HM Sultan Qaboos Bin Said, Sultan of Oman

شركة الأسماك العمانية

Oman Fisheries Co. S.A.O.G

Twentyfour Annual Report
2012 - 2013

شركة الأسماك العمانية

Oman Fisheries Co. S.A.O.G

INDEX

Oman Fisheries Co. S.A.O.G

BOARD MEMBERS

Sheikh Mohammed bin Hamad bin Ali Al Masrouri
Chairman

Dr. Saud bin Hamood bin Ahmed Al Habsi
Deputy Chairman

Abdul Ameer bin Said bin Mohammed
Director

Saleh bin Nasser bin Juma Al Araimi
Director

Qais bin Mahmood bin Abdalla Al Khonji
Director

Sheikh Salah bin Hilal bin Naser Al Mawali
Director

Hani bin Dawood bin Hamdan Al Baharani
Director

Musalam Amer Al Ammri
Director

CHAIRMAN REPORT

Dear Shareholders,

On behalf of members of the Board of Directors I am pleased to welcome you on the occasion of 24th Annual General Meeting of the Company to review together the performance of your Company and to approve annual report and audited financial statement for the financial year ended on 31st March, 2013. I am glade to announce that your Company is committed to follow laws and regulations set up through its Articles of Association and Capital Market Authority.

Financial results and performance of the company:

Your company had achieved consolidated sales turnover of RO 26.15 Million for the financial year ended on 31st March, 2013 as compared to last year turnover of RO 26.31 Million. Company had made sales of RO 21,541,223 by procuring from the local fishermen as compared to the last year turnover of RO 20,779,413 thereby increases of 3.7%. Your company had achieved consolidated operating loss of RO 222,277 for the financial year ended on 31st March, 2013 as compared to consolidated operating profit of RO 863,113 for last year.

Important highlights are as follows:

1. We have faced some product specifications related issues for cuttle fish exported in quarter 1 to 3 from the Far-east market. Most of these problems were over by end of third quarter. Owing to international price competition and product specifications related issues a stock of 2,690 MT was sold at 90 Baize per kg loss. We have initiated long term and short term action plans to build competency in organization by appointing experienced team of quality controllers.

2. Increase in cost of goods to sales percentage by 1.4% as compared to previous year for the same period. This is because of increasing competition and quality demand by customers.

3. As compared to previous year there is increase in depreciation cost by RO 306,348. This is because of additions in fixed assets worth RO 2.9 Million mainly of Al Ameen Stores and Refrigeration LLC

In the area of Investment, there is increase of Muscat Security Market index by 300 points; from 5,690 points as on 1st April, 2012 and 5,990 points as on 31st March, 2013. The Board Members had decided to sell selected portion of the investment and to invest the proceeds in the core business of the Company. The board of directors plants that the company should come out of share market by June 2013. In last F.Y. your company had earned dividend of RO 59,744 and RO 55,887 by way of increase in the fair value of the investment in Muscat Security Market.

The results of F.Y. ended 31st March 2013 represent the consolidation of Oman Fisheries co. SAOG, Oman Fisheries Co. FZE and Al Ameen Stores and Refrigeration LLC.

Your Company has managed to achieve consolidated net profit of RO 70,074 as compared to the last year achievement of RO 995,891.

Your company had finished construction of 1st phase of Cold Store, Al Ameen Stores and Refrigeration LLC; having capacity of 8,000 MT came into operation from April, 2012.

Your company is acting as representative of Government of Sultanate of Oman by signing agreement valuing USD 3 million (RO 1,155,600) received in full from the Ministry of Finance for the support of a proposed fisheries development corporation to be set up in Comoros Islands.

Future outlook

In fourth quarter the Board of Directors has given approval for setting up two new Fish Processing factories in Duqum and Barka to increase our processing capacity as per five years business plan.

Two Fish processing factories are under construction in Salalah and Shoqra. We are expecting the completion of project by September 2013. From next season fish processing will start for these two factories.

Your company has planned to go ahead for RO 3 Million investment in black tiger shrimps farming project. The company has got initial approval from government. The company is looking forward to have strategic partnership for the said project.

Corporate Social Responsibility

On the Social front, the company had sponsored and supported many social events, local communities on their various initiatives. Your Company has been supporting to fishermen as interest free loan towards procurements of boats, engines and fishing supports requested by them. This is being adjusted against the fish supplied by them. The company has supplied ice and bait to our fishermen.

Internal control systems:

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

Acknowledgement

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

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

Mohammed bin Hamad bin Ali al Masrouri
Chairman

Deloitte & Touche (M.E.) & Co. LLC
Muscat International Centre
Location: MBD Area
P.O. Box 258, Ruwi
Postal Code 112
Sultanate of Oman

Tel: +968 2481 7775
Fax: +968 2481 5581
www.deloitte.com

TO THE SHAREHOLDERS OF
OMAN FISHERIES COMPANY SAOG

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

We report our findings as below:

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

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

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

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the accompanying corporate governance report of **Oman Fisheries Company SAOG** to be included in its annual report for the year ended 31 March 2013 and does not extend to any financial statements of **Oman Fisheries Company SAOG**, taken as a whole.

Deloitte & Touche

Deloitte & Touche (M.E.) & Co. LLC
Muscat, Sultanate of Oman
27 May 2013

ديلويت آند توش (الشرق الأوسط) وشركاه ش.م.م
ص.ب: ٢٥٨ - ر.ب: ١١٢
سلطنة عمان
P.O.Box 258, P.C. 112
Sultanate of Oman
Deloitte & Touche (M.E.) & Co. LLC

REPORT ON CORPORATE GOVERNANCE

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

1. Company Philosophy on Code of Corporate Governance

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

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

2. Board of Directors

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

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

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

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

The current Board of directors as on 31st March 2013 consists of 8 members, six of them were elected on 19th June 2012 and other two were appointed by the Cabinet and the details of them is as follows:

Composition of the Board of Directors:

Name of the Director	Designate	Category, basis & Capacity of Membership	Number of other Boards of SAOG Companies in which Director
Mohammed bin Hamad bin Ali al Masrouri	Chairman	Non – Executive, Independent & In Personal Capacity	-
Dr. Saud Bin Hamood Bin Ahmed Al-Habsi	Deputy Chairman	Non – Executive, Independent & Nominee of Ministry of Fisheries Wealth	-
Sheikh Salah bin Hilal bin Naser al Mawali	Director	Non – Executive, Independent & In Personal Capacity	3
Mr. Abdul Ameer bin Said bin Mohammed	Director	Non – Executive, Independent & In Personal Capacity	-
Mr. Hani Bin Dawood Bin Hamdan Al Baharani	Director	Non – Executive, Independent & Nominee of Ministry of Finance.	-
Mr. Saleh bin Nasser bin Juma al Araimi	Director	Non – Executive, Independent & In Personal Capacity	1
Mr. Qais bin Mahmood bin Abdalla al Khonji	Director	Non – Executive, Independent & In Personal Capacity	1
Mr. Musalam Amer Al – Ammri	Director	Non – Executive, Independent & In Personal Capacity	-

Number of Meetings held and Dates of the meeting:

Meeting Description	Name of Directors / Members	Designation	Date of holding Meeting
Board of Directors Meeting	All Directors		• 20/05/2012 • 19/06/2012 • 02/10/2012 • 22/10/2012 • 31/12/2012 • 03/03/2013 • 24/03/2013
Executive Committee Meeting	Dr. Saud Bin Hamood Bin Ahmed Al-Habsi Mr. Saleh bin Nasser bin Juma al Araimi Mr. Qais bin Mahmood bin Abdalla al Khonji Mr. Musalam Amer Al – Ammri	Chairman	• 10/12/2012 • 12/02/2013 • 17/03/2013
Internal Audit Committee Meeting	Mr. Abdul Amir bin Said Mohammed Sheikh Salah Bin Hilal Bin Naser Al Mawali Mr. Hani Bin Dawood Bin Hamdan Al Baharani	Chairman	• 19/05/2012 • 07/07/2012 • 05/11/2012 • 03/02/2013 • 31/03/2013
Business Plan Monitoring Committee Meeting	Mr. Saleh bin Nasser bin Juma al Araimi Sheikh Salah bin Hilal bin Naser al Mawali Dr. Saud Bin Hamood Bin Ahmed Al-Habsi	Chairman	• 29/05/2012

Name of Director	Attendance of Meeting for the year ended 31/03/2013					Total Sitting Fees paid (RO)
	Annual General Meeting	Board Meeting	Executive Committee Meeting	Internal Audit Committee Meeting	Business Plan Monitoring Committee	
Mohammed bin Hamad al Masrouri	Yes	6	-	-	-	3,000
Dr. Saud Bin Hamood Bin Ahmed Al-Habsi	Yes	5	3	-	1	3,150
Mr. Saleh bin Nasser bin Juma al Araimi	Yes	5	3	-	1	3,050
Mr. Abdul Amir bin Said bin Mohammed	Yes	5	-	5	-	3,500
Sheikh Salah bin Hilal bin Naser al Mawali	Yes	7	-	5	1	4,300
Mr. Hani Bin Dawood Bin Hamdan Al Baharani	Yes	6	-	4	-	3,400
Mr. Qais bin Mahmood bin Abdalla al Khonji	Yes	7	2	-	-	3,300
Mr. Musalam Amer Al - Ammri	Yes	7	3	-	-	3,550

3. Process of Nomination of Directors:

The Company's Board of Directors comes up for election once in three years. Accordingly, the next Board Election will held during the 2015 year's AGM.

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

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

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

4. Audit Committee

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

- Examination of the adequacy and effectiveness of the internal control systems, policies and Procedures established by the management and ensure that recommendation made by the auditors in this regard are implemented.
- Oversee the activities of the statutory and internal auditors, including their appointment, scope of work, performance, review of their findings and recommendation and management action thereon.

- Ensure compliance with Laws and Regulations of the Sultanate.
- Report to the Board regarding committee activities and recommendations and keep the Board aware of matters affecting the business affairs and financial condition of the Company.
- Authorize the implementation of the Board's strategy.
- Oversee the implementation of the Board's strategy.
- Considering the name of the auditor in the context of their independence, fees and terms of engagement and recommending their name to the board for putting before the AGM for appointment.
- Review the audit plan and results of the audit and whether auditors have full access to all relevant documents.
- Checking the financial fraud particularly fictitious and fraudulent portion of the financial statements.
- Review the quarterly and yearly financial statements before issues, review of qualifications in the draft financial statements and discussion of accounting principles. In particular, change in accounting policies, principles and accounting estimates in comparison to previous year, any adoption of new accounting policy, any departure from International Accounting Standards (IAS) and non-compliance with disclosure requirements prescribed by the CMA.
- Serving as a channel of communication between external auditors and the board and also internal auditors and the board.
- Reviewing risk management policies and looking into the reasons of defaults in payment obligations of the company.
- Reviewing the specific transactions with related parties for making suitable recommendations to the board and setting rules for entering the small values transactions with related parties without obtaining the prior approval of audit committee and the board.

5. Executive Committee

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

6. Remuneration Matters

a) Sitting Fees of RO 27,250 was paid to the directors during the year. During this year Board of directors had proposed remuneration of RO 22,750 (P.Y. 23,500).

The top six senior executives of the Company have received a total amount of R.O. 136,095

The above includes salary, benefits, bonuses, gratuity, etc.

b) There are no incentives payable to the above based on performance criteria.

c) Consolidated audit fees payable for the financial year 2012-2013 is RO. 9,500/-

7. Details of Non-Compliance by the Company.

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

8. Means of Communication with the Shareholders

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

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

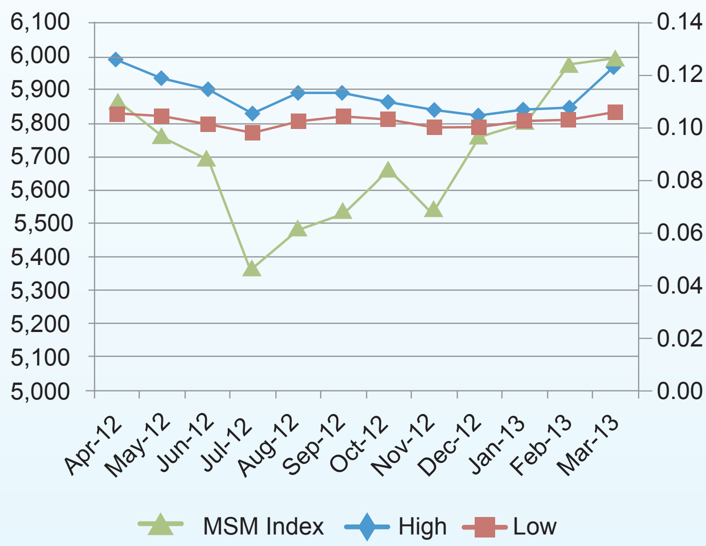
c) Management Discussion and Analysis Report is a part of this Annual report.

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

9. Market Data

a) The following table depicts the high, and low of company's share traded during the financial year ended 31st March 2013 with month end general index.

MONTH	HIGH	LOW	MSM Index
Apr-12	0.125	0.105	5,869
May-12	0.118	0.104	5,755
Jun-12	0.115	0.101	5,690
Jul-12	0.105	0.098	5,358
Aug-12	0.113	0.102	5,480
Sep-12	0.113	0.104	5,534
Oct-12	0.109	0.103	5,660
Nov-12	0.107	0.100	5,534
Dec-12	0.104	0.100	5,761
Jan-13	0.107	0.102	5,800
Feb-13	0.107	0.103	5,976
Mar-13	0.123	0.106	5,990



b) Distribution of Shareholding No Change

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

Major shareholders as of 31/03/2013

Shareholders	Number	No. Of Shares held	Shareholding %
Government of Sultanate of Oman	1	30,000,000	24.00 %
State General Reserve Fund	1	8,136,235	7.00%
Others – Public	16,512	86,863,765	69.00%

10. Review of Internal Control Systems and their adequacy

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

11. Internal Audit Department

Company having in-house Internal Audit Department headed by CA. Shahzad Ahmed Chandio who is a Chartered Accountant from the Institute of Chartered Accountants of Pakistan. His Previous Experience includes 4 years of working with an audit firm and 2 years of working as a auditor in a Bank in Pakistan.

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

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

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

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

12. External or Statutory Auditors and their Professional Profile

Deloitte

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

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

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

About Deloitte & Touche (M.E.):

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

13. Legal consultant

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

14. Acknowledgment

The Board of Directors acknowledges confirmation of:

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

For **OMAN FISHERIES CO SAOG**

AUTHORISED SIGNATORY

For **OMAN FISHERIES CO SAOG**

AUTHORISED SIGNATORY

Introduction

The Management of the Oman Fisheries Co. SAOG (OFC) is pleased to present Discussion and Analysis report for the Financial Year 2012-13. Readers are encouraged to consider the information presented here in conjunction with information contained in the financial statements that follow this section.

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

Business Plan, Vision and Mission of the Company:

The company is in the process of implementing the approved 5 Year Business Growth Plan (2010-11 to 2014-15). Various communications methods were used by the Executive Management to communicate Vision, Mission and Goals and Objectives of Business Plan cascading down to all the levels of the employees in the organization. While in the first year the emphasis was on 'Procurement'; in the subsequent year importance for 'Quality' was taken up as initiative and is befitting for this year considering the turn of events. We have started establishing and implementing Performance Management Framework towards effective monitoring process.

Internal Control System and their adequacy

OFC realise the importance of having in place an adequate system of internal control and the company has appointed a full time Chartered Accountant for conducting Internal Audit. In addition to this a reputed firm of Chartered Accountants has been appointed which is coordinating with the internal auditor of the company to conduct internal audit services and provide independent reports on internal control systems followed for managing the operations. Internal Auditor has no major observations with relation to internal control system, misconduct or non compliance on the part of the company.

Business Highlights and Overview of Financial Performance:

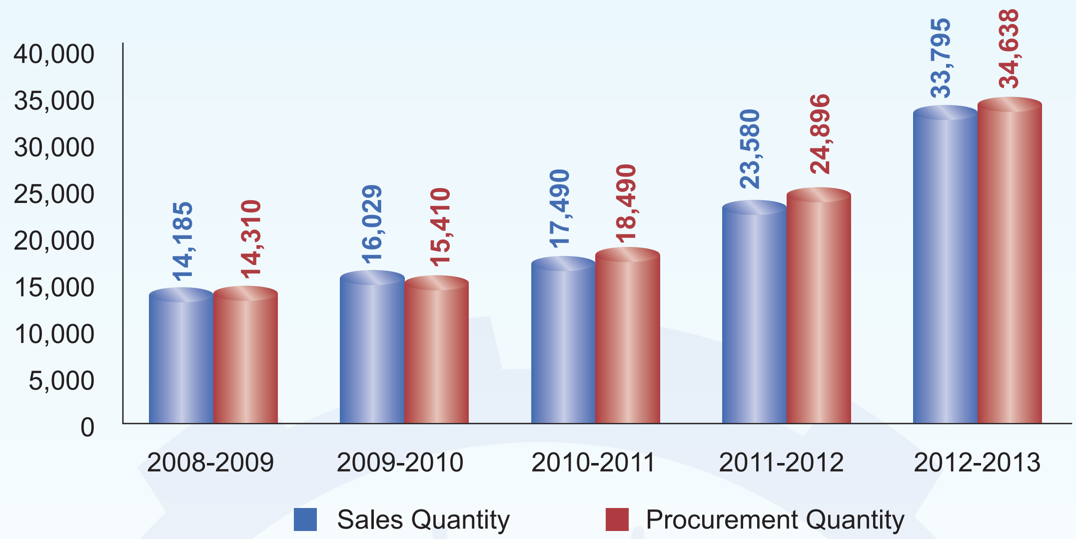
After three successful years of incremental operating profit the company is facing a setback in terms of ending up in an operational loss. During the financial year 2012 – 2013, though there was improvement in terms of quantity handled, it could not improve upon the sales value of RO 26 Million of 2011-12. This is because of international price competition and quality issues in one of the high moving segment of the products. This sluggish movement in sales value as against an increase in total procurement cost is one of the major reasons for ending in an operating loss of RO 361,186 this year. The importance of quality in the processes and of the products has been emphasized as one of the primary goals under the business plan efforts which should be bearing fruit in the years ahead. In order to continue achieve target Operating Profit in the subsequent years we continue to concentrate on better product mix and high margin species.

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

A. Financial Performance Comparison for last 5 year Period (in OMR)

Particulars	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012	2012-2013
Total Revenue	11,061,905	11,938,444	17,882,890	26,531,937	26,102,577
Operating Profit / (Loss)	(253,253)	442,348	520,289	894,886	(361,186)
Net Other Income	(1,342,308)	1,144,339	449,162	259,126	312,224
Profit before Taxation	(1,595,561)	1,586,687	969,451	1,154,012	(48,962)
Profit after Taxation	(1,612,954)	1,479,766	860,417	1,027,664	(14,912)

B. Procurement and Sales Growth (Quantity in tons)



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

The Management adopted proactive and aggressive directions of change, diversification, expansion and innovation for enhancing Company's activities and source of income with the aim of achieving maximum benefits. As part of this last year your company had set up new subsidiary company namely Al Ameen Stores and Refrigeration LLC. This Company is mainly involved in 3rd Party Logistic (3PL) service with a Warehouse capacity of 8,000 metric tons of storing frozen and chilled food products like fish, fish products, chicken, meat, vegetables and fruits. It has achieved an operating profit of RO 106,462 in its first year of operations, mainly owing to its business from the parent company and going ahead is confident of increasing its business outside through other auxiliary services like transportation, etc. This year the company has invested in additional processing plant facilities at Salalah and Soquara to increase their capacities; and also have purchased a few additional boats. Thus your Company is continuing in its expansion horizontally and vertically.

The core activities of the company are grouped into:

I. Fishing

II. Fish Procurement from Local fishermen

III. Value Added Products

IV. Sale of Fish and Fish Products

V. Storage and Logistics.

The brief outline of current operations of above activities and the new initiatives taken by the Executive Management in order to translate the approach of change, diversification and innovations is given below:

I) Fishing:

As per the concession agreement signed with the Government, the Company has been allotted fishing Quota of 20,000 Mt of bottom fishing and 30,000 Mt of large pelagic. However the company during the past periods could not exploit such quotas in the optimal use for one or another reason. With effect from June 2011, trawling has been banned in Oman.

To overcome from the above, the company had submitted its five-year plan to Ministry of Fisheries to own and operate a fleet of fishing vessels and coastal fisheries, which will enable, God willing, the exploitation of quota granted to the company to catch both demersal and pelagic fish. The Ministry has already approved first two phases of coastal fishing boats of 24 licenses. We had bought 9 vessels in this financial year and have started operating them from the end of third quarter. The coastal fishing will help us in securing raw material for out factory and make fish available for local consumption.

II) Fish Procurement from Local fishermen:

The premiere slogan of our Business Growth Plan is "Procurement is the Name of Game" and we have used "Blue Ocean Strategy" as tool towards achieving this objective. The result of the successful implementation of the "Blue Ocean Strategy" is the continuous increase in purchases from local fishermen and the achievement of Procurement Strategy of 20% growth successfully for the past 3 years, since the inception of the business plan. Some quality concerns in the products this year has resulted in emphasis of 'quality' from the procurement level itself.

Procurement Performance: FY 2012-13				
2012-13	Qty in Mt	Value in RO.'000	Growth in quantity	Against
Actual	34638	17896	39%	Actuals 2011-12
Budgeted	37388	31248	-7%	Budgeted 2012-13
Business plan	21760	16679	59%	Business plan 2012-13

III) Manufacturing Breaded Products and Value Addition:

The sale of breaded products this financial year has decreased by 16% from RO 770,681 in 2011-12 to RO 645,288 in 2012-13. However, the company has got a positive response in the fairs it has participated and is looking forward to foray into other Value Added Products in the market. The company continued its participation in the International Sea Food fair such as Brussels and Boston which are considered to be the largest gathering of manufacturers and producers of fish and seafood in the world.

IV) Sales:

Sales Performance: FY 2012-13				
2012-13	Qty in Mt	Value in RO.'000	Growth in quantity	Against
Actual	33795	26103	41%	Actuals 2011-12
Budgeted	35431	43843	-5%	Budgeted 2012-13
Business plan	21760	25062	55%	Business plan 2012-13

Though the sale is not behind in comparison to the Business plan, your company couldn't achieve the sales growth it had envisaged in the budget based on the growth shown in the past couple of years. The sales quantity continues showing an encouraging growth of 41% from 24015 Mt to 33795 Mt, but a proportionate sales value was not realized owing to international price competition and some quality concerns in particular segment of its products. However, the increased quantity clearly indicates the capability to achieve more volumes, and with quality being given due importance as part of the business plan this year, your company should positively return to its run of continuous growth.

Local Sales:

The company is continuing its efforts to support to the Government's initiatives of food security achievement in Oman. Last year during the off-season we have stocked around 2000 tons of fish for local sales and our prices were controlled at reasonable levels during this period. Total sale for the last financial year is 4,373 Mt.

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

Increasing the Processed Fish Exports:

The species we export are by and large the ones not preferred by Omani consumers and therefore a considerable volume of these species were generally taken by the traders/truckers as a fresh fish without any value additions to the neighboring countries for sales. With our innovative initiatives; we were successful in attracting many of these traders supplying these species to us. OFC had processed and exported these fish and played a positive role in increasing the fisheries sector contribution to the national GDP. The major species exported are shown in the table below:

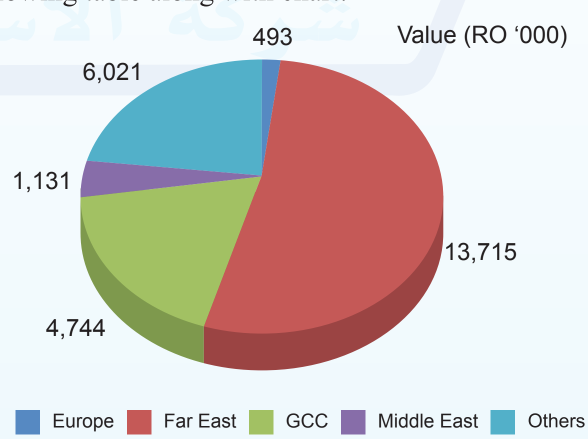
Major 5 Species Exported by the Company during last financial year

Sl. No:	Specie name	% of total Export Sales of OFC
1	Cuttle fish (SHK)	41%
2	Hilsha (SH)	10%
3	Ribbon fish (W)	10%
4	Sardine (SL)	7%
5	Crab (CRB)	4%

"Non-Selectivity" is another slogan practiced as part of the Business Growth Plan and the company continues to explore new markets in Asia, Europe and North African segments especially for species which are not in demand in the local market. Currently your company had expanded its activities in more than 40 Countries around the globe.

Data regarding region wise sales (RO '000') are given in the following table along with chart:

REGION	Value (RO '000')	in terms of %
Europe	493	2%
Far East	13,715	53%
GCC	4,744	18%
Middle East	1,131	4%
Others	6,021	23%
Total	**26,103**	**100%**



Branding of Products:

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

Learning & Development

Learning and development of staff is an important item in our Human Resource department's agenda. As part Business Plan implementation priorities, we focused on improving the quality of the Individual development plans and imparting 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.

The Management plans to achieve 60% Omanisation in the coming years. As part of this and to build a line of managers from the Omani talents, select individuals handling key areas of the company are undergoing a Leadership pipeline training project to develop their managerial skills. Also as part of CSR initiatives, the company has sponsored the basic training and thereafter assured recruitment based on merit of unemployed Omani talents spread across the regions.

All this is motivating staff and promoting young Omani talents towards handling key areas of the Company.

Risks:

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

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

Future Plans:

In order to achieve ambitious target of year 2013 – 2014 the Management as planned has undertaken construction of 2 new factories, one in Salalah and another in Soquara, through which we had planned to add another 7,000 Mt of production capacity. Further, during this year Management has plans to continue make production agreement with fishing companies in Oman in order to secure production.

Other future projects in the pipeline are:

1. New Fish processing plants in Dahar, Barkha and along the coastal regions of the country.
2. Aquaculture farming in Government allotted land. The company has initiated feasibility studies for the same along with firm having expertise in the field.
3. Business Plan to activate the role of OFC local sales and be able to contribute towards Food Security initiatives of the nation and aiming to achieve the following key objectives:

- Making Freshfish available to consumers especially in the cities with high populations.
- Maintaining superior and consistent Quality with Better price
- Introduction of new fish shops across the country
- Creating job opportunities for the nationals
- Promoting corporate image Building the Brand of OFC's taQa as the "Brand of Choice in Oman".

Acknowledgement

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

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

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

Said Rashid Al Rawahi

General Manager

MANAGEMENT TEAM

General Manager, Mr. Said Rashid AL Rawahi Post Graduate Diploma in Fisheries from University of Hull and Bachelor of Fisheries (B.Sc.) from Sultan Qaboos University, born in 1969; having more then Seventeen years of professional experience in Fisheries Sector. After holding several senior positions as Manager and Deputy General Manager in the Fisheries industry, now holding the post of General Manager of Oman Fisheries co SAOG since January 2010. He had handled various positions and is well versed with Human Resource Management in Complex and High pressure Environment. He had Demonstrated excellence in handling processes and procedures systematically and has trusted upon team effort and synergy. He has invented and implemented new investigative techniques in management and successfully imparting training to the young Omanis. Under his wise leadership company had turned from operating loss to operating profit.

Finance Manager, CA Sanjeev Kumar Sharma, is a Chartered Accountant, Cost Accountant, CMA USA and Graduate Industrial Engineering having post qualification experience of more than 22 years. He is working with the company from September 2012. He is the head of the Finance and Accounts department and reporting to the General Manager. He is mainly involved with setting up and monitoring internal controls, treasury management and liaison with auditors.

Manager Business Analytics & Performance Management, Mr. S. Shanmugam M.Sc., P.G.D.O.R(Operations Research), CISA, CGEIT, having more than 25 years of professional experience and held various senior positions in IT solutions implementation and establishing Systems, policies and procedures in various organizations covering Fisheries Industry, Engineering, Contracting and Trading companies. Currently assisting the management in the implementation of 5 Year Business Growth Plan, establishing and monitoring performance management framework using Balanced Scorecard approach.

Project Manager, Mr. K. V. Kuruvilla is the Project Manager for Oman Fisheries Co. He holds Bachelor's Degree in Mechanical Engineering. He has been involved in Oman Fisheries various projects of Infrastructural developments, modifications in the plants in order to comply with the EU specifications. He also has long working experience in the management of Operation and Maintenance of Refrigeration Plants for Fish Processing. He has also extensively worked on Company's Feasibility studies for 10,000 Mt. Cold Storage Project in Barka which is now under construction, OFC Coastal Fishing Project of owning 100 Fishing vessels, proposed multiple line Value Added Project and Ornamental Fish Farming etc.

Commercial Manager, A N Kumar holds Bachelor's degree in Fisheries. He has an experience of 33 years in processing and marketing seafood. He has developed and marketed many unknown and low value species. He has brought the sales volume from 24000Mt. to 30000 Mt. He has involved in establishment of overseas factories. He made very large number of clients in the domestic and international markets for Oman Fisheries co SAOG.

Admin Manager, Omar bin Salim Al-Jahwari,. He holds Bachelor's degree in Marine Science and Fisheries from SQU, in addition he attended many training courses inside and outside Oman. He participated in several Symposiums and Activities. He has experience in Human Resources, Administrative, Aquaculture and Projects. He participated in the preparation of the Business Growth Plan of the company.

HR Manager, Mrs. Jameela Mohamed Abdullah Al Balushi, holds HR competence Certified. She has 10 years experience as Personnel Director. She joined the company on October 2012. She participated in many training courses in the field of human resources, Administration, HSE, audit, and Leadership pipeline program. She prepared Omanisation plans and Human Resources policies and regulations in the company.

Deloitte.

Deloitte & Touche (M.E.) & Co. LLC
Muscat International Centre
Location: MBD Area
P.O. Box 258, Ruwi
Postal Code 112
Sultanate of Oman

Tel: +968 2481 7775
Fax: +968 2481 5581
www.deloitte.com

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

Report on the financial statements

We have audited the accompanying financial statements of **Oman Fisheries Co. SAOG** ("the Parent company") and the consolidated financial statements of **Oman Fisheries Co. SAOG and its subsidiaries** ("the Group"), which comprise of the Parent company's and consolidated statement of financial position as at 31 March 2013 and the Parent company's and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 3 to 41.

Board of Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Deloitte.

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

Opinion

In our opinion, the Parent company's and consolidated financial statements, present fairly, in all material respects, the financial position of **the Parent company and the Group,** as of 31 March 2013, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

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

Other matter

The financial statements of the Parent company and the Group for the year ended 31 March 2012 were audited by another auditor who expressed an unmodified opinion on those statements on 22 May 2012.

Deloitte Touche

Deloitte & Touche (M.E.) & Co. LLC
Muscat, Sultanate of Oman
27 May 2013

ديلويت اند توش (الشرق الأوسط) وشركاه ش.م.م
ص.ب: ٢٥٨ - ر.ب: ١١٢
سلطنة عمان
P.O.Box 258, P.C. 112
Sultanate of Oman
Deloitte & Touche (M.E.) & Co. LLC

Signed by
Alfred Strolla
Partner

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

		Parent company		Group	
		2013	2012	2013	2012
	Notes	**RO**	RO	RO	RO
ASSETS					
Non-current assets					
Property, plant and equipment	6	**3,489,640**	1,433,796	5,804,302	3,502,740
Investment in subsidiaries	7	**515,750**	515,750	-	-
Due from related parties	21	**-**	62,249	-	-
Held-to-maturity financial assets	8	**1,100,153**	1,101,793	1,100,153	1,101,793
Deferred tax asset	30	**29,455**	5,763	29,455	5,763
Total non-current assets		**5,134,998**	3,119,351	6,933,910	4,610,296
Current assets					
Inventories	9	**2,849,526**	2,616,426	2,850,918	2,616,426
Trade and other receivables	10	**3,227,336**	4,501,672	3,015,414	2,860,663
Financial assets at fair value through profit or loss	11	**951,296**	1,906,109	951,296	1,906,109
Fixed deposits	12	**2,400,000**	6,500,000	2,400,000	6,500,000
Cash and cash equivalents	12	**2,637,272**	1,669,534	2,879,062	1,700,193
Total current assets		**12,065,430**	17,193,741	12,096,690	15,583,391
Total assets		**17,200,428**	20,313,092	19,030,600	20,193,687
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	13	**12,500,000**	12,500,000	12,500,000	12,500,000
Legal reserve	14	**3,196,760**	3,196,760	3,202,199	3,195,192
Capital reserve	15	**29,269**	29,269	29,269	29,269
Retained earnings		**123,948**	1,013,860	80,850	892,783
Total equity		**15,849,977**	16,739,889	15,812,318	16,617,244
LIABILITIES					
Non-current liabilities					
Term loan	16	**-**	-	1,799,996	-
End of service benefits	17	**184,794**	185,255	188,289	187,277
Total non-current liabilities		**184,794**	185,255	1,988,285	187,277
Current liabilities					
Current portion of term loan	16	**-**	-	200,004	-
Short term loan	18	**-**	2,162,850	-	2,162,850
Trade and other payables	19	**995,368**	1,097,574	1,029,993	1,098,792
Due to a related party	21	**170,289**	-	-	-
Provision for tax	30	**-**	127,524	-	127,524
Total current liabilities		**1,165,657**	3,387,948	1,229,997	3,389,166
Total liabilities		**1,350,451**	3,573,203	3,218,282	3,576,443
Total equity and liabilities		**17,200,428**	20,313,092	19,030,600	20,193,687
Net assets per share	20	**0.127**	0.134	0.126	0.133

Mohammed Bin Hamad Al Masrouri
Chairman

Abdul Amir Bin Said Bin Mohammed
Director

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

		Parent company		Group	
		2013	2012	**2013**	2012
	Notes	**RO**	RO	**RO**	RO
Sales	22	**26,102,577**	26,274,284	**26,153,667**	26,312,052
Other operating income	23	**170,745**	275,886	**156,043**	279,904
Total operating income		**26,273,322**	26,550,170	**26,309,710**	26,591,956
Cost of goods sold	24	**(20,499,773)**	(20,454,387)	**(19,870,186)**	(20,454,387)
Staff costs	25	**(2,141,006)**	(1,941,182)	**(2,314,823)**	(1,959,634)
Other operating expenses	26	**(3,545,172)**	(2,942,819)	**(3,709,417)**	(2,997,926)
Fishing levy		**-**	(12,353)	**-**	(12,353)
Depreciation on property, plant and equipment	6	**(402,109)**	(284,765)	**(591,113)**	(284,765)
Written-off / loss on disposal of property, plant and equipment		**(46,448)**	(18,233)	**(46,448)**	(18,233)
Contribution to Agricultural and Fisheries Development Fund		**-**	(1,545)	**-**	(1,545)
Operating (loss) / profit		**(361,186)**	894,886	**(222,277)**	863,113
Investment income / (loss) – net	27	**104,869**	(77,563)	**104,869**	(77,563)
Foreign exchange gains – net		**3,197**	22,753	**3,198**	22,753
Finance income	28	**238,303**	332,386	**238,303**	332,386
Finance costs	28	**(34,145)**	(18,450)	**(88,069)**	(18,450)
(Loss) / profit before taxation		**(48,962)**	1,154,012	**36,024**	1,122,239
Taxation	30	**34,050**	(126,348)	**34,050**	(126,348)
(Loss) / profit for the year		**(14,912)**	1,027,664	**70,074**	995,891
(Loss) / earnings per share – basic and diluted	29	**(0.0001)**	0.0082	**0.0006**	0.0080

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2013

Parent company

	Share capital	Legal reserve	Capital reserve	Retained earnings	Total
	RO	RO	RO	RO	RO
At 1 April 2011	12,500,000	3,093,994	29,269	963,962	16,587,225
Profit for the year	-	-	-	1,027,664	1,027,664
Dividends paid for 2011	-	-	-	(875,000)	(875,000)
Transfer to legal reserve	-	102,766	-	(102,766)	-
At 1 April 2012	**12,500,000**	**3,196,760**	**29,269**	**1,013,860**	**16,739,889**
Loss for the year	**-**	**-**	**-**	**(14,912)**	**(14,912)**
Dividends paid for 2012	**-**	**-**	**-**	**(875,000)**	**(875,000)**
At 31 March 2013	**12,500,000**	**3,196,760**	**29,269**	**123,948**	**15,849,977**

Group

	Share capital	Legal reserve	Capital reserve	Retained earnings	Total
	RO	RO	RO	RO	RO
At 1 April 2011	12,500,000	3,095,603	29,269	871,481	16,496,353
Profit for the year	-	-	-	995,891	995,891
Dividends paid for 2011	-	-	-	(875,000)	(875,000)
Transfer to legal reserve	-	99,589	-	(99,589)	-
At 1 April 2012	**12,500,000**	**3,195,192**	**29,269**	**892,783**	**16,617,244**
Profit for the year	**-**	**-**	**-**	**70,074**	**70,074**
Dividends paid for 2012	**-**	**-**	**-**	**(875,000)**	**(875,000)**
Transfer to legal reserve	**-**	**7,007**	**-**	**(7,007)**	**-**
At 31 March 2013	**12,500,000**	**3,202,199**	**29,269**	**80,850**	**15,812,318**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2013

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Operating activities				
(Loss) / profit before taxation	**(48,962)**	1,154,012	**36,024**	1,122,239
Adjustment for:				
Depreciation on property, plant and equipment	**402,109**	284,765	**591,113**	284,765
Interest income	**(238,303)**	(332,386)	**(238,303)**	(332,386)
Dividend income	**(59,744)**	(91,895)	**(59,744)**	(91,895)
Gain on sale of financial assets at fair value through profit or loss	**(55,888)**	(9,561)	**(55,888)**	(9,561)
Loss / (gain) on write off / disposal of property, plant and equipment	**46,448**	(5,732)	**46,448**	(5,732)
Interest expense	**34,145**	18,450	**88,069**	18,450
Fair value losses on financial assets at fair value through profit or loss	**10,762**	179,019	**10,762**	179,019
Amortisation of premium	**1,640**	1,640	**1,640**	1,640
Provision for end of service benefits	**43,196**	23,534	**44,896**	23,884
	135,403	1,221,846	**465,017**	1,190,423
Working capital changes:				
Inventories	**(233,100)**	(849,563)	**(234,491)**	(849,563)
Trade and other receivables	**1,336,585**	(2,290,963)	**(154,751)**	(703,776)
Trade and other payables	**68,084**	322,998	**(68,799)**	321,943
Cash generated from / (used in) operations	**1,306,972**	(1,595,682)	**6,976**	(40,973)
End of service benefits paid	**(43,657)**	(20,674)	**(43,884)**	(21,429)
Tax paid	**(117,166)**	(120,457)	**(117,166)**	(120,457)
Net cash from / (used in) operating activities	**1,146,149**	(1,736,813)	**(154,074)**	(182,859)
Investing activities				
Purchase of property, plant and equipment	**(2,504,401)**	(696,373)	**(2,939,123)**	(2,765,317)
Insurance claim received for property, plant and equipment	**-**	23,965	**-**	23,965
Purchase of financial assets at fair value through profit or loss	**(227,508)**	(696,471)	**(227,508)**	(696,471)
Proceeds from sale of financial assets at fair value through profit or loss	**1,227,447**	635,985	**1,227,447**	635,985
Dividend received	**59,744**	91,895	**59,744**	91,895
Interest received	**238,302**	235,165	**238,302**	235,165
Fixed deposits encashed	**4,100,000**	865,783	**4,100,000**	865,783
Investment in subsidiary	**-**	(500,000)	**-**	-
Net cash from / (used in) investing activities	**2,893,584**	(40,051)	**2,458,862**	(1,608,995)
Financing activities				
Long term loan received	**-**	-	**2,000,000**	-
Short term loan (paid)/ received	**(2,162,850)**	2,162,850	**(2,162,850)**	2,162,850
Interest paid	**(34,145)**	(18,450)	**(88,068)**	(18,450)
Dividend paid	**(875,000)**	(875,000)	**(875,000)**	(875,000)
Net cash (used in) / from financing activities	**(3,071,995)**	1,269,400	**(1,125,918)**	1,269,400
Net change in cash and cash equivalents	**967,738**	(507,464)	**1,178,869**	(522,454)
Cash and cash equivalents at beginning of year	**1,669,534**	2,176,998	**1,700,193**	2,222,647
Cash and cash equivalents at end of year (note 12)	**2,637,272**	1,669,534	**2,879,062**	1,700,193

1. General

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

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

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

The consolidated financial statements for the year ended 31 March 2013 comprise of the Parent company and the two subsidiaries, (together, the Group).

2. Basis of preparation

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

Statement of compliance

These Parent company's and the Group's financial statements have been prepared in accordance with International Financial Reporting Standards and the Commercial Companies Laws of Oman 1974, as amended and comply with the disclosure requirements as set out in the Rules for disclosures and proformas issued by the Capital Market Authority of the Sultanate of Oman.

Basis of consolidation

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

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

For the year ended 31 March 2013, the Group has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the year beginning on 1 April 2012.

3.1 Standards and Interpretations adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

Amendments to IFRS 7 – Disclosures – Transfer of Financial Assets	The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures of transactions where a financial asset is transferred but the transferor retains some level of continuing exposure in the asset
Amendments to IAS 12 – Deferred Tax : Recovery Of Underlying Assets	The amendments to IAS 12 provide an exception to the general principal set out in IAS 12 Income Taxes that the measurement of deferred tax should reflect the manner in which an entity expects to recover a carrying amount of the asset. Specifically, the amendments established a rebuttable presumption that the carrying amount of an investment property measured using the fair value model in IAS 40 Investment Property will be recovered entirely through sale.

3.2 Standards and Interpretations in issue not yet effective

At the date of authorisation of these financial statements, the following new and revised Standards and Interpretations were in issue but not yet effective:

	Effective for annual periods beginning on or after
New IFRS and relevant amendments	
Financial Instruments	
IFRS 9: Financial Instruments (as revised in 2010 to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirements)	January 2015
Amendments to IFRS 9 and IFRS 7 : Mandatory Effective Date of IFRS 9 and Transition Disclosures	January 2015
Consolidation, joint arrangements, associates and disclosures	
IFRS 10: Consolidated Financial Statements	January 2013
IFRS 11: Joint Arrangements	January 2013
IFRS 12: Disclosure of Interests in Other Entities	January 2013

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

Amendments to IFRS 10, IFRS 11 and IFRS 12 Consolidated Financial Statements, Joint Arrangements and Disclosures in Other Entities : Transition Guidance and investments entities	January 2013
IAS 27: Separate Financial Statements (as revised in 2011)	January 2013
IAS 27: Separate Financial Statements amendments for investments entities	January 2014
IAS 28: Investments in Associates, reissued as IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)	January 2013
Fair value measurement	
IFRS 13: Fair Value Measurement	January 2013
Revised IFRS	
Employee benefits	
IAS 19: Employee Benefits (as revised in 2011 for the post- employment benefits and termination benefits)	January 2013
Amendments to IFRSs	
IAS 1: Presentation of items of other comprehensive income	July 2012
IAS 32 : Offsetting Financial Assets and Financial Liabilities	January 2014
Annual improvements to IFRSs 2009 to 2011 Cycles	January 2013
IFRS 7 : Disclosures – Offsetting Financial Assets and Financial Liabilities	January 2013

New Interpretations and amendments to Interpretations:

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The directors anticipate that the adoption of the above standards and interpretations in future periods will have no material impact on the financial statements of the Group in the period of initial application.

4. Summary of significant accounting policies

Property, plant and equipment

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

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

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

4. Summary of significant accounting policies (continued)

Land is not depreciated as it is deemed to have an indefinite life.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts, and are taken into account in determining operating profit.

Investments in subsidiaries

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

Financial assets

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

Financial assets at fair value through profit or loss

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

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

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

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

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

Held-to-maturity investments

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

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

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

Loans and receivables

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

4. Summary of significant accounting policies (continued)

Trade and other receivables

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

Cash and cash equivalents

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

Inventories

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

End of service benefits and leave allowance

End of service benefits are accrued in accordance with the terms of employment of the Group's employees at the reporting date, having regard to the requirements of the Oman Labour Law 2003 as amended and UAE Labour Law. Employee entitlements to annual leave and leave passage are recognised when they accrue to employees and an accrual is made for the estimated liability as a result of services rendered by employees up to the reporting date.

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurances Law of 1991 are recognised as an expense in the statement of comprehensive income as incurred.

Trade and other payables

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

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

Revenue recognition

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

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

4. Summary of significant accounting policies (continued)

Foreign currency translation

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

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

Finance costs and income

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

Operating leases

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

Earnings per share

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

Directors' remuneration

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

Dividend distribution

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

4. Summary of significant accounting policies (continued)

Taxation

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

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

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

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

Segment reporting

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

5. Critical accounting estimates and judgements

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

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment

Depreciation is charged so as to write off the cost of assets over their estimated useful lives. The calculation of useful lives is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates.

Allowance for doubtful debts

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

Allowance for slow moving inventories

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

6. Property, plant and equipment

Parent company	Land, buildings and cabins	Plant and equipment	Boats and trawlers	Motor vehicles	Furniture, fixture and office equipment	Capital work- in-progress	Total
	RO	RO	RO	RO	RO	RO	RO
Cost							
At 1 April 2011	1,586,751	2,016,810	257,300	218,930	275,277	5,174	4,360,242
Additions	125,951	133,757	159,108	190,299	56,472	30,786	696,373
Disposals	-	-	-	(25,675)	-	-	(25,675)
Transfers	5,174	-	-	-	-	(5,174)	-
At 1 April 2012	**1,717,876**	**2,150,567**	**416,408**	**383,554**	**331,749**	**30,786**	**5,030,940**
Additions	**235,639**	**527,025**	**596,181**	**108,925**	**45,956**	**990,675**	**2,504,401**
Written-off	**(1,994)**	**(145,700)**	**(61,194)**	**(5,450)**	**(42,025)**	**-**	**(256,363)**
At 31 March 2013	**1,951,521**	**2,531,892**	**951,395**	**487,029**	**335,680**	**1,021,461**	**7,278,978**

Parent company	Land, buildings and cabins	Plant and equipment	Boats and trawlers	Motor vehicles	Furniture, fixture and office equipment	Capital work-in-progress	Total
	RO	RO	RO	RO	RO	RO	RO
Depreciation							
At 1 April 2011	1,289,850	1,627,479	19,644	173,654	209,194	-	3,319,821
Charge for the year	63,891	123,042	29,747	38,098	29,987	-	284,765
Disposals	-	-	-	(7,442)	-	-	(7,442)
At 1 April 2012	**1,353,741**	**1,750,521**	**49,391**	**204,310**	**239,181**	**-**	**3,597,144**
Charge for the year	**82,429**	**156,292**	**67,986**	**58,499**	**36,903**	**-**	**402,109**
Written off	**(1,989)**	**(143,931)**	**(16,833)**	**(5,449)**	**(41,713)**	**-**	**(209,915)**
At 31 March 2013	**1,434,181**	**1,762,882**	**100,544**	**257,360**	**234,371**	**-**	**3,789,338**
Carrying value							
At 31 March 2013	**517,340**	**769,010**	**850,851**	**229,669**	**101,309**	**1,021,461**	**3,489,640**
At 31 March 2012	364,135	400,046	367,017	179,244	92,568	30,786	1,433,796

Included above at a carrying value of RO 12,514 (2012 - RO 7,912) are buildings and cabins constructed on leasehold land. The lease agreement will expire on 31 December 2013 and is renewable annually. The annual rental of this land is RO 10,288 (2012 - RO 10,288).

The Company has written off damaged assets which are no longer usable and no future economic benefit is expected from these assets.

6. Property, plant and equipment (continued)

Group	Land, buildings and cabins	Plant and equipment	Boats and trawlers	Motor vehicles	Furniture, fixture and office equipment	Capital work- in-progress	Total
	RO	RO	RO	RO	RO	RO	RO
Cost							
At 1 April 2011	1,586,751	2,016,810	257,300	218,930	275,544	5,174	4,360,509
Additions	125,951	133,757	159,108	190,299	56,472	2,099,730	2,765,317
Disposals	-	-	-	(25,675)	-	-	(25,675)
Transfers	5,174	-	-	-	-	(5,174)	-
At 1 April 2012	**1,717,876**	**2,150,567**	**416,408**	**383,554**	**332,016**	**2,099,730**	**7,100,151**
Additions	**310,296**	**779,645**	**596,181**	**194,425**	**59,202**	**999,375**	**2,939,123**
Transfers	**1,293,318**	**775,626**	**-**	**-**	**-**	**(2,068,944)**	**-**
Written-off	**(1,994)**	**(145,700)**	**(61,194)**	**(5,450)**	**(42,025)**	**-**	**(256,363)**
At 31 March 2013	**3,319,496**	**3,560,138**	**951,395**	**572,529**	**349,193**	**1,030,161**	**9,782,911**

Group	Land, buildings and cabins	Plant and equipment	Boats and trawlers	Motor vehicles	Furniture, fixture and office equipment	Capital work- in-progress	Total
	RO	RO	RO	RO	RO	RO	RO
Depreciation							
At 1 April 2011	1,289,850	1,627,479	19,644	173,654	209,461	-	3,320,088
Additions	63,891	123,042	29,747	38,098	29,987	-	284,765
Disposals	-	-	-	(7,442)	-	-	(7,442)
At 1 April 2012	**1,353,741**	**1,750,521**	**49,391**	**204,310**	**239,448**	**-**	**3,597,411**
Charge for the year	**157,290**	**262,466**	**67,986**	**64,215**	**39,156**	**-**	**591,113**
Written off	**(1,989)**	**(143,931)**	**(16,833)**	**(5,449)**	**(41,713)**	**-**	**(209,915)**
At 31 March 2013	**1,509,042**	**1,869,056**	**100,544**	**263,076**	**236,891**	**-**	**3,978,609**
Carrying value							
At 31 March 2013	**1,810,454**	**1,691,082**	**850,851**	**309,453**	**112,302**	**1,030,161**	**5,804,302**
At 31 March 2012	364,135	400,046	367,017	179,244	92,568	2,099,730	3,502,740

Included above at a carrying value of RO 12,514 (2012 - RO 7,912) are buildings and cabins constructed on leasehold land. The lease agreement will expire on 31 December 2013 and is renewable annually. The annual rental of this land is RO 10,288 (2012 - RO 10,288).

The Company has written off damaged assets which are no longer usable and no future economic benefit is expected from these assets.

6. Property, plant and equipment (continued)

Breakup of capital work in progress is as follows:

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Civil works	**80,220**	30,786	**80,220**	1,324,104
Plant and machinery	**344,780**	-	**344,780**	775,626
Advance paid for purchases	**509,075**	-	**517,775**	-
Software development	**87,386**	-	**87,386**	-
	1,021,461	30,786	**1,030,161**	2,099,730

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

7. Investment in subsidiaries

The movement in investment in subsidiaries is as follows:

	Parent company	
	2013	2012
	RO	RO
At 1 April	**515,750**	15,750
Investment during the year	**-**	500,000
At 31 March	**515,750**	515,750

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

Company name	Country of incorporation	Year end	Percentage held		Principal activities
			2013	2012	
Oman Fisheries Co. FZE	UAE	31 March	**100%**	100%	Procurement and sale of fish and fish products
Al Ameen Stores and Refrigeration LLC	Sultanate of Oman	31 March	**100%**	100%	Storing of fish, meat, chicken, vegetables and fruits.

8. Held-to-maturity financial assets

	Parent and Group company	
	2013	2012
	RO	RO
At 1 April	**1,101,793**	1,103,433
Premium amortised during the year	**(1,640)**	(1,640)
At 31 March	**1,100,153**	1,101,793

Held-to-maturity financial assets comprise of bonds issued by a commercial bank of RO 130,756 (2012 - RO 131,017) which earn interest at the rate of 7% (2012 – 7%) per annum with maturity on 18 June 2013 and of RO 969,397 (2012 - RO 970,776) which earn interest at the rate of 8% (2012 – 8%) per annum with maturity on 7 May 2016.

9. Inventories

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Fish	**2,383,445**	2,314,642	**2,383,445**	2,314,642
Packing materials	**405,914**	219,477	**407,306**	219,477
Maintenance spares	**65,866**	89,960	**65,866**	89,960
Others	**14,301**	12,347	**14,301**	12,347
	2,869,526	2,636,426	**2,870,918**	2,636,426
Less: allowance for slow moving and obsolete maintenance spares	**(20,000)**	(20,000)	**(20,000)**	(20,000)
	2,849,526	2,616,426	**2,850,918**	2,616,426

During the year, inventories amounting to RO 24,218 (2012 - RO 62,525) were directly written off against cost of goods sold due to obsolescence.

10. Trade and other receivables

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Trade receivables	**1,810,029**	1,527,493	**1,843,208**	1,556,202
Less: allowance for doubtful debts	**-**	(27,737)	**-**	(27,737)
	1,810,029	1,499,756	**1,843,208**	1,528,465
Due from related parties (note 21)	**266,489**	1,677,997	**-**	-
Accrued income	**414,206**	460,718	**414,206**	460,718
Advances to suppliers	**405,736**	406,181	**405,736**	406,181
Prepayments	**195,766**	267,599	**214,790**	275,235
Other receivables	**135,110**	189,421	**137,474**	190,064
	3,227,336	4,501,672	**3,015,414**	2,860,663

At the reporting date 53% of trade receivables are receivable from four parties outside the Sultanate of Oman and one party in the Sultanate of Oman (2012 - 45% from two parties outside the Sultanate of Oman and one party in the Sultanate of Oman).

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

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Not due	**1,503,251**	1,127,750	**1,518,795**	1,127,972
Past due but not impaired	**306,778**	372,006	**324,413**	400,493
Past due and impaired	**-**	27,737	**-**	27,737
	1,810,029	1,527,493	**1,843,208**	1,556,202

10. Trade and other receivables (continued)

As of 31 March 2013, past due but not impaired related to a number of independent customers for whom there is no recent history of default. The ageing analysis of these past due trade receivables is as follows:

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Due from 2 to 6 months	**162,673**	289,425	**170,614**	291,464
Due above 6 months	**144,105**	82,581	**153,799**	109,029
	306,778	372,006	**324,413**	400,493

The individually impaired receivables during the year amounting to nil (2012 - RO 27,737) related to parties specifically identified by the Parent company and were fully provided for.

Movement in the allowance for doubtful debts against trade receivables is as follows:

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
At 1 April	**27,737**	28,434	**27,737**	28,434
Written off during the year	**(27,737)**	-	**(27,737)**	-
Written back during the year	**-**	(697)	**-**	(697)
	-	27,737	**-**	27,737

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

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
USD	**1,297,996**	814,490	**1,297,996**	814,490
Rial Omani	**512,033**	570,200	**513,886**	570,200
Euro	**-**	82,154	**-**	82,154
UAE Dirhams	**-**	32,912	**31,326**	61,621
	1,810,029	1,499,756	**1,843,208**	1,528,465

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

11. Financial assets at fair value through profit or loss

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

	Parent company and Group	
	2013	2012
	RO	RO
At 1 April	**1,906,109**	2,015,081
Purchased during the year	**227,508**	696,471
Sold during the year	**(1,171,559)**	(626,424)
Fair value loss	**(10,762)**	(179,019)
	951,296	1,906,109

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

	Parent company and Group			
	2013		2012	
	Cost	**Fair value**	Cost	Fair value
	RO	**RO**	RO	RO
Banking	**353,199**	**333,854**	778,458	734,399
Services	**427,201**	**400,774**	788,383	687,052
Industrial	**126,212**	**154,462**	440,315	395,428
Investment	**55,446**	**62,206**	92,848	89,230
	962,058	**951,296**	2,100,004	1,906,109

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

2013	**% of investment portfolio**	**Number of shares**	**Market value**	**Cost**
			RO	**RO**
Bank Muscat SAOG	**12.68**	**196,085**	**120,592**	**120,592**
Omani Qatari Telecommunication Co. SAOG	**21.18**	**385,222**	**201,471**	**230,091**
2012				
Bank Muscat SAOG	10.46	324,157	199,356	197,609
Omani Qatari Telecommunication Co. SAOG	11.81	375,849	225,116	262,443

12. Cash and bank

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Cash in hand	**110,065**	58,744	**110,065**	58,744
Cash at bank	**2,527,207**	1,610,790	**2,768,997**	1,641,449
Deposits	**2,400,000**	6,500,000	**2,400,000**	6,500,000
	5,037,272	8,169,534	**5,279,062**	8,200,193
Less: deposits with maturities of more than 90 days	**(2,400,000)**	(6,500,000)	**(2,400,000)**	(6,500,000)
Cash and cash equivalents	**2,637,272**	1,669,534	**2,879,062**	1,700,193

Deposits are denominated in Rial Omani and are placed with the commercial banks at interest rates ranging between 1.25% to 4.75% per annum (2012 - 1.25% to 4.75%) and have maturities of one year from the date of placement.

During the year, the Parent company received funds of USD 3 million from the Ministry of Finance for the benefit of a proposed development company to be set up in Comoros Islands. The funds were transferred to the Arab Community for Development and Investment Comoros Islands on 26 December 2012.

13. Share capital

The authorised and issued share capital comprises of 125,000,000 (2012 - 125,000,000) fully paid ordinary shares of RO 0.100 each (2012 - 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:

	2013		2012	
	Number of shares	**% holding**	Number of shares	% holding
Government of the Sultanate of Oman	**30,000,000**	**24**	30,000,000	24

14. Legal reserve

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

15. Capital reserve

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

16. Term loan

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

	Group	
	2013	2012
	RO	RO
Term loan	**2,000,000**	-
Current portion	**(200,004)**	-
Non-current portion	**1,799,996**	-

The loan is repayable as follows:

	Group	
	2013	2012
	RO	RO
Within one year	**200,004**	-
In the second year	**200,004**	-
In the third to fifth year	**600,012**	-
After five years	**999,980**	-
	2,000,000	-

17. End of service benefits

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
At 1 April	**185,255**	182,395	**187,277**	184,822
Charge for the year	**43,196**	23,534	**44,896**	23,884
Paid during the year	**(43,657)**	(20,674)	**(43,884)**	(21,429)
At 31 March	**184,794**	185,255	**188,289**	187,277

18. Short term loan

The Parent company had obtained a short term loan from a local commercial bank for a period of 6 months during the last year at a commercial rate of interest of 2% per annum (2012: 1.5%). The Parent company has fully repaid the loan.

19. Trade and other payables

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Trade payables	**548,046**	428,923	**558,177**	428,923
Accrued expenses	**415,232**	418,210	**439,726**	418,428
Advances from customers	**32,090**	250,441	**32,090**	251,441
	995,368	1,097,574	**1,029,993**	1,098,792

20. Net assets per share

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

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Net assets (RO)	**15,849,977**	16,739,889	**15,812,318**	16,617,244
Number of shares at 31 March	**125,000,000**	125,000,000	**125,000,000**	125,000,000
Net assets per share (RO)	**0.127**	0.134	**0.126**	0.133

21. Related parties

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

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

Due from related parties

	Parent company	
	2013	2012
	RO	RO
Due from related parties	**266,489**	1,740,246
Less: due within one year	**(266,489)**	(1,677,997)
	-	62,249

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

No provision is required in 2013 and 2012 in respect of amounts due from subsidiaries.

21. Related parties (continued)

Due to a related party

	Parent company	
	2013	2012
	RO	RO
Due to Al Ameen Stores and Refrigeration LLC	**170,289**	-

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

	Parent company	
	2013	2012
	RO	RO
Sales of goods	**120,998**	109,483

c) Key management compensation

	Parent company and Group	
	2013	2012
	RO	RO
Sitting fees for directors	**27,250**	20,800
Directors' remuneration	**22,750**	29,200
	50,000	50,000
Salaries and allowances	**111,689**	127,815
Other benefits and expenses	**22,157**	14,725
End of service benefits	**2,249**	3,471
	136,095	146,011

22. Sales

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Procured from fishermen	**21,527,709**	20,779,413	**21,541,223**	20,779,413
Purchased from Bahrain center	**1,077,806**	1,784,612	**1,077,806**	1,784,612
Purchased from Yemen center	**1,716,142**	1,665,196	**1,716,142**	1,665,196
Breaded products	**532,343**	732,913	**569,919**	770,681
Frozen fish purchased from outside Oman	**593,205**	630,626	**593,205**	630,626
Purchased from Saudi Arabia center	**655,330**	551,502	**655,330**	551,502
Received from trawler companies under fishing rights	**42**	107,796	**42**	107,796
Received from operation of own boats	**-**	22,226	**-**	22,226
	26,102,577	26,274,284	**26,153,667**	26,312,052

23. Other operating income

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Custom duty and fishing levy refunds	**-**	99,994	**-**	99,994
Income from sale of ice	**97,877**	87,390	**97,877**	87,390
Income from fish filleting activity	**28,362**	15,798	**28,362**	15,798
Insurance claim	**-**	23,965	**-**	23,965
Others	**44,506**	48,739	**29,804**	52,757
	170,745	275,886	**156,043**	279,904

24. Cost of goods sold

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Opening stock of fish	**2,314,642**	1,549,202	**2,314,642**	1,549,202
Purchases	**17,972,629**	19,487,375	**17,974,018**	19,487,375
Processing charges	**1,145,391**	870,043	**1,145,391**	870,043
Packing material consumed	**746,562**	672,407	**746,562**	672,407
Hire charges of cold store	**703,994**	190,002	**74,408**	190,002
Closing stock of fish	**(2,383,445)**	(2,314,642)	**(2,384,835)**	(2,314,642)
	20,499,773	20,454,387	**19,870,186**	20,454,387

25. Staff costs

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Salaries, wages and bonus	**1,651,169**	1,561,605	**1,799,908**	1,578,730
Air passage and leave salary	**148,149**	119,575	**160,276**	120,314
Housing expenses	**52,580**	64,653	**61,232**	64,653
Staff insurance	**64,207**	39,015	**64,207**	39,015
Social security costs	**35,477**	33,354	**37,469**	33,354
End of service benefits	**43,196**	23,534	**44,896**	23,884
Others	**146,228**	99,446	**146,835**	99,684
	2,141,006	1,941,182	**2,314,823**	1,959,634

26. Other operating expenses

	Parent company		Group	
	2013	2012	2013	2012
	RO	RO	RO	RO
Freight	**1,727,656**	1,203,630	**1,727,656**	1,203,630
Repairs and maintenance	**425,462**	359,304	**460,355**	359,308
Vehicle expenses	**407,406**	299,839	**413,107**	302,211
Electricity, water and fuel	**228,127**	200,687	**291,732**	200,687
Export related expenses	**100,736**	144,538	**100,736**	144,538
Sundry expenses	**101,330**	98,634	**104,347**	101,655
Ice charges	**127,864**	101,649	**127,864**	101,649
Advertisement and sales promotion expenses	**65,285**	95,806	**74,242**	101,049
Professional fees	**48,606**	68,963	**53,901**	69,963
Insurance costs	**84,160**	66,988	**96,543**	67,163
Agency fee	**23,705**	56,354	**23,705**	53,203
Rent	**24,041**	42,652	**43,053**	48,260
Communication expenses	**43,842**	40,281	**45,342**	40,650
Pre-operative expenses of a subsidiary	**-**	-	**-**	40,082
Traveling and entertainment	**46,761**	39,286	**46,911**	39,308
Dry-docking expenses of boat	**-**	36,169	**-**	36,169
Directors' remuneration (Note 21)	**22,750**	29,200	**22,750**	29,200
Printing and stationery	**28,910**	23,571	**33,508**	23,661
Directors' sitting fees (Note 21)	**27,250**	20,800	**27,250**	20,800
Bank charges	**11,281**	15,165	**16,415**	15,437
Allowance for doubtful debts	**-**	(697)	**-**	(697)
	3,545,172	2,942,819	**3,709,417**	2,997,926

27. Investment income / (loss) - net

	Parent company and Group	
	2013	2012
	RO	RO
Dividend income	**59,744**	91,895
Gain on sale of financial assets at fair value through profit or loss	**55,887**	9,561
Fair value loss on financial assets at fair value through profit or loss – net	**(10,762)**	(179,019)
	104,869	(77,563)

28. Finance income / cost

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Finance income				
Interest income on deposits	**153,564**	247,429	**153,564**	247,429
Interest income on held to maturity financial assets	**84,739**	84,957	**84,739**	84,957
	238,303	332,386	**238,303**	332,386
Finance cost				
Interest paid on bank loan	**-**	-	**(53,924)**	-
Interest expense on short term loan and overdraft	**(34,145)**	(18,450)	**(34,145)**	(18,450)
	(34,145)	(18,450)	**(88,069)**	(18,450)

29. (Loss) / earnings per share – basic and diluted

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

	Parent company		Group	
	2013	2012	**2013**	2012
(Loss) / profit attributable to shareholders (RO)	**(14,912)**	1,027,664	**70,074**	995,891
Weighted average number of shares outstanding	**125,000,000**	125,000,000	**125,000,000**	125,000,000
(Loss) / earnings per share (RO)	**(0.0001)**	0.0082	**0.0006**	0.0080

30. Taxation

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 12% (2012 - 12%). The net deferred tax asset in the statement of financial position and deferred tax (charge)/credit in the statement of comprehensive income is attributable to the following items:

Parent company and Group	**1 April 2012**	**Credited / (charged) to statement of comprehensive income**	**31 March 2013**
	RO	**RO**	**RO**
Deferred tax asset			
Provisions	**5,729**	**(3,329)**	**2,400**
Accelerated depreciation	**34**	**8,460**	**8,494**
Unused tax losses	**-**	**18,561**	**18,561**
Net deferred tax asset	**5,763**	**23,692**	**29,455**

30. Taxation (continued)

2012 Parent company and Group	1 April 2011	Credited / (charged) to statement of comprehensive income	31 March 2012
	RO	RO	RO
Deferred tax asset			
Provisions	30,511	(24,782)	5,729
Accelerated depreciation	(2,981)	3,015	34
Net deferred tax asset	27,530	(21,767)	5,763

The movement in current tax liability is as follows:

	Parent company and Group	
	2013	2012
	RO	RO
At 1 April	**127,524**	143,400
Charge for the year	**-**	122,524
Charge for prior years	**-**	3,765
Reversal for prior years	**(10,358)**	(21,708)
Paid during the year	**(117,166)**	(120,457)
At 31 March	**-**	127,524

The tax (credit) / charge for the year is as follows:

	Parent company and Group	
	2013	2012
	RO	RO
Current tax		
In respect of current year	**-**	122,524
In respect of prior years	**(10,358)**	(17,943)
	(10,358)	104,581
Deferred tax	**(23,692)**	21,767
	(34,050)	126,348

The reconciliation of tax on the accounting profit at the applicable rate of 12% (2012 - 12%) after the basic exemption limit of RO 30,000 (2012 - RO 30,000) with the taxation charge in the statement of comprehensive income is as follows:

	Parent company	
	2013	2012
	RO	RO
(Loss) / profit before tax	**(48,962)**	1,154,012
Tax expense on accounting profit	**-**	134,881
Less tax effect of :		
Income not subject to tax	**-**	(12,175)
Expenses not deductible	**-**	(182)
Prior year tax	**(10,358)**	(17,943)
Tax (credit) / charge for the year	**(10,358)**	104,581

30. Taxation (continued)

The tax assessments for the years ended 31 March 2009 to 2012 are yet to be agreed with the Oman Taxation Authorities. The Board of Directors is of the opinion that any additional taxes that may be assessed would not be significant to the financial position of the Parent company at 31 March 2013.

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.

In relation to Al Ameen Stores and Refrigeration LLC, a subsidiary established during the prior year, the tax assessment for the period ended 31 March 2012 has not yet been agreed with Oman Taxation Authorities.

31. Financial risk management

Financial risk factors

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

Market risk

Foreign exchange risk

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

At 31 March 2013, if the Rial Omani had weakened/strengthened by 5% against the Euro with all other variables held constant, pre-tax profit for the year of the Group and the Parent company would have been RO 1,021 (2012 - RO 7,449) higher/lower primarily as a result of monetary assets.

Price risk

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

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

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

Index	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
MSM	**47,565**	95,305	**47,565**	95,305

31. Financial risk management (continued)

Interest rate risk

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

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to maintain almost all of its borrowings in fixed rate instruments. During 2013 and 2012, the Group's borrowings were denominated in Rial Omani currency. The Group analyses its interest rate exposure on a regular basis and reassesses the source of borrowings and renegotiates interest rates at terms favorable to the Group.

At 31 March 2013, if the interest rate were to shift by 0.5% on fixed deposits and held-to-maturity investments, there would be a maximum increase or decrease in the interest income by RO 10,018 (2012 - RO 38,009).

At 31 March 2013, if the interest rate were to shift by 0.5% on short term loan, there would be a maximum increase or decrease in the interest expense of RO 2,658 (2012 - 10,814).

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk arises from fixed deposits, cash and cash equivalents, held-to-maturity investments and credit exposures to customers including outstanding amounts due from related parties and committed transactions.

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

Exposure to credit risk

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Due from related parties	**-**	62,249	**-**	-
Held-to-maturity financial assets	**1,100,153**	1,101,793	**1,100,153**	1,101,793
Trade receivables	**1,810,029**	1,527,493	**1,843,208**	1,556,202
Due from a related party	**266,489**	1,677,997	**-**	-
Accrued income	**414,206**	460,718	**414,206**	460,718
Other receivables	**135,110**	189,421	**137,474**	190,064
Financial assets at fair value through profit or loss	**951,296**	1,906,109	**951,296**	1,906,109
Fixed deposits	**2,400,000**	6,500,000	**2,400,000**	6,500,000
Cash and cash equivalents	**2,527,207**	1,610,790	**2,768,997**	1,641,449
	9,604,490	15,036,570	**9,615,334**	13,356,335

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

31. Financial risk management (continued)

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

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

	Parent		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Local customers	**512,033**	392,624	**545,212**	421,333
Foreign customers	**1,297,996**	1,134,869	**1,297,996**	1,134,869
	1,810,029	1,527,493	**1,843,208**	1,556,202

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

	Parent		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Hypermarkets	**104,578**	56,709	**106,977**	56,709
Private entities	**1,343,145**	1,247,884	**1,357,009**	1,276,593
Other retail customers	**362,306**	222,900	**379,222**	222,900
	1,810,029	1,527,493	**1,843,208**	1,556,202

Liquidity risk

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

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

Parent company

31 March 2013	Carrying amount	Less than one year	1 – 2 years	More than 2 years
	RO	RO	RO	RO
Trade payables	**548,046**	**548,046**	**-**	**-**
Other payables	**415,232**	**415,232**	**-**	**-**
Due to a related party	**170,289**	**170,289**	**-**	**-**
	1,133,567	**1,133,567**	**-**	**-**
31 March 2012				
Trade payables	428,923	428,923	-	-
Other payables	418,210	418,210	-	-
Short term loan	2,162,850	2,162,850	-	-
	3,009,983	3,009,983	-	-

31. Financial risk management (continued)

Group

31 March 2013	Carrying amount RO	Less than one year RO	1 – 2 years RO	More than 2 years RO
Trade payables	**558,177**	**558,177**	**-**	**-**
Other payables	**439,726**	**439,726**	**-**	**-**
Term loan	**2,000,000**	**200,004**	**200,004**	**1,599,992**
Due to a related party	**170,289**	**170,289**	**512,294**	**-**
	3,168,192	**1,368,196**	**712,298**	**1,599,992**
31 March 2012				
Trade payables	428,923	428,923	-	-
Other payables	418,428	418,428	-	-
Short term loan	2,162,850	2,162,850		
	3,010,201	3,010,201	-	-

Fair value estimation

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

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

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

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

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

	Parent company and Group			
	Carrying value		Fair value	
	2013 RO	2012 RO	**2013 RO**	2012 RO
Held-to-maturity financial assets	**1,100,153**	1,101,793	**1,256,925**	1,235,853

Credit quality of financial assets

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

31. Financial risk management (continued)

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Trade receivables				
Counterparties without external credit rating:				
Up to 2 months	**108,538**	1,127,750	**117,921**	1,127,972
Due above 2 months	**198,240**	399,743	**206,491**	428,230
	306,778	1,527,493	**324,412**	1,556,202

Cash at bank and fixed deposits

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
P-1	**1,479,823**	238,461	**1,479,823**	238,461
P-2	**729,315**	4,479,968	**729,315**	4,480,967
Not rated	**2,718,070**	3,392,371	**2,959,859**	3,422,031
	4,927,208	8,110,800	**5,168,997**	8,141,459

32. Segment information

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

Geographical segments

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

Sales

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Far East	**13,714,594**	15,447,730	**13,714,594**	15,447,730
GCC and Middle East	**5,874,684**	6,394,975	**5,925,774**	6,432,743
Africa and others	**6,020,757**	3,291,022	**6,020,757**	3,291,022
Europe	**492,542**	1,140,557	**492,542**	1,140,557
	26,102,577	26,274,284	**26,153,667**	26,312,052

32. Segment information (continued)

Trade receivables

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Far East	**922,142**	652,110	**922,142**	652,110
GCC and Middle East	**662,542**	650,216	**695,721**	678,925
Africa and others	**181,137**	115,276	**181,137**	115,276
Europe	**44,208**	82,154	**44,208**	82,154
	1,810,029	1,499,756	**1,843,208**	1,528,465

33. Capital risk management

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

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

34. Contingent liabilities

At 31 March 2013, the Parent company and Group had contingent liabilities in respect of bank guarantees amounting to RO 5,000 (2012 - RO 1,322,000) 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 (2012 - nil) to local commercial bank against the loan obtained by Al Ameen Stores and Refrigeration LLC.

35. Commitments

	Parent company		Group	
	2013	2012	**2013**	2012
	RO	RO	**RO**	RO
Capital commitments	**355,056**	28,202	**358,909**	351,021
Purchase commitments	**56,860**	714,845	**56,860**	714,845

36. Proposed dividend

The Board of Directors, in their meeting held on xxx May 2013 proposed a cash dividend of nil (2012 - 7% cash dividend of RO 0.007 per share for face value of RO 0.100 per share) totalling to nil (2012 - RO 875,000), which is subject to the approval of shareholders in their forthcoming Annual General Meeting.

37. Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorized for issue on xx May 2013.