619**	19,257,125	**10,613,484**	17,669,980
Processing charges	**21,352**	307,592	**21,352**	307,592
Packing material consumed	**291,475**	500,609	**291,475**	500,609
Hire charges of cold store	**485**	976	**681,046**	758,459
Custom and clearing charges	**34,980**	108,192	**660**	34,780
Staff cost and wages	**962,111**	950,754	**792,831**	775,984
Utilities	**159,612**	170,854	**159,612**	170,854
Depreciation (Note 5)	**570,902**	742,612	**335,622**	454,361
Ice and production charges	**19,628**	41,038	**19,629**	41,178
Closing stock fish & meat	**(4,220,369)**	(3,591,397)	**(4,189,689)**	(3,411,252)
	12,665,192	19,914,768	**12,137,274**	18,244,219

22 Administrative expenses

	Group		Parent Company	
	Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018	**Period from 1 April 2018 to 31 December 2018**	Period from 1 April 2017 to 31 March 2018
	RO	RO	**RO**	RO
Depreciation (Note 5)	**205,673**	341,420	**199,662**	331,251
Staff costs	**835,957**	945,989	**759,376**	842,531
Repairs and maintenance	**164,888**	311,385	**137,434**	287,332
Vehicle expenses	**172,395**	190,568	**48,404**	63,462
Boat expenses	**39,947**	62,700	**39,947**	62,700
Electricity, water and fuel	**138,236**	144,393	**27,385**	35,043
Sundry expenses	**66,902**	59,303	**63,990**	49,400
Professional fees	**73,838**	52,167	**63,151**	44,053
Insurance costs	**35,085**	58,369	**25,307**	47,960
Rent	**40,437**	67,056	**25,187**	51,267
Communication expenses	**35,307**	43,432	**28,617**	34,389
Traveling and entertainment	**50,029**	62,172	**42,948**	55,336
Directors› remuneration (Note 18)	**-**	25,550		25,550
Printing and stationary	**14,435**	12,483	**12,554**	11,512
Directors› sitting fees (Note 18)	**23,100**	30,450	**19,700**	24,450
Allowance for impairment of trade receivables (Note 7)	**5,952**	41,059	**5,952**	36,836
Bank charges	**5,624**	5,283	**5,490**	5,282
Provision for advances to suppliers	**49,467**	129,800	**49,467**	129,800
	1,957,272	2,583,579	**1,554,571**	2,138,154

23 Selling and distribution expenses

	Group		Parent Company	
	Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018	**Period from 1 April 2018 to 31 December 2018**	Period from 1 April 2017 to 31 March 2018
	RO	RO	**RO**	RO
Freight	**793,388**	1,145,798	**865,778**	1,265,958
Export related expenses	**61,316**	85,368	**61,006**	84,479
Sales promotion expenses	**69,741**	119,181	**67,982**	106,035
	924,445	1,350,347	**994,766**	1,456,472

Oman Fisheries CO.S.A.O.G

24 Loss on investment – net

	Group		Parent Company	
	Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018	**Period from 1 April 2018 to 31 December 2018**	Period from 1 April 2017 to 31 March 2018
	RO	RO	**RO**	RO
Dividends income	**1,109**	13,396	**1,109**	13,396
Loss on sale of financial assets at fair value through profit or loss	**-**	1,554	**-**	1,554
Change in fair value loss on financial assets at fair value through profit or loss – net	**(5,484)**	(28,877)	**(5,484)**	(28,877)
	(4,375)	(13,927)	**(4,375)**	(13,927)

25 Finance income / cost

	Group		Parent Company	
	Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018	**Period from 1 April 2018 to 31 December 2018**	Period from 1 April 2017 to 31 March 2018
	RO	RO	**RO**	RO
Finance income				
Interest income on deposit	**26,606**	65,746	**26,606**	65,746
Finance cost				
Interest expense on short term loan	**(80,489)**	(100,314)	**(36,276)**	(29,665)

26 Basic and diluted earnings per share

The earning 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.

	Group		Parent Company	
	31 December 2018	31 March 2018	**31 December 2018**	31 March 2018
	RO	RO	**RO**	RO
(Loss)/Profit attributable to shareholders (RO)	**(675,300)**	116,071	**(589,379)**	18,918
Weighted average number of shares outstanding	**125,000,000**	125,000,000	**125,000,000**	125,000,000
(Loss)/Earnings per share (RO)	**(0.0054)**	0.0009	**(0.0047)**	0.0002

27 Income tax

The Group has provided for taxation in accordance with the income tax laws of the Sultanate of Oman at the rate of 15% on taxable profits (31 March 2018: 15% on taxable profits).

	31 December 2018 RO	31 March 2018 RO
Parent Company		
Recognised in statement of profit and loss and other comprehensive income:		
Current tax expense	-	-
Prior years expense	-	614
Deferred tax	125,554	22,346
Income tax (income)/expense	125,554	22,960
Presented in statement of financial position as:		
Deferred tax asset	727,632	602,078
Group		
Recognised in statement of profit and loss and other comprehensive income:		
Current tax expense	-	21,453
Prior years expense	-	2,907
Deferred tax	(139,964)	5,964
Income tax (income)/expense	(139,964)	30,324
Presented in statement of financial position as:		
Deferred tax asset	675,393	537,722

The relationship between the expected tax income and the reported tax expense in the profit or loss can be reconciled as follows:

	Parent Company	
	Year ended 31 December 2018 RO	Year ended 31 March 2018 RO
(Loss)/Profit before tax	(714,933)	41,878
Add:		
Accounting depreciation	535,284	785,612
Change in fair value of financial assets	5,484	28,877
Brokerage for investment	-	388
Tax consultation fees	800	800
Loss on disposal of fixed assets	-	90,988
Provision for credit losses	55,419	36,836
	(117,946)	985,379
Deduct:		
Tax depreciation	(610,835)	(673,952)
Tax gain on disposal of fixed assets	-	(20,084)
Reversal of provision for obsolete inventories	-	(65,743)
Reversal of provision for credit losses	-	(2,463)
Gain on disposal of financial assets	-	(1,554)
Dividend income	(1,109)	(13,396)
Taxable (loss)/profit	(729,890)	208,187
Loss brought forward from previous years	(3,813,006)	(4,021,193)
Tax rate	15%	15%
Income tax for the year	-	-

27 Income tax (continued)

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 15% (31 March 2018 – 15%). The net deferred tax asset in the statement of financial position and deferred tax (charge)/credit in the profit or losses attributable to the following items:

	1 April 2018	(Charged)/ credited to profit or loss	**31 December 2018**
	RO	RO	**RO**
Parent Company			
Deferred tax asset/ (liability)			
Allowance for obsolete inventory	6,374	(6,374)	**-**
Allowance for impairment of receivables	51,741	31,411	**83,152**
Depreciation	(25,918)	(11,036)	**(36,954)**
Tax losses	569,881	111,553	**681,434**
	602,078	125,554	**727,632**
Group			
Deferred tax asset			
Allowance for obsolete inventory	6,374	(6,374)	**-**
Allowance for impairment of receivables	53,613	30,682	**84,295**
Depreciation	(94,439)	(10,327)	**(104,766)**
Tax losses	569,881	125,983	**695,864**
	535,429	139,964	**675,393**

	1 April 2017	Charged / (credited) to profit or loss	31 March 2018
	RO	RO	RO
Parent Company			
Deferred tax asset/ (liability)			
Allowance for obsolete inventory	16,235	(9,861)	6,374
Allowance for impairment of receivables	46,585	5,156	51,741
Depreciation	(33,467)	7,549	(25,918)
Tax losses	595,071	(25,190)	569,881
	624,424	(22,346)	602,078
Group			
Deferred tax asset			
Allowance for obsolete inventory	16,235	(9,861)	6,374
Allowance for impairment of receivables	47,833	18,621	66,454
Depreciation	(115,453)	8,173	(107,280)
Tax losses	595,071	(22,897)	572,174
	543,686	(5,964)	**537,722**

27 Income tax (continued)

The Parent Company's tax assessments for the years ended 31 March 2015 has been finalised. Tax assessments for the years ended 31 March 2016 to 2018 are yet to be agreed with Secretariat General of taxation, at Ministry of Finance. The Board of Directors are 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 December 2018. 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 years ended 31 March 2015 has been finalized. Tax assessments for the years ended 31 March 2016 to 31 March 2018 are yet to be agreed with Secretariat General of taxation, at Ministry of Finance. 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 December 2018.

28 Segment information

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("the Board") 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 Board review monthly analysis of these geographical segments by monitoring volume and value and the related debtors. As the Board 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 analysis relating to the primary segment based on the location of the Group's customers is as follows:

Sales

	Group		Parent Company	
	Period from 1 April 2018 to 31 December 2018	Period from 1 April 2017 to 31 March 2018	**Period from 1 April 2018 to 31 December 2018**	Period from 1 April 2017 to 31 March 2018
	RO	RO	**RO**	RO
Far East	**6,563,147**	10,638,650	**6,563,147**	9,477,700
GCC and Middle East	**2,999,384**	5,798,781	**2,150,655**	4,356,044
Africa and others	**2,891,371**	5,096,030	**2,784,358**	5,129,804
Europe	**2,126,652**	2,225,826	**2,004,376**	2,220,052
	14,580,554	23,759,287	**13,502,536**	21,183,600

Oman Fisheries CO.SAOG

29 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.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange and interest rates affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

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 effectively pegged to the US Dollar.

At reporting date, there is no outstanding balance related to Euro transactions, accordingly the Group and Parent Company is not exposed to foreign exchange risk.

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 listed 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 affect stock market movements.

29 Financial risk management (continued)

Sensitivity

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

	Group		Parent Company	
	31 December 2018	31 March 2018	**31 December 2018**	31 March 2018
	RO	RO	**RO**	RO
Index				
MSM	**9,380**	9,654	**9,380**	9,654

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 deposit 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. The Group's policy is to maintain almost all of its borrowings in fixed rate instruments. 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 the reporting date, the Group does not have any variable interest rate instruments.

Credit risk

Credit risk is managed through Company risk management policies and procedures. For banks, only independently rated parties with a rating from reputed credit agency are accepted.

The Company continuously monitors the credit quality based on performance of its customers. The Company's policy is to deal with only credit worthy counter parties. The credit term range between 30 and 90 days. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers performance of its collection in terms of collection received from them. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

29 Financial risk management (continued)

Exposure to credit risk

	Group		Parent Company	
	31 December 2018	31 March 2018	**31 December 2018**	31 March 2018
	RO	RO	**RO**	RO
Trade receivables	**3,346,006**	2,737,973	**2,551,931**	2,066,943
Due from related parties	**-**	-	**351,897**	2,439,914
Accrued income	**29,624**	-	**29,624**	-
Other receivables	**314,613**	222,810	**228,496**	222,171
Cash at bank	**870,317**	1,160,509	**864,465**	1,140,560
	4,560,560	4,121,292	**4,026,413**	5,869,588

Impairment of financial asset

The Company has following types of financial asset that are subject to the expected credit loss model:

- Cash at bank;
- Trade receivables; and
- Amount due from related parties

Cash at bank are subject to the impairment requirements of IFRS 9, however, the identified impairment loss was not significant.

Trade receivables

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 36 months before 31 December 2018. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Company has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period and has not been accounted for in the probability of default calculation.

29 Financial risk management (continued)

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to engage with the Company on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

On the above basis the expected credit loss for trade receivables for Parent Company as at 31 December 2018 and 31 March 2018 was determined as follows:

31 December 2018	**Current**	**Less than 30 days**	**30-60 days**	**60-120 days**	**120-365 days**	**Above 365 days**	**Total**
Provision %-approximation	**0.35%**	**1.75%**	**10.08%**	**4.45%**	**22.62%**	**65.64%**	**12.36%**
Gross Receivables (RO)	**1,454,351**	**513,675**	**124,875**	**291,374**	**60,436**	**467,038**	**2,911,749**
Provision (RO)	**5,037**	**8,995**	**12,594**	**12,953**	**13,673**	**306,566**	**359,818**

31 March 2018	Current	Less than 30 days	30-60 days	60-120 days	120-365 days	Above 365 days	Total
Provision %-approximation	0.34%	2.13%	36.27%	56.89%	87.41%	69.57%	14.67%
Gross Receivables (RO)	1,579,233	331,541	21,463	14,308	10,121	455,214	2,411,880
Provision (RO)	5,308	7,077	7,785	8,139	8,847	316,710	353,866

Impairment loss movement

The closing loss allowances for trade and other receivables for the Parent Company as at 31 December 2018 reconcile to the opening loss allowances as follows:

	2018	2018
1 April – calculated under IAS 39	**344,937**	310,564
Impact of implementation of IFRS-9	**8,929**	-
Opening loss allowance as at 1 April – calculated under IFRS 9	**353,866**	310,564
Charge for the period/year (Note 22)	**5,952**	36,836
Amounts recovered	**-**	(2,463)
At 31 December/31 March	**359,818**	344,937

29 Financial risk management (continued)

The closing loss allowances for trade and other receivables for the Group as at 31 December 2018 reconcile to the opening loss allowances as follows:

	2018	2018
1 April – calculated under IAS 39	**357,483**	318,887
Impact of implementation of IFRS-9	**8,929**	-
Opening loss allowance as at 1 April – calculated under IFRS 9	**366,412**	318,887
Charge for the period/year (Note 22)	**5,952**	41,059
Amounts recovered	**-**	(2,463)
Amount written off	**(4,923)**	-
At 31 December/31 March	**367,441**	357,483

Amount due from a related party

The Company applies IFRS 9 General Model approach to measuring expected credit losses which uses 3 stage model to recognise expected credit loss depending upon the credit risk of the counter party.

To measure the expected credit losses, the Company assess the probability of default by the counter as a result of default event that are possible within 12 months after reporting date. The Company also assess the financial position of the counter party if it has sufficient liquid asset to pay off the balance if repayment is made of demand.

In addition, the Company also determines the loss given default of the amount due from related party. The Company has used the maximum default rate of 45% under Basel II recommended for all non-corporate bank holder.

Based on the factors above, the Company has determined that the balance due is of low credit risk and falls under stage 1, therefore, 12 months expected credit loss will be recognised. The impairment loss calculated is immaterial, therefore, no impact is taken into financial statement for the current year.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due, that are settled by delivery of cash or another financial asset. 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.

29 Financial risk management (continued)

Parent Company

	Carrying amount RO	Less than one year RO	1 to 2 years RO	More then 2 years RO
31 December 2018				
Trade and other payables	**776,950**	**776,950**	**-**	**-**
Amount due to related parties	**563,287**	**563,287**	**-**	**-**
Term loan	**71,408**	**36,078**	**35,330**	**-**
Short-term loan	**1,504,063**	**1,504,063**	**-**	**-**
	2,915,708	**2,880,378**	**35,330**	**-**

Parent Company

	Carrying amount RO	Less than one year RO	1 to 2 years RO	More then 2 years RO
31 March 2018				
Trade and other payables	1,109,694	1,109,694	-	-
Amount due to related parties	2,541,535	2,541,535	-	-
Term loan	99,654	36,417	35,720	27,517
	3,750,883	3,687,646	35,720	27,517

Group

	Carrying amount RO	Less than one year RO	1 to 2 years RO	More then 2 years RO
31 December 2018				
Trade and other payables	**863,389**	**863,389**	**-**	**-**
Term loan	**1,036,492**	**283,751**	**270,036**	**482,705**
Short-term loan	**1,504,063**	**1,504,063**	**-**	**-**
	3,403,944	**2,651,203**	**270,036**	**482,705**

Group

	Carrying amount RO	Less than one year RO	1 to 2 years RO	More then 2 years RO
31 March 2018				
Trade and other payables	1,396,883	1,396,883	-	-
Term loan	1,256,183	305,242	279,835	671,106
	2,653,066	1,702,125	279,835	671,106

30 Fair value estimation

Financial instruments measured or disclosed at fair value in the statement of financial position are categorised into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

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)

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

	Level – 1	Level – 2	Level -3
Parent Company and Group - 31 December 2018	RO	RO	RO
Financial assets at fair value through profit or loss (FVTPL)	187,604	-	-
Parent Company and Group - 31 March 2018			
Financial assets at fair value through profit or loss (FVTPL)	193,088	-	-

31 Commitments and contingent liabilities

During the year ended 31 December 2018, the Parent company entered into an agreement to acquire blast freezer to support its operational activities. The minimum contractual commitment resulting from this agreement is RO 46,858 (31 March 2018: RO Nil).

At 31 December 2018, the Parent company and Group had contingent liabilities in respect of bank guarantees amounting to RO 371,133 (31 March 2018: RO 370,953) 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 (31 March 2018: RO 2,000,000) to local commercial bank against the loan obtained by Al Ameen Stores and Refrigeration LLC.

32 Capital management policies and procedures

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to the Members by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as long term loan less cash and bank balances.

The capital structure of the Group consists of debt, which includes the bank overdraft and term loan, cash at bank and in hand and equity comprising accumulated funds and retained earnings.

The gearing ratio at 31 December 2018 and 31 March 2018 were as follows:

	Group		Parent Company	
	31 December 2018	31 March 2018	**31 December 2018**	31 March 2018
	RO	RO	**RO**	RO
Total debt	**2,419,042**	1,096,050	**1,569,065**	96,071
Total equity	**13,985,461**	14,669,690	**12,005,441**	12,603,749
Net debt to equity ratio	**17.30%**	7.47%	**13.07%**	0.76%

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. Capital requirements are prescribed by the Capital Market Authority and Commercial Companies Law of 1974, as amended.

33 Reclassification of prior year figures

Certain corresponding figures presented for comparative purposes relating to the cost of sales, administration and general expenses and other income have been reclassified to conform the revised presentation adopted during the year in these separate and consolidated financial statements.