HM *Sultan Qaboos Bin Said, Sultan of Oman*

شركة الأسماك العمانية ش.م.ع.ع

Oman Fisheries CO.S.A.O.G

Twentyninth Annual Report

(2018 - 2017)

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

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

Board Members

Sheikh Mohammed Hamad Ali Al Masrouri
Chairman

Saleh Nasser Juma Al Araimi
Deputy Chairman

Abdul Ameer Said Mohammed
Director

Musalam Al Ammri
Director

Sheikh Salah Hilal Al Mawali
Director

Diyab Khalfan Hidaib Al Siyabi
Director

Mal Allah Ali Yousuf Al Zadjali
Director

Eng. Nahlah Abdul Wahab Al Hamdi
Director

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

CHAIRMAN'S REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

Dear Shareholders,

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

Turnover and summary of results:

Your Company continued on the track of profitability despite economic down turns due to oil prices volatility, unrest in Arab countries and global swing of the Dollar and the Euro.
Though the total profit has been OMR 116,071/- the Company has taken numerous bold steps to ensure strengthening of the platform which would in due course ensure upward swing of profitability in near future along with consistency.
A brief summary of steps taken towards strengthening the Co. are as follows:

- Induction of experienced Managers (having successful track record in similar field) in key positions.
- Revamping the processing plants thereby ensuring optimum output without compromising on Quality.
- Ensuring Quality Control checkpoint at every crucial stage of production.
- Opening up new landing centers alongside the existing ones thereby assuring consistency in raw material supply.

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

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

The company has achieved a consolidated turnover of RO 23.76 Million in 2017-18 as compared to the previous year turnover of RO 28.34 Million (16.16% decrease for the same period). However, during 2017-18 parent company has focused more on the high value species, therefore, average sales prices achieved during current year by parent company is RO 0.707 per kg as compared to RO 0.569 per kg during year 2016-17.

Principal reasons for the shortfall in sales are:

- Stock dumping worth 150 Metric tons of exportable products as instructed by concerned authorities
- A decline of RO 1.9 million in the revenue of subsidiary company Al Ameen as the tender to supply mutton to one of the ministries has expired.
- Delayed start in the fishing season due to revamping of the processing plants.

Your Company managed to achieve a record optimum production targets in most of its branches subject to landing and availability of desired species. To ensure maximization of production all technical human and operational resources were synchronized to ensure optimum utilization of resources at minimum cost. Besides all the plants were upgraded to attain optimum production targets without suffering breakdown or quality issues.
Each plant has been created as an independent unit with full-fledged Procurement, Operations Quality Control and Financial team to achieve the benchmarks set.
Further each unit is controlled at the apex level by Senior Managers from Head Office in order to synchronize the operations and management.

CHAIRMAN'S REPORT

Your Company also ensured consistency in supply of processed materials from several SME processing units to add to its volume and ensure more focus on market building and strengthening its core position.

- Your Company also had overall fair turnover, our subsidiary Al Ameen of OMR 2,547,516/- in 2017-18 compared to OMR 4,425,066/- in 2016-17.Principal reason for the decrease in profitability had been expiry of the mutton contract with Ministry of Defense coupled with slowdown in the market for mutton and chicken products. However Al Ameen has strategized its market position both in the wholesale market and retail market with beef, mutton, chicken and French fries of world class brands. Efforts are underway to include further new brands and also to create its own route sales hub for directly reaching the customers.
- The warehousing division of Al Ameen inaugurated its second special warehouse chambers of 3,000 MT capacity and has already posted 80 percent capacity utilization on overall basis.
- Al Ameen logistics division is undergoing plans to expand into full scale logistics service provider in all ranges apart from current commercial transport.

Human Resources Development and Omanisation:

In order to transform your Company to an international scale and expand its operations both horizontally and vertically, your Company has appointed new CEO with effect from January 2017.
Further, subsequent to appointment of the new CEO, several key positions have been filled up with experienced professionals in their relevant field.
Apart from the key management personnel, talented Omani workforce was inducted at secondary and tertiary levels in order to target value drive alongside the elevating Omanisation percentage.
Within a short span of eight months Your Co. achieved a record 37 percent Omanisation during 2017-18 from 24 percent during 2016-17. During the year company recruited 44 Omani professionals at top and middle management levels who are currently driving this Co. towards its targeted mission and vision.
As part of CSR initiatives, the company has sponsored the higher education to key Omani talents thereby harnessing their potential to become future leaders in this sector.
Trainings were imparted to the new recruits to enable them embrace job related challenges and handle them successfully.

Contribution to Food Sector and Food security

Your Co. has been serving the nation proudly more than 35 years since its existence and continues to uphold the same commitment towards food sector and Food security with which it was formed.
With a market share of more than 30 percent of the combined processing in Oman, Your Co. continues to rule the Fisheries sector both in Oman and GCC.
In addition to its commercial operations, Your Co. works closely with several regulatory bodies including Ministry of Agriculture and Fisheries and Oman Food & Investment Holding Co.(OFIC) towards value building of this sector as well as contributing to Food safety and security.
Besides your Company works closely with Ministry of Agriculture and Fisheries to ensure availability of fish during the holy month of Ramadhan and in other festive occasions at various places at affordable and controlled prices.
As a token of its firm commitment towards Food security, Your Co. reserves around 1,000 MT round the year in its cold stores.

CHAIRMAN'S REPORT

Future outlook

In order to remain ahead in the Global competition and also to complete the value chain model, Your Co. is shortly investing in the following projects:

- Commercial vessels operation and Boat building yard-Launching commercial vessels in Oman waters to reap the deep sea catch straight from the seas.
- Sea Food Canning Project-An ultra-modern canning unit to process Sardine and Tuna canning besides extracting fish oil and fish meal.
- Integrated Value Added Plant-A new plant catering solely to processing of value added variants at different stages.
- Corrugated carton manufacturing unit- to fill the supply gap in the corrugated sector in Oman as well as utilizing the produce for its own consumption.

Besides Your Co. has signed several MOUs with national and international sea food processors to complement its processing capacity as well as increase its Global share.
Most of these projects are currently in the planning and implementation stage and once formed would definitely add substantial value to the bottom-line.

Corporate Social Responsibility

Oman Fisheries is primarily committed to offering a responsibly-derived range of quality seafood products. Your Company upholds this commitment through the establishment of the Board-level Corporate Social Responsibility (CSR) Committee which is entrusted to monitor and address the business, social and sustainability concerns associated with the country's fishing and fish processing sector.

Further our vision is to secure healthy marine and freshwater resources to provide high quality nutritious food for our domestic and international customers.
Entire service chain is under continuous review to ensure positive impact on the products as well as environment.
Your Company has a brand image of a supplier of high quality and responsibly sourced seafood to the global leaders in food sector-both wholesale and retail. Our customers' reputations are strongly stamped by our values.

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 Group's internal control and risk exposure are subject to continuous observation and improvement, and the work of reducing risk in different areas has a high priority. The Company had established in-house internal audit department which is directly reporting through Internal Audit Committee to the Board of Directors. Further,

CHAIRMAN'S REPORT

Company has also appointed Protiviti 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. Company is committed to follow laws and regulations set up through its Articles of Association and Capital Market Authority.

Board Evaluation

As mandated by the Shareholders in the Company's Annual General Meeting held on 21 June 2017, BDO LLC carried out an independent evaluation of the performance of the Board of Directors, addressing the CMA approved broad parameters. The result of the evaluation exercise indicated a SATISFACTORY performance of the Board of Directors during the year 2017-18.

Acknowledgement

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

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

Mohammed Bin Hamad Al Masrouri
Chairman

BDO

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SUMMARY OF FACTUAL FINDINGS IN CONNECTION WITH PERFORMING AN INDEPENDENT EVALUATION OF THE BOARD OF DIRECTORS OF THE COMPANY FOR THE YEAR 2017

As mandated by the Shareholders in the Company's Annual General Meeting held on 21 June 2017, BDO LLC carried out an independent evaluation of the performance of the Board of Directors, addressing the below CMA approved broad parameters:

1. Professionalism and knowledge of the business and management
2. Due diligence in exercising the duties as a director
3. Exhibiting high integrity and independence in performing duties as a director
4. Exhibiting transparency and avoiding conflicts of interest
5. Compliance with the applicable rules and regulations

The result of the evaluation exercise indicated a SATISFACTORY performance of the Board of Directors during the year 2017-18, subject, however, to the following the matters that may be considered to enhance the Board's performance in future:

i. The communication and cooperation must be enhanced at all levels in the Company, including Executive Management and the Board.
ii. A mechanism must be developed whereby the Board members are encouraged to contribute their views regarding financial and other matters related to prospective investments.
iii. The Board as well as the Executive Management must be made more aware regarding the Directors' and Officers' Insurance and its benefits.
iv. Each Director may prepare a comprehensive report on the Company's performance, including his suggestions for guiding the Executive Management towards achieving the Company's objectives.
v. As part of the overall Corporate Social Responsibility, the Company may develop a means of communication to assist the fishermen in moving from traditional to modern fishing methods, training them and investing in the fishing industry for its growth.
vi. Formal awareness sessions or training on the core aspects of the Code of Corporate Governance may be provided to the Board.

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KPMG

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Report to the Shareholders of Oman Fisheries Co. SAOG ("the Company") of Factual Findings in connection with the Corporate Governance Report of the Company and application of the Corporate Governance practices in accordance with Capital Market Authority Code of Corporate Governance

We have performed the procedures prescribed in the Capital Market Authority ("CMA") Circular No. 16/2003 dated 29 December 2003 ("the Procedures") with respect to the Corporate Governance Report of the Company ("the Report") and its application of the Corporate Governance practices in accordance with the CMA Code of Corporate Governance issued under Circular No. 11/2002 dated 3 June 2002 and the revised CMA Code of Corporate Governance issued under CMA Circular 4/2015 dated 22 July 2015 (together the "Governance Code"). The Report is set out on pages 1 to 8.

Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The Procedures were performed solely to assist the Shareholders in evaluating the Company's compliance with the Governance Code. The Procedures we performed were as follows:

1. Corroborated, as required, the matters disclosed in the Report by reference to: internal audit reports issued during the year ended 31 March 2018; Audit Committee and Board minutes of meetings held during the year ended 31 March 2018; and relevant supporting Company records.

2. Confirmed that the Report discloses matters discussed in the Board of Director's report on review of the effectiveness of the Company's system of internal controls and that these matters were reported by Company's internal auditor to the Audit Committee during the year ended 31 March 2018.

3. Checked that the Report includes disclosures set out in Annexure 3 of the Governance Code.

4. Checked whether matters, if any, reported in the Auditors' report on the financial statements for the year ended 31 March 2018 relating to: Adequacy and efficacy of the internal control systems in place; going concern considerations; and the adequacy of policies and procedures set up by the Company were also included in the Auditor's presentation to the Audit Committee.

5. Read the Minutes of Board and Audit Committee meetings during the year ended 31 March 2018 to confirm that any matters of non-compliance with the Governance Code mentioned therein are also included in the Report.

As a result of performing the Procedures, we have no exceptions to report.

Because the 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 Company's Corporate Governance Report. Had we performed additional procedures or had we performed an audit or review of the Report in accordance with International Standards on Auditing or International Standards on Review Engagement, other matters might have come to our attention that would have been reported to you. This report is solely for the purpose set forth in the second paragraph of this report, and for inclusion, with the Report, in the Company's annual report, and is not to be used for any other purpose. This report relates only to the Company's Corporate Governance Report included in the Company's annual report for the year ended 31 March 2018 and does not extend to any financial statements or any other reports of the Company, taken as a whole.

22 May 2018

Paul Callaghan

Report on Corporate Governance

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

1. 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 every three years during the AGM and 2 directors represent the share of Oman Food Investment Holding Company SAOC (OFIC).

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

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

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

Oman Fisheries CO.SAOG

Report on Corporate Governance

Composition of Board of Directors

The current Board of directors as on 31st March 2018 consists of 8 members, six of them were elected on 15th June 2015 and other two represent share of OFIC. The details of them is as follows:

Name of the Director	Designate	Category, basis & Capacity of Membership	Number of other Boards of SAOG Companies in which Director
Sheikh Mohammed bin Hamad bin Ali al Masrouri	Chairman	Non – Executive, Independent & In Personal Capacity	-
Mr. Saleh bin Nasser bin Juma al Araimi	Deputy Chairman	Non – Executive, Independent & In Personal Capacity	2
Mr. Abdul Ameer bin Said bin Mohammed	Director	Non – Executive, Independent & In Personal Capacity	-
Sheikh Salah bin Hilal bin Naser al Mawali	Director	Non – Executive, Independent & In Personal Capacity	3
Mr. Mal Allah Ali Yousuf Al Zadjali	Director	Non – Executive, Independent & Nominee .of Ministry of Finance	-
Mr. MusalamAmer Al – Ammri	Director	Non – Executive, Independent & In Personal Capacity	-
Mr. Dhiyab bin Khalfan bin Hidaib Al Siyabi	Director	Non – Executive, Independent & In Personal Capacity	-
Ms. Nahlah Abdul Wahab Ahmed Al Hamdi	Director	Non – Executive, Independent & Nominee .of OFIC	-

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		May 2017 24 Aug 2017 02 Nov 2017 12 Feb 2018 12 March 2018 28
Executive Committee Meeting	Mr. Saleh bin Nasser bin Juma al Araimi Mr. Mal Allah Ali Yousuf Al Zadjali Mr. MusalamAmer Al – Ammri Ms. Nahlah Abdul Wahab Ahmed Al Hamdi	Chair- – man	Nov 2017 08 Jan 2018 21 March 2018 04 March 2018 27
Internal Audit Committee Meeting	Mr. Abdul Ameer bin Said bin Mohammed Sheikh Salah Bin Hilal Bin Naser Al Mawali Mr. Dhiyab bin Khalfan bin Hidaib Al Siyabi	Chair- – man	Apr 2017 18 May 2017 24 Aug 2017 01 Nov 2017 12 Feb 2018 11
Nomination and Remuneration Committee Meeting	Mr. Saleh bin Nasser bin Juma al Araimi Mr. Mal Allah Ali Yousuf Al Zadjali Mr. MusalamAmer Al – Ammri Ms. Nahlah Abdul Wahab Ahmed Al Hamdi	Chair- – man	May 2017 23

Number of Meetings held and Dates of the meeting: (continued)

		Parent Company					
Sl No	Name of Director	AGM	Board Meeting	Executive Committee Meeting	Internal Audit	Nomination and Remuneration	Total Sitting Fees Paid
1	Sheikh Mohammed Hamad Ali Al Masrouri	Yes	5	-	-		2,500
2	Mr. Saleh Nasser Juma Al Araimi	Yes	4	4		1	3,100
3	Mr. Abdul Ameer Said Mohamed	Yes	5		5		3,500
4	Sheikh Salah Bin Hilal Bin Naser Al Mawali	Yes	5	-	5		3,250
5	Mr. Mal Allah Ali Yusuf Al Zadjali	Yes	5	3		1	3,000
6	Mr. Musalam Amer Al Ammri	Yes	5	4		1	3,250
7	Mr. Diyab Bin Khalfan Bin Hidaid	Yes	5		5		3,250
8	Mr. Nahlah Bin Abdul Wahab	Yes	4	4			2,600
	Total						24,450

3. Process of Nomination of Directors:

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

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

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

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

4. Audit Committee

The Board of Directors has formed an Audit Committee, comprising of three independent directors. The 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. Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee, which comprises of 4 directors, is chaired by the Dy. Chairman to the Board of Directors. The details of the members are given below:

Meeting Description	Name of Directors / Members
Nomination and Remuneration Committee	Mr. Saleh bin Nasser bin Juma al Araimi Mr. Mal Allah Ali Yousuf Al Zadjali Mr. MusalamAmer Al – Ammri Ms. Nahlah Abdul Wahab Ahmed Al Hamdi

The summary of responsibilities is as under:

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

7. Remuneration Matters

- Sitting Fees of RO 24,450 and Remuneration RO 25,550 was paid to the directors of the company.
- The top ten senior executives of the Company have received a total amount of R.O. 256,075/- The above includes salary, benefits, bonuses, gratuity, etc.
- Consolidated audit fees payable for the financial year 2017-18 is RO. 11,500/-

8. Details of Non-Compliance by the Company

No meetings were held during the year by the Nomination Committee. The formal succession plan for executive management has been prepared but has not yet been approved by the Board.

9. Details of Non-Compliance by the Company (continued)

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 other areas in which company is not compliant with the code of Corporate Governance.

7. Means of Communication with the Shareholders

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

10. Market Data

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

Month	High	Low	MSM Index
Apr -17	0.142	0.135	5,513
May-17	0.150	0.143	5,421
Jun-17	0.147	0.146	5,118
Jul-17	0.128	0.125	5,024
Aug-17	0.105	0.104	5,052
Sep-17	0.115	0.112	5,137
Oct-17	0.121	0.114	5,010
Nov-17	0.150	0.146	5,109
Dec-17	0.149	0.145	5,099
Jan-18	0.141	0.134	4,999
Feb-18	0.133	0.133	5,003
Mar-18	0.129	0.126	4,773

10. Market Data (continued)

- 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 31/03/2018

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

10. Review of Internal Control Systems and their adequacy

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

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

Further, Company had appointed Protiviti audit firm to assist him for carrying out Internal Audit function. Protiviti is a global network of firms.

Protiviti (www.protiviti.com) is a global consulting firm that helps companies solve problems in finance, technology, operations, governance, risk and internal audit, and has served more than 60 percent of Fortune 1000 and 35 percent of Fortune Global 500 companies.

Protiviti and their independently owned Member Firms serve clients through a network of more than 70 locations in over 20 countries. They also work with smaller, growing companies, including those looking to go public, as well as with government agencies. Ranked 57 on the 2016 Fortune 100 Best Companies to Work For list, Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

12. External or Statutory Auditors and their Professional Profile

KPMG

The shareholders of the company appointed KPMG as its auditors for 2017. KPMG is a leading audit, tax and advisory firm in Oman and is part of KPMG Lower Gulf, established in 1973. KPMG in Oman employs more than 180 people, amongst whom are 4 partners, 5 directors and 30 managers, including Omani nationals. KPMG is a global network of professional firms providing audit, tax and advisory services. KPMG operates in 154 countries and has around 197,000 people working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative («KPMG International»), a Swiss entity.

KPMG billed an amount of RO 11,500 towards professional services rendered to the Company for the year 2017.

13. Legal consultant

M/s Sulaiman 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.

Chairman

Chirman of Internal Audit Commitee

Management Discussion And Analysis Report

For The Year Ended 31st March 2018

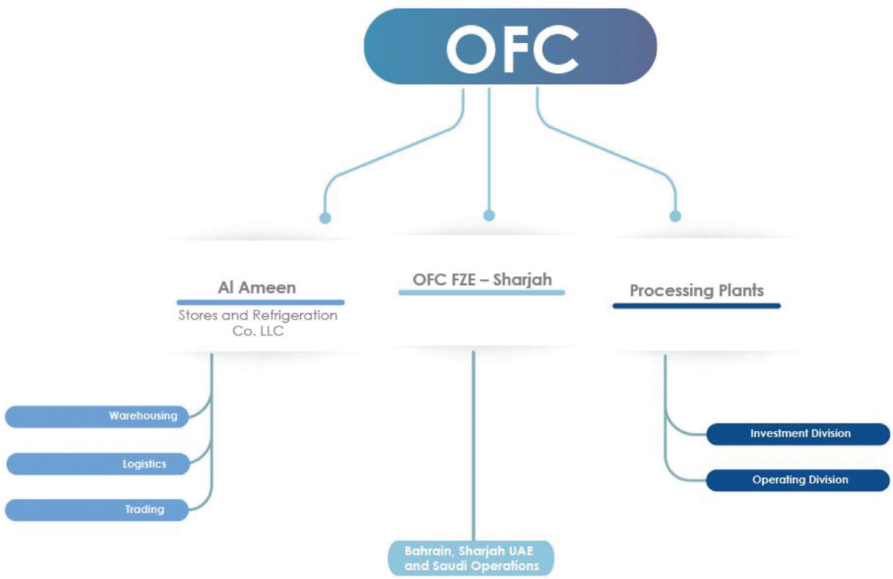
Introduction

The Management of the Oman Fisheries Co. SAOG (OFC) is pleased to present Discussion and Analysis report for the Financial Year 2017-18. Our Management's Discussion and Analysis ("MD&A") is provided to enable the reader to assess our results of operations and financial condition for the fiscal year ended March 31, 2018. This MD&A should be read in conjunction with our 2017-18 annual consolidated financial statements and related notes.

Oman Fisheries Co. SAOG was formed by Royal Decree no. 79/87 issued by His Majesty Sultan Qaboos bin Said by which Oman National Fisheries was merged with Oman Fisheries Co. Oman Fisheries Co. SAOG started its operation from 2nd April 1989. The paid up capital of the Oman Fisheries Co. SAOG is OMR 12,500,000 comprising of 125,000,000 shares of 100 bz each.

Company has family of more than 17,000 shareholders and Government of Oman is holding 24% stake through Oman Food and Investment Holding Company SAOC (OFIC).

The Corporate Structure of the Company:



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

Management Discussion And Analysis Report

For The Year Ended 31st March 2018

Business Plan, Vision and Mission of the Company

2017-18 had been a year of challenge for the fisheries sector as a whole and Oman Fisheries being a major player in the fisheries sector, had its fair share. Major challenges faced on the exterior front were as follows:
Cuttle fish (which is one of major contributors to volume and value) season had started late in most of the prime landing centers down south unlike that of 2016.Actual cuttle fish season started from late August though punctuated by frequent intervals due to volatility in the seas in Al Wusta region which continued till middle of September.

Tuna landing had not been bountiful either during June-July season in the northern area in Sharqiyah region which forced the purchase price to be high in Oman (ranging from 900 bz to OMR 1.2 which is equivalent to USD 2.3 to USD 3.1) This pricing is in stark contrast to heavy landing of Tuna in Indian subcontinent (India, Maldives, Indonesia, Sri Lanka) where the average landing price ranged between USD 1.1-USD 1.4).
Sardine season was interspersed with cold waves in November and Mid December along with frequent rains which drifted away the shoals mostly from the shore area resulting in lower catch by the artisanal fishermen.
Though shrimp landing was fair this season –the white shrimp is the most popular and available species in this region. The ruling landed price of white shrimps is higher than more popular tiger shrimps and vannamei shrimps available in India and Iran.

Product shelf life of frozen fish in GCC is typically nine months as compared to 2 years or more in most of the other competitive countries which again sets Oman on back foot when exporting our products in the world market. This short shelf life poses challenge for onward sales to wholesalers and retailers who would also require to adjust within the shelf life.

Apart from the external factors several internal factors which were more of corrective in nature had affected our bottom-line. Some of the key influencers (upside/downside) were as under:
Most of the processing plants after years of wear and tear required renovation to bring back /increase operating capacity. This major upliftment though had heavy cost impact was a dire necessity not only for increasing the operating capacity but also to uphold the EU standards and HACCP certification which our processing plants proudly boast of. Almost all the plants underwent repairs during the lean season started operating from mid of September with full swing.

After five years of slowdown and suspension-our Value-Added Plant (VAP) in Buraimi was given a thorough facelift and revived once again to cater to the ardent connoisseurs of our value added range of products in GCC.
Most of the redundant assets or assets beyond economic value were written down and sold off as one time exercise in order to arrest continuous erosion of value and occupancy of space in addition to generate net salvage value in terms of liquidity. This though had an adverse effect of OMR 91,000 had been considered necessity.

Stock dumping worth 150 Metric tons of exportable products as instructed by concerned authorities.

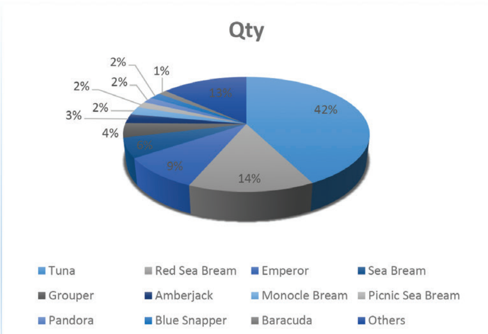
Management also underwent substantial transformation in terms of administration and involvement and new plant managers were instituted in most of the plants with appropriate benchmarks linked to the plant processing capacities and landing centers availability in terms of fish catch. Induction and training of new management required incubation period which though had initial slide-is expected to yield rich returns in near future.

Management Discussion And Analysis Report

For The Year Ended 31st March 2018

Despite several challenges your Co. made a tremendous turnaround in various spheres which requires special mention as under:

Fresh Fish: This year your Co. made a record turnover in Fresh Fish 195 MT worth OMR 427,000/-. Graphical presentation of the species in terms of quantity and value is presented below:

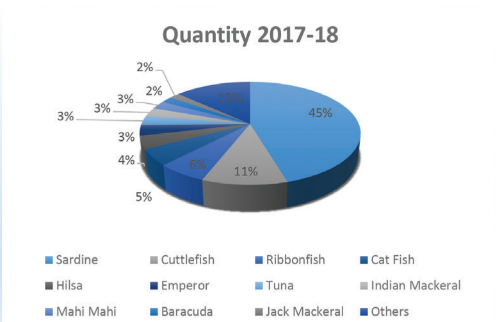


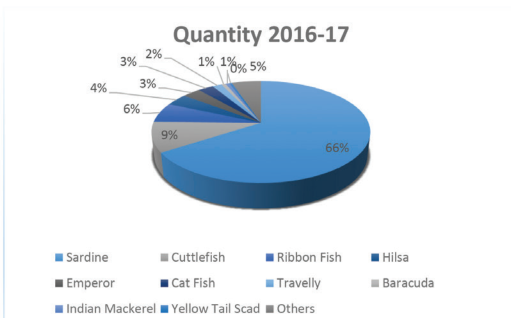
Species	Qty	Value
Tuna	82,574	251,102
Red Sea Bream	27,249	63,211
Emperor	17,877	22,715
Sea Bream	10,870	11,541
Grouper	7,861	26,455
Amberjack	5,090	14,631
Monocle Bream	4,492	3,984
Picnic Sea Bream	3,371	2,103
Pandora	3,162	1,884
Blue Snapper	3,365	1,946
Baracuda	2,594	1,715
Others	26,072	25,492
Total	**194,576**	**426,779**

This year Co. had a breakthrough in Yellow Fin Tuna value added products both in US and European market in the last quarter (January to March 2018) thereby attaining around 83 MT tons worth OMR 251,102/-.
Co. also increased its presence in Value added products and increased in market share both in domestic market and GCC.

High margin species:

Contrary to preceding years, your Co. target more on high margin species rather species which are pure volume drivers.
This has ensured higher overall margin without competing on high volumes, especially in the year where there the harvest had been a real challenge.
In 2017-18 Mahi-Mahi, Yellow Fin Tuna, Cat fish, Shrimps and Mackerel were prime targets earning significant margins.
Graphical representation of specie mix has been presented below:





New product development

In 2017-18 Oman Fisheries launched several new products under value added category over and above its existing range of delicacies.

Products launched and had huge fan following

Salted Tuna

Squid Rings

Marinated sardines

Marinated Cuttlefish

Seafood Mix

Cuttlefish Cubes Frozen

Total Quality Management

Your Company has always placed Quality as number one criteria in our operations list. In 2017-18 Oman Fisheries had upgraded all its processing plants to adopt Total Quality Management in each of its stage. Full-fledged Quality Department was established under Quality Control Manager who has high experience in the relevant field and young team of talented Omani graduates were inducted in each processing plant to ensure zero quality tolerance is adapted, thereby ensuring the "Taste of Fish at its very best".

Financial Performance

This year Oman Fisheries Co. SAOG (Group) continued its profitability trend with an overall profit of OMR 116,071/-.

Management Discussion And Analysis Report

For The Year Ended 31st March 2018

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Financial Performance

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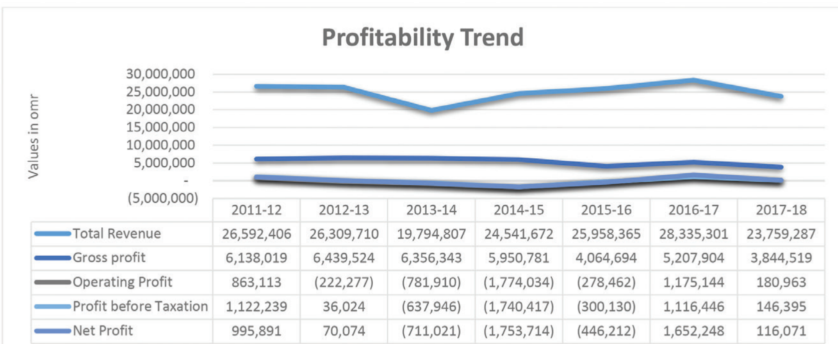
PARTICULARS	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Total Revenue	26,592,406	26,309,710	19,794,807	24,541,672	25,958,365	28,335,301	23,759,287
Cost of Goods Sold	(20,454,387)	(19,870,186)	(13,438,464)	(18,590,891)	(21,893,671)	(23,127,397)	(19,914,768)
Gross profit	**6,138,019**	**6,439,524**	**6,356,343**	**5,950,781**	**4,064,694**	**5,207,904**	**3,844,519**
Operating Expenses	(5,274,906)	(6,661,801)	(7,138,253)	(7,724,815)	(4,343,156)	(4,032,760)	(3,663,556)
Operating Profit	**863,113**	**(222,277)**	**(781,910)**	**(1,774,034)**	**(278,462)**	**1,175,144**	**180,963**
Financial net Effects	259,126	258,301	143,964	33,617	(21,668)	(58,698)	(34,568)
Profit before Taxation	**1,122,239**	**36,024**	**(637,946)**	**(1,740,417)**	**(300,130)**	**1,116,446**	**146,395**
Taxation	(126,348)	34,050	(73,075)	(13,297)	(146,082)	535,802	(30,324)
Net Profit	**995,891**	**70,074**	**(711,021)**	**(1,753,714)**	**(446,212)**	**1,652,248**	**116,071**

Current year's performance has been quite commendable considering the Global and regional economic downturn due to Oil price volatility, Middle East unrest and climatic volatilities affecting Oman as a whole which has affected most of the companies in Oman and also to a great extent the agricultural sector.

From the perspective of parent Co. the profitability per kg attained had been significantly higher than previous year. The analysis is shown below:

The summery performances of last five years



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Management Discussion And Analysis Report

For The Year Ended 31st March 2018

From the perspective of parent Co. the profitability per kg attained had been significantly higher than previous year. The analysis is shown below:

Details	2017-18 (Actual)	2016-17 (Actual)	Variance
Sales	**21,183,599**	**23,560,169**	**(2,376,570)**
Cost of Goods Sold	(18,244,220)	(20,166,017)	**1,921,797**
Gross Profit	**2,939,379**	**3,394,152**	**(454,773)**
Add: Stock Dumped	175,000	-	**175,000**
Actual GP	3,114,379	3,394,152	**(279,773)**
Quantity Sold	29,457,000	40,414,000	**(10,957,000)**
GP / Kg	**0.106**	**0.084**	**0.026**

Higher rate of Gross profit per kg reflects positive result of management efforts on focusing in high margin species rather than volume.

The Company continued to focus on the key pillars for overall growth plan

Your Company had embarked on significant changes in the core business and management structure.
In order to pursue cumulative growth model Oman Fisheries has been actively targeting the seasonal landings and promoting the market to align with the landing pattern of Oman.

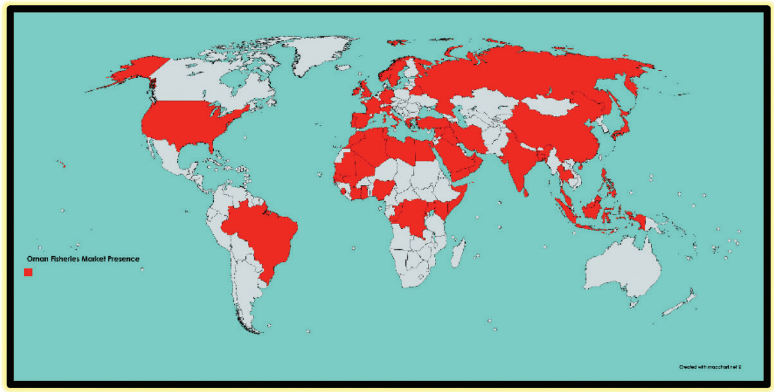
Business growth, Marketing and other Market Dynamics

With over 35 years of market presence and being a premium quality provider of seafood, your Company has constantly been endeavoring to surge ahead of competition and increase its brand presence in the global arena.

Management Discussion And Analysis Report

For The Year Ended 31st March 2018

Following is the graphical presence of Oman Fisheries in the world market



*Red areas indicate market presence.

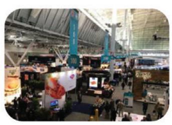
Besides the above, Oman Fisheries is constantly targeting newer markets either through its own presence or through its agent (wholesale or retail).

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

Collage of its presence in the exhibitions participated


Brussels Expo


Oman Expo


Sea Food Expo- North America


Sea Food Expo Algeria


Sea Food Expo Qatar


Sea Food Expo - Guangzhou

In all the trade shows and expo attended-your Company, earned accolades for its product display, customer attendance and earned highest footfalls amongst all the other participants in the region.

Oman Fisheries also inked several MOUs with international as well as National Customer in various sea food sectors

Name of the Co.	Located in	MOU
Iran Fisheries Production & Trading Union	Iran	Administrative, technical, scientific, investment collaboration between two parties.
Kiyomura Corporation	Japan	Joint fishing trials, processing and technical collaboration including JVs in investment arena.
Blue Water LLC	Oman	Aquaculture
Tanfeedh Project	Oman	Major upcoming projects to be taken up by Oman Fisheries.
Albaida Group	Qatar	Strategy trade and investment agreement
Bosa Marine Group	Turkey	Deep Sea fishing agreement.

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

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

Some of our tailor-made products launched in the undermentioned categories had generated interest and popularity amongst the customers

Species	Product Type	Form	Market Demand
Tuna	Loins	Fresh	US, Greece, Spain, Netherlands. Italy, France,
Grouper	Gutted	Fresh	Italy, Spain, Netherlands
Grouper, King Fish, Emperor,	Fillet	Frozen	Italy, Jordan, Oman, GCC.
Tuna, King Fish, Emperor, Sail Fish, Mahi Mahi, Trevally	Steaks	Frozen	France, Jordan, Oman ,GCC
Tuna, Mahi Mahi, Sail Fish	Gill & Gutted	Frozen	Vietnam, KSA, Jordan, Oman
Trevally, Snapper, Sweet Lips, Croaker, Parrot Fish and various other species	Dressed	Frozen	Italy, France, Spain, Jordan, GCC, Greece, Sri Lanka
Tuna, Sail Fish, Long Tail Tuna	Salted	Marinated	GCC
Sardine, Cuttlefish, squid	Spiced	Marinated	GCC

Management Discussion And Analysis Report

For The Year Ended 31st March 2018

Our R&D section is exclusively dedicated to bring out new range of products tailor-made to our customer demands. In the current world where the customers are more inclined to ready-to-cook and ready to eat-Oman Fisheries has re launched its signature variants in burgers, nuggets, fingers and various other categories.

Total sales of Oman Fisheries has been broken down

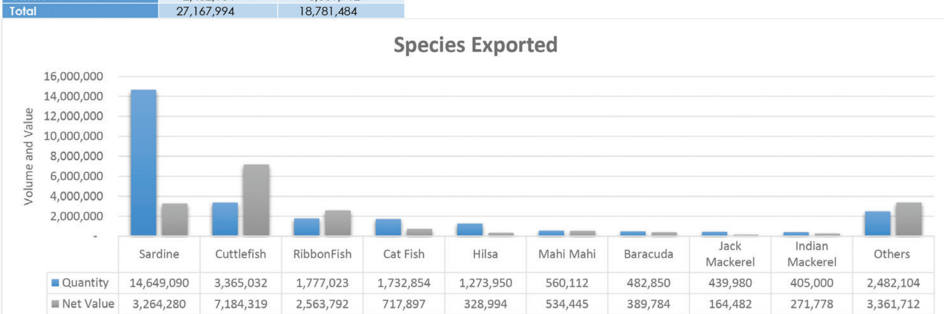
Particulars	Quantity	Value	Percentage
Domestic Sales	2,313,278	2,402,116	8%
Export Sales	27,167,994	18,781,484	92%
Total Sales	29,481,272	21,183,600	100%

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

Export performance

Top species which had high customer demand in the export market has been depicted in terms of Quantity and value as under:

Species	Quantity	Net Value
Sardine	14,649,090	3,264,280
Cuttlefish	3,365,032	7,184,319
RibbonFish	1,777,023	2,563,792
Cat Fish	1,732,854	717,897
Hilsa	1,273,950	328,994
Mahi Mahi	560,112	534,445
Baracuda	482,850	389,784
Jack Mackerel	439,980	164,482
Indian Mackerel	405,000	271,778
Others	2,482,104	3,361,712
Total	27,167,994	18,781,484



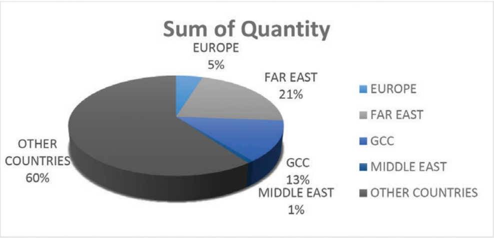
Management Discussion And Analysis Report

For The Year Ended 31st March 2018

Summary of sales -region wise

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

Row Labels	Sum of Quantity	Sum of Net Value
EUROPE	1,407,947	2,220,052
FAR EAST	6,313,640	9,477,700
GCC	3,865,196	4,026,509
MIDDLE EAST	241,930	238,005
OTHER COUNTRIES	17,652,559	5,221,333
Grand Total	**29,481,272**	**21,183,600**



Local Sales

The company is continuing its efforts to support to the Government's initiatives of food security achievement in Oman. During the Ramadhan season we have taken extra efforts to ensure that fresh fish is available at major market centers. Further we stocked around 1000 tons of fish for local sales to ensure steady supply of fish for local market. Our prices are regularly monitored and controlled at reasonable levels for local sales. Total sale for the last financial year is 2,313 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. We are aiming to increase local sales multifold at a CAGR of more than 50% for the next two years.

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. Besides our principal brand "taQa" we are planning to strengthen our other two brands "Sadaf" and "Fun fish" to penetrate to consumer levels. The packaging had been redesigned for the products. From last year Company had promoted its brand through selling of company's products in new packaging, through advertisement in hypermarkets, in local newspapers, bill boards etc. We believe there is a good scope for the company to benefit from this.

Fish procurement and operations

Fish Procurement

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

Management Discussion And Analysis Report

For The Year Ended 31st March 2018

Oman Fisheries have recruited new Operations Manager who has rich experience in operations and procurement. Under his aegis Oman Fisheries established several new landing centers apart from expanding the existing ones. Following further initiatives were taken to increase the fish catch as well as quality:

- **Re-connecting and rejuvenating the fishermen network:** The fishermen network who had been erstwhile major suppliers are being contacted under the procurement hub for allocating quota of their supply in various OFC branches to ensure consistent supply of fish throughout the year at competitive prices.
- **Establishment of collective network:** Network system has been established in the landing centers nominating major collector who in turn is responsible for aggregating fish catch from other small and medium fishermen and trucking their daily haulage.
- **Quality inspection at site:** Quality inspectors are deputed at the landing site thereby ensuring round the clock and stage wise monitoring of the quality of the fish catch.
- **Networking with vessel owners:** Strong networking with vessel owners- large, medium and small has been established to ensure regular and consistence in fresh catch. This exercise had tremendous upside impact and steady supply to all processing plants were guaranteed during major part of the fishing season despite climatic volatility.
- **Application Programming Interface (API)**-was established to have on spot computer generated analysis of landing center wise collection, fluctuation, weather conditions and timewise catch update. Based on the reports-the fish price and plant wise distribution is planned.
- **Re-operating the vessels in active fishing grounds:** Vessels of Co. are currently operating actively in Southern part of Oman throughout the year ensuring steady supply for local sales.
- **OFC has re-connected with most of the SME fish processors.** MOUs have been signed with most to act as outsourcers for supply of frozen fish under Co. brand name.
- **Active presence in Central Fish market:** Co. has set up steering committee to continuously be present in the Central Fish market both as seller and buyer of fish in all seasons.

Five major species which were processed by Oman fisheries last year

Management Discussion And Analysis Report

For The Year Ended 31st March 2018

Fish Processing

Currently the plants are operated by Independent Managers who are veterans in fish procurement and processing. The branches have independent Quality Control team and other operational and finance division executives to manage day to day operations.

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

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

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

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

Staff costs and Operating expenses

Staff costs are in line with the production targets set.

Total Staff cost incurred during the year is OMR 1,618,515.

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

The Omanisation percentage has attained 42 % during 2017 - 2018 of Omanisation compared to 18 % during 2016 - 2017.

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

Operating Expenses

Operating expenses remained consistent to the procurement and production.

Al Ameen Refrigeration Company LLC (Al Ameen) our 100% subsidiary has three divisions namely: Warehousing, Trading and Logistics.

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

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

The warehousing capacity is at present running at 80 percent occupancy level and soon expected to reach to its optimum limit. Subsequent to flagging of new unit huge responses were received from new customers who have already been allocated space based on fixed contract period.

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

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

Though the market for frozen products have become extremely competitive, Al Ameen trading division managed to increase its business due to its tie –up with respected brands of the world some of which are as under:

French Fries

Mutton

Chickenand chicken variants

Chicken and chicken products

Lamb and lamb products

Chicken and Chicken products

Al Ameen logistics division caters to the logistics needs to both its parent Co. Oman Fisheries as well as #PL customers within Oman and GCC.

As a markup on future plans-Al Ameen is setting its goals to expand its logistics hub to be a complete logistics solution provider in GCC region.

Other significant achievements of 2017-18

Zero short term loan at the end of the period signifying sound cash position.

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

Internal Control System, Governance Process and Control Adequacy.

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

- Organizational accountability structures for internal control management to support sound financial management;
- Roles and responsibilities of senior managers for internal control management, as well as those of managers;
- Values and ethics;

- Ongoing communication and training on statutory requirements, as well as policies and procedures for sound financial management and control;
- Risk-based management evaluation; and
- Regular monitoring of internal control management, as well as the provision of related assessments and action plans of the departmental Head through the Internal Audit Department and Internal Audit Committee.

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

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

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

Corporate Social Responsibility

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

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

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

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

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

Training & Development

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

As part of its business plan implementation priorities, we focused on improving the Individual development and imparting departmental training to nurture skills, knowledge required to achieve objectives effectively and efficiently.

Management Discussion And Analysis Report

For The Year Ended 31st March 2018

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

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

Special mention to be made of training certification provided to Young Omani recruits as Quality Controllers in August 2017 for HACCP and Quality Assurance.

Risks

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

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

Future Plans

Future strategy and vision

In order the complete the value chain model and enhance the growth of the Co. Oman Fisheries is embarking on an ambitious growth model whose immediate success would be reaped within next five years.

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

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

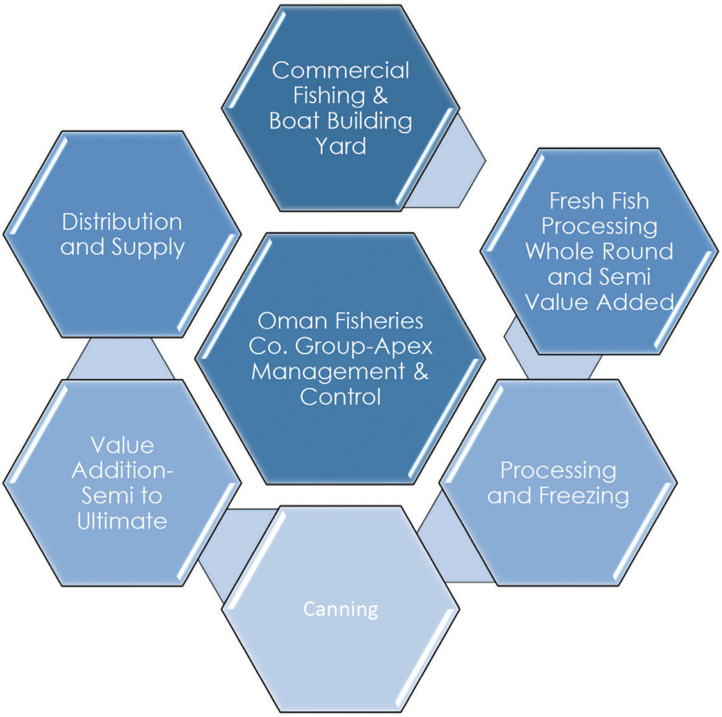
The entire value Chain proposal will be integrated under OFC Group which will be responsible for overall management.

Besides the above, the group also envisages expansion of support chain facilities of Al Ameen Stores & Refrigeration Co.-including super storage facilities, ultra-modern logistics service facilities and setting up ABU's (Ancillary Business Units) like corrugated cardboard Box projects and other horizontal business opportunities that would complement and strengthen the entire value chain.

The business growth plan model will link Oman Fisheries from the sea to the plate of fish consumer at a most affordable price.

The Business Growth plan has been developed to address the key concerns of Oman Fisheries for restoring competitiveness with an eye to increasing return of investment and sustainability.

Infographic representation of value chain model would be



The tenders for preparing feasibility studies have already been launched and the entire process is expected to complete with a period of three months.

Key highlights to each of the projects are as under:

Commercial Fishing Fleets

Expansion Initiatives	Project Details	Remarks
Commercial Fishing Fleets	Tanfeedh Monitored Project	Ensure continuous supply of raw materials
		Utilize untapped fisheries resources
		Increased catch thereby accelerating GDP growth
	Key Stakeholders	Oman Fisheries (OFC) and Oman Food and Investment Holding Co.(OFIC)
		Ministry of Agriculture and Fisheries
		Overseas partners (having technical know-how and investment potential).
	Estimated Annual catch	Estimated over 30,000 MT annually
	Investment	OMR 4 million
	Potential jobs to be created	200
	Start Period	2018
	To be operational by	2021

Boat Building and Repairing Yard

Expansion Initiatives	Project Details	Remarks
Boat building and repairing Yard	Tanfeedh Monitored Project	Meet the increased demand of fishing boats
		Meet the demand of repairing facility for coastal fishing vessels
		Meet the demand of marine tourism requirements
	Key Stakeholders	Oman Fisheries (OFC) and Oman Food and Investment Holding Co.(OFIC)
		Ministry of Agriculture and Fisheries
		Overseas partners (having technical know-how and investment potential).
	Location	Ideal-Qurayat/Sur/Duqm/Salalah
	Start Period	2018
	To be operational by	2021

Boat Building and Repairing Yard

Expansion Initiatives	Project Details	Remarks
Boat building and repairing Yard	Tanfeedh Monitored Project	Meet the increased demand of fishing boats
		Meet the demand of repairing facility for coastal fishing vessels
		Meet the demand of marine tourism requirements
	Key Stakeholders	Oman Fisheries (OFC) and Oman Food and Investment Holding Co.(OFIC)
		Ministry of Agriculture and Fisheries
		Overseas partners (having technical know-how and investment potential).
	Location	Ideal-Qurayat/Sur/Duqm/Salalah
	Start Period	2018
	To be operational by	2021

Seafood Canning Project

Expansion Initiatives	Project Details	Remarks
Seafood Canning Project	Tanfeedh Monitored Project	To set up ultra-modern seafood cannery plant in Oman encompassing, canning fish-meal and fish oil.
		To place Oman in the World map as a favored destination for Value Added Products.
	Key Stakeholders	Oman Fisheries (OFC) and Oman Food and Investment Holding Co.(OFIC)
		Ministry of Agriculture and Fisheries
		Overseas partners (having technical know-how and investment potential).
	Targets by 2030	Estimated investment in the first phase OMR 28.8 million with 50:50 Debt -Equity mix and OMR 12.4 million in the second phase with 62:38 Debt-Equity mix.
	Start Period	2018
	To be operational by	2020

Integrated Value Added Project

Expansion Initiatives	Project Details	Remarks
Grand Value Added Project	Tanfeedh Monitored Project	To set up State-of-Art seafood processing plant in Oman catering to solely value added products.
		To place Oman in the World map as a favored destination for Value Added Products.
	Key Stakeholders	Oman Fisheries (OFC) and Oman Food and Investment Holding Co.(OFIC)
		Ministry of Agriculture and Fisheries
		Overseas partners (having technical know-how and investment potential).
	Targets	Estimated Investment OMR 2.5 million
		Jobs 150
	Start Period	2018
	To be operational by	2019

Corrugated Cardboard Packaging Unit

Expansion Initiatives	Project Details	Remarks
Corrugated Cardboard Packaging Unit	Tanfeedh Monitored Project	To set up modern corrugated cardboard packaging unit as a part of horizontal expansion drive.
		Advantage of cost reduction on the operating scale (for self-usage) as well as gaining advantage on business diversification.
	Key Stakeholders	Oman Fisheries (OFC) and Oman Food and Investment Holding Co.(OFIC)
		Al Ameen Stores and Refrigeration Co. LLC
		National/Regional/International partner (having technical know-how and investment potential).
	Targets	Estimated Investment of OMR 4.5 million on Property, Plant and Equipment.
		Required capital outlay of OMR 5 million with preferred debt equity mix of 70:30.
		Jobs 100
	Start Period	2018
	To be operational by	2019

Management Discussion And Analysis Report

For The Year Ended 31st March 2018

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 special gratitude to Minster of Agriculture and Fisheries Dr. Fuad Jaffar Al Sajwani who had constantly encouraged this sector to grow and turn into major revenue earner for Oman economy.

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

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

Dr. Khalid Mansoor Al Zadjali
Chief Executive Officer

Oman Fisheries CO.S.A.O.G

شركة الأسماك العمانية ش.م.ع.ع

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OMAN FISHERIES COMPANY SAOG AND ITS SUBSIIARIES

Report on the audit of the separate and consolidated financial statements

Opinion

We have audited the separate and consolidated financial statements of Oman Fisheries Company SAOG (the Parent Company) and its subsidiaries (together referred as the Group) set out on pages 2 to 41, which comprise the separate and consolidated statements of financial position as at 31 March 2018, the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

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Key audit matter - Valuation of inventories

Refer to note 9 on page 23 of the separate and consolidated financial statements.

Inventories are significant to the Group as these represent approximately 22% of total assets. Establishing provisions against obsolescence of inventories involves significant management judgment due to the nature of inventories and volatility of selling prices. Inventories, net of provision, amounted to RO 3.8 million at 31 March 2018 (2017: RO 1.7 million).

Our response

We evaluated the appropriateness of the impairment provision established in respect of inventories by, amongst other things, performing the following procedures:

- assessed the design and implementation of controls over inventory ageing reports;
- assessed the design and implementation of controls over the accuracy and valuation of amounts recorded for inventory items by involving IT specialist;
- attended the Company's annual inventory count, observing the count and inventory condition, and test-checked the count of a sample of items;
- recalculated inventory provision based on inventory ageing and Company's policy and compared with provision held; and
- tested the adequacy of the Company's impairment against inventory by performing a retrospective view of historical provisioning and evaluating of the age analysis of inventory.

Other Information

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

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

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

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

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

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Continue from page 1b

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

Those charged with governance are responsible for overseeing the Parent Company and the Group's financial reporting process.

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory requirements

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

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

22 May 2018

Paul Callaghan

SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2018

		Parent Company		Group	
	Notes	2018 RO	2017 RO	2018 RO	2017 RO
ASSETS					
Non-current assets					
Property, plant and equipment	6	4,182,275	4,765,199	7,113,759	6,802,955
Investment in subsidiaries	7	515,750	515,750	-	-
Deferred tax asset	31	602,078	624,424	537,722	543,686
Total non-current assets		5,300,103	5,905,373	7,651,481	7,346,641
Current assets					
Inventories	9	3,651,720	1,178,206	3,832,010	1,662,945
Trade and other receivables	10	2,903,217	2,418,069	3,647,633	3,951,455
Due from related parties	21	2,439,914	1,695,997	-	-
Financial assets at fair value through profit or loss	11	193,088	256,936	193,088	256,936
Fixed deposits	34	1,025,000	3,000,000	1,025,000	3,000,000
Cash in hand and at bank	12	1,173,652	1,536,691	1,193,601	1,575,202
Total current assets		11,386,591	10,085,899	9,891,332	10,446,538
Total assets		16,686,694	15,991,272	17,542,813	17,793,179
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	13	12,500,000	12,500,000	12,500,000	12,500,000
Legal reserve	14	3,314,319	3,312,427	3,480,985	3,362,455
Capital reserve	15	29,269	29,269	29,269	29,269
Accumulated losses		(3,239,839)	(3,256,865)	(1,340,564)	(1,338,105)
Total equity		12,603,749	12,584,831	14,669,690	14,553,619
LIABILITIES					
Non-current liabilities					
Term loans	16	61,393	96,327	861,368	1,096,307
Employees' end of service benefits	17	123,072	128,847	132,220	135,350
Total non-current liabilities		184,465	225,174	993,588	1,231,657
Current liabilities					
Current portion of term loans	16	34,678	34,678	234,682	234,682
Trade and other payables	19	2,2671,32	1,574,742	1,623,400	1,706,363
Income tax payable	31	-	-	21,453	66,858
Due to related parties	21	2,541,535	1,571,847	-	-
Total current liabilities		3,898,480	3,181,267	1,879,535	2,007,903
Total liabilities		4,082,945	3,406,441	2,873,123	3,239,560
Total equity and liabilities		16,686,694	15,991,272	17,542,813	17,793,179
Net assets per share	20	0.101	0.101	0.117	0.116

These financial statements were authorized for issue and approved by the Board of Directors on 16 May 2018 and signed on their behalf by:

Mohammed bin Hamed Al Masrouri
Chairman

Abdul Amir Bin Said Bin Mohammed
Director

The notes on pages 6 to 41 are an integral part of these separate and consolidated financial statements. Independent Auditors' report is set forth on page 1.

SEPARATE AND CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2018

		Parent Company		Group	
		2018	2017	2018	2017
	Notes	RO	RO	RO	RO
Sales	22	21,183,600	23,560,169	23,759,287	28,335,301
Cost of goods sold	24	(18,244,219)	(20,166,017)	(19,914,768)	(23,127,397)
Gross profit		2,939,381	3,394,152	3,844,519	5,207,904
Administration and general expenses	26	(2,138,154)	(2,251,443)	(2,583,579)	(3,030,178)
Selling and distribution expenses	27	(1,456,472)	(1,668,174)	(1,350,347)	(1,679,634)
Loss on disposal of property, plant and Equipment	6	(90,988)	(21,126)	(90,988)	(21,126)
Loss on investment – net	28	(13,927)	(32,944)	(13,927)	(32,944)
Other income	23	765,957	1,112,798	375,285	731,122
Finance income	29	65,746	34,748	65,746	34,748
Finance costs	29	(29,665)	(22,407)	(100,314)	(93,446)
Profit before taxation		41,878	545,604	146,395	1,116,446
Taxation	31	(22,960)	611,066	(30,324)	535,802
Other comprehensive income and net profit for the year		18,918	1,156,670	116,071	1,652,248
Profit per share – basic and diluted	30	0.0002	0.009	0.001	0.013

All comprehensive income and net profit is attributable to the shareholders of the Parent Company.
The notes on pages 6 to 41 are an integral part of these separate and consolidated financial statements.

Independent Auditors' report is set forth on page 1.

SEPARATE AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

Parent Company

	Share Capital	Legal reserve	Capital reserve	Accumulated losses	Total equity
	RO	RO	RO	RO	RO
1 April 2016	12,500,000	3,196,760	29,269	(4,297,868)	11,428,161
Total comprehensive income and net profit for the year	-	-	-	1,156,670	1,156,670
Transfer to legal reserve	-	115,667	-	(115,667)	-
March 2017 31	12,500,000	3,312,427	29,269	(3,256,865)	12,584,831
Total comprehensive income and net profit for the year	-	-	-	18,918	18,918
Transfer to legal reserve	-	1,892	-	(1,892)	-
March 2018 31	12,500,000	3,314,319	29,269	(3,239,839)	12,603,749

Group

	Share Capital	Legal reserve	Capital reserve	Accumulated losses	Total equity
1 April 2016	12,500,000	3,246,788	29,269\	(2,874,686)	12,901,371
Total comprehensive income and net profit for the year	-	-	-	1,652,248	1,652,248
Transfer to legal reserve	-	115,667	-	(115,667)	-
31 March 2017	12,500,000	3,362,455	29,269	(1,338,105)	14,553,619
Total comprehensive income and net profit for the year	-	-	-	116,071	116,071
Transfer to legal reserve	-	118,530	-	(118,530)	-
31 March 2018	12,500,000	3,480,985	29,269	(1,340,564)	14,669,690

The notes on pages 6 to 41 are an integral part of these separate and consolidated financial statements.
Independent Auditors' report is set forth on page 1.

SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2018

	Parent Company		Group	
	2018	2017	2018	2017
	RO	RO	RO	RO
Operating activities				
Net profit before taxation	41,878	545,604	146,395	1,116,446
:Adjustment for				
Depreciation on property, plant and equipment	785,612	868,023	1,084,029	1,158,421
Finance income	(65,746)	(34,748)	(65,746)	(34,748)
Dividend income	(13,396)	(19,742)	(13,396)	(19,742)
Gain) / loss on sale of financial assets at fair value through profit) or loss	(1,554)	1,628	(1,554)	1,628
Loss on disposal of property, plant and equipment	90,988	21,126	90,988	21,126
Allowance for doubtful debts	34,373	146,000	38,596	146,000
Finance expense	29,665	22,407	100,314	93,446
Fair value gain on financial assets at fair value through profit or loss	28,877	51,058	28,877	51,058
Provision for end of service benefits	20,116	30,952	23,472	32,653
Operating surplus before working capital changes	950,813	1,632,308	1,431,975	2,566,288
:Working capital changes				
Inventories	(2,473,514)	326,516	(2,169,065)	471,142
Trade and other receivables	(531,487)	1,216,217	253,260	509,610
Due from related parties	(743,917)	(447,443)	-	-
Due to related parties	969,688	473,010	-	-
Trade and other payables	(252,475)	87,265	(82,963)	168,041
Cash (used in) / generated from operations	(2,080,892)	3,287,873	(566,793)	3,715,081
End of service benefits paid	(25,891)	(42,283)	(26,602)	(42,283)
Tax paid	(614)	-	(69,765)	(136,631)
Finance cost paid	(29,665)	(22,407)	(100,314)	(93,446)
Net cash (used in) / generated from operating activities	(2,137,062)	3,223,183	(763,474)	3,442,721
Investing activities				
Purchase of property, plant and equipment	(324,893)	(26,052)	(1,517,038)	(89,224)
Proceeds from sale of property, plant and equipment	31,217	64,799	31,217	66,962
Proceeds from sale of financial assets at fair value through profit or loss	36,525	1,154	36,525	1,155
Dividend income received	15,943	28,140	15,943	28,140
Interest received	75,165	25,385	75,165	25,385
Receipts against maturity of bond	-	965,261	-	965,260
Fixed deposits (placed) / encashed	1,975,000	(3,000,000)	1,975,000	(3,000,000)
Net cash from investing activities	1,808,957	(1,941,313)	616,812	(2,002,322)
Financing activities				
Repayment of long term loan paid	(34,934)	(37,153)	(234,939)	(237,157)
Repayment of short term loan paid	-	(1,000,000)	-	(1,000,000)
Net cash used in financing activities	(34,934)	(1,037,153)	(234,939)	(1,237,157)
Net change in cash and cash equivalents	(363,039)	244,717	(381,601)	203,242
Cash and cash equivalents at beginning of year	1,536,691	1,291,974	1,575,202	1,371,960
Cash and cash equivalents at end of year (note 12)	**1,173,652**	1,536,691	**1,193,601**	1,575,202

The notes on pages 6 to 41 are an integral part of these separate and consolidated financial statements.
Independent Auditors' report is set forth on page 1.

Oman Fisheries CO.S.A.O.G

NOTES

(forming part of separate and consolidated financial statements)

1.Legal status and principal activities

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

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

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

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

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.

(a) Statement of compliance

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

NOTES

(forming part of separate and consolidated financial statements)

(b)Functional and presentation currency

These financial statements have been prepared in Rial Omani, which is the Parent Company's and the Groups' functional and presentation Currency.

(c) Going Concern

The Company has accumulated losses of RO 3,239,839 at 31 March 2018. However, the net current assets of the Company exceeds currents liabilities by RO 7,488,111. Budgets for coming years indicate profitable growth and creating positives cash flows. Accordingly, management believe that a material uncertainty over the use of the going concern basis of preparation of the financial statements does not exist.

(d) 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.

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

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

Non-controlling interests are presented in the consolidated statement of financial position within equity, separate from the equity attributable to shareholders. Non-controlling interests are separately disclosed in the consolidated statement of profit or loss and other comprehensive income. NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

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

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

NOTES

(forming part of separate and consolidated financial statements)

2.Basis of preparation (continued)

(d) Basis of consolidation (continued)

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

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

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

3.Summary of significant accounting policies

The significant accounting policies are set out below and have been applied consistently for all the periods presented in these financial statements:

(a)Property, plant and equipment

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

NOTES

(forming part of separate and consolidated financial statements)

3.Summary of significant accounting policies (continued)

(a)Property, plant and equipment (continued)

Depreciation is charged to the statement of profit or loss on a straight line basis over the estimated useful lives of items of property, plant and equipment. The estimated useful lives are:

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

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

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

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts. Gain or losses on disposal of an item of property, plant and equipment is recognized in profit or loss.

(b)Financial instruments

(i)Financial assets

The Group classifies its financial assets as fair value through profit or loss, loans and receivables and cash and cash equivalent. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

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

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

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(forming part of separate and consolidated financial statements)

3.Summary of significant accounting policies (continued)
(b)Financial instruments (continued)

(i)Financial assets (continued)

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

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

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

Loan and receivable

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 end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise trade and other receivables and cash and bank in the statement of financial position.

Cash and cash equivalent

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

Trade and other receivables

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

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(forming part of separate and consolidated financial statements)

3.Summary of significant accounting policies (continued)
(b)Financial instruments (continued)

(ii)Financial Liabilities

Trade and other payables

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

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(c)Impairment

(i)Impairment of financial assets

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

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3.Summary of significant accounting policies (continued)

(c)Impairment (continued)

(i)Impairment of financial assets (continued)

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii)Non- financial assets:

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any).

The loss arising on an impairment of an asset is determined as the difference between the recoverable amount and carrying amount of the asset and is recognised immediately in the profit or loss. Recoverable amount is the higher of fair value less cost of disposal and value in use.

Where an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset is increased to the revised estimate of its recoverable amount and the increase is recognised as income immediately, provided that the increased carrying amount does not exceed the carrying amount that would have been net of depreciation or amortisation, had no impairment loss been recognised earlier.

(d)Inventories

Inventories are valued at the lower of cost and net realisable value. Costs comprise direct materials and where applicable, direct labour costs and those overheads based on normal operating capacity that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs to be incurred in marketing and distribution. Provision is made where necessary for slow moving and obsolete items.

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3.Summary of significant accounting policies (continued)

(e)End of service benefits and leave entitlements

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, as amended and UAE Labour Law, for a subsidiary. The obligation is calculated using the project unit credit method and is discounted to its present value using current market assessment of time value of money. 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 are recognised as an expense in the profit or loss as incurred.

(f)Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required that can be reliably estimated.

(g)Revenue recognition

Revenue from the sale of goods in ordinary course of business is measured 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 customer, 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 and the amount of revenue can be measured reliably.

Sales represent the invoiced value of fish supplied by the Group during the year.

Revenue from the rental of processing plants is recognised on a straight-line basis over the rental period.

(h)Interest expense and Interest income

Finance cost comprises of interest payable on loans and finance income comprises of interest income from deposits. Interest income and cost are accounted on accrual basis using the effective interest rate method.

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3.Summary of significant accounting policies (continued)

(i)Foreign currency

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

Transactions in currency other than in entity's functional currency (foreign currencies) are translated at the rates of exchange prevailing at the dates of transactions. At the end of each reporting period, monetary items denominated in foreign currency are translated to functional currency at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate on the date of transaction. Exchange differences are generally recognised in the profit or loss.

(j)Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

(k)Directors' remuneration

The Directors' remuneration is governed as set out by the Commercial Companies Law and the rules prescribed by the Capital Market Authority.

The Annual General Meeting shall approve the remuneration and the sitting fees for the Board of Directors provided that such fees shall not exceed 5% of the annual net profit after deduction of the legal reserve, the optional reserve and 5% of share capital as the distribution of dividends to the shareholders. Such fees shall not exceed RO 200,000 in one year. The sitting fees for each Director shall not exceed RO 10,000 in one year.

(l)Dividend distribution

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

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3.Summary of significant accounting policies (continued)

(m)Segment reporting

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

(n)Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss. Taxation on the results for the year comprises of current tax calculated as per the fiscal regulations of the Sultanate of Oman and deferred tax.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Group. A deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

3.Summary of significant accounting policies (continued)

(n)Taxation (continued)

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

4.New standards and interpretation not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for annual periods beginning on or after 1 April 2017, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. The Company's assessment of impact are preliminary and therefore subject to change.

•IFRS 16 Leases

It sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the entity. IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 is effective for annual periods beginning on or after 1 April 2019. Earlier application is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16.

The Company has started an initial assessment of the potential impact on its financial statements. So far, the impact identified is that the Company will recognise new assets and liabilities for its operating leases of land. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Management anticipates that IFRS 16 will be adopted in the Company's financial statements for the annual period beginning 1 April 2019. The application of IFRS 16 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of its leases.

•IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers was issued by IASB in May 2014. IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

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4.New standards and interpretation not yet effective (continued)

The standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards and provides a single principle based framework to be applied to all contracts with customers that are in scope of the standard.

(i)Revenue from sale of goods

Revenue will be recognised when a customer obtains control of the goods. If the customer controls all of the work in progress as the products are being manufactured, the revenue from these contracts will be recognised as the products are being manufactured.

The Company's assessment indicates that this will not result in revenue as the customers do not have control over the products under manufacture.

Under the new standard revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. The standard introduces a new five step model to recognize revenue as performance obligations in a contract are satisfied. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments, and as such will impact the businesses that earn fee and commission revenue.

(ii)Disclosure and Transition requirements

The presentation and disclosure requirements in IFRS 15 are more detailed than under current IFRS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Company's financial statements. Many of the disclosure requirements in IFRS 15 are new and the Company has assessed that the impact of some of these disclosures requirements will not be significant.

The Company plans to adopt IFRS 15 using the cumulative effect method, with effect of initially applying this standard recognized at the date of initial application (i.e. 1 April 2018). As a result, the Company will not apply the requirements of IFRS 15 to the comparative period presented.

IFRS 9: Financial Instruments

On 24 July, 2014, the IASB issued IFRS 9 Financial Instruments ("the Standard"), which will replace IAS 39. The Standard covers three broad topics: Classification and Measurement, Impairment and Hedging.

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4.New standards and interpretation not yet effective (continued)

(ii)Disclosure and Transition requirements (continued)

The impact of applying the Standard are being analysed and based on the Management's current assessment, the Company does not expect the first-time application of the Standard to have any material impact on the financial statements. The following is a summary of some of the more significant items that are likely to be important in understanding the impact and the affected areas of the implementation of IFRS 9:

(i)Classification – Financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income (FVTOCI) and Fair Value through Profit or Loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

Based on its assessment, the Company believes that the new classification requirements will not have a material impact on its accounting for financial assets.

(ii)Impairment – Financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

Under IFRS 9, loss allowances will be measured on either of the following basis:

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

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4.New standards and interpretation not yet effective (continued)
(ii)Disclosure and Transition requirements (continued)

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month CL measurement applies if it has not. An entity may determine that a financial assets credit risk has not increased significantly if the assets has low credit risk at the reporting date.

The estimated ECLs will be calculated based on the actual credit loss experience over the past years while considering the customer type/payment records and grouped based on past due status. Historical default percentages which will be derived from historical data will be adjusted for forward looking information which is important for the Company to understand what actually drives the levels of default over the expected lives of the receivables.

The new rules regarding the accounting of impairment losses will lead to expected losses having to be expensed earlier in some cases. Application of the simplified approach for financial assets and impairment losses on the trade receivable to be recognised for the first time as of 1 April 2018 in accordance with IFRS 9, is not likely to lead to a significant change in impairment losses, based on Management's preliminary assessment.

(iii)Classification and measurement – Financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. Management's preliminary assessment does not indicate to have a material impact on classification and measurement of financial liabilities.

(iv)Disclosure and Transition requirements

IFRS 9 will require extensive new disclosures, in particular about credit risk and ECLs. The Company is in the process of analysing to identify data gaps against current processes and implementing the system and controls changes that it believe will be necessary to capture the required data. The Company will apply IFRS 9 from the period beginning 1 April 2018 and will not restate the prior periods. The differences between previous carrying amounts and those determined under IFRS 9 at the date of initial application will generally be recognized in retained earnings as at 1 April 2018.

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5.Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of financial 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 different degrees of judgement and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated assets and liabilities. Estimates are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The information about assumptions and estimation uncertainties that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

Depreciation is calculated to write off the cost of assets less residual value 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..

Impairment of trade receivables

The Group considers evidence of impairment for these at both an individual and a collective level. All individually significant receivables are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Receivable that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together receivables with similar risk characteristics.

Allowance for slow moving inventories

Allowance for slow moving and obsolete items is established based on the age analysis of slow moving and obsolete inventories. Further, items identified to be obsolete or damaged are fully provided.

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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							
1 April 2016	4,127,745	4,764,844	1,175,786	549,060	530,327	31,892	11,179,654
Additions	3,675	9,618	-	2,163	10,596	-	26,052
Write-off	-	-	-	-	-	(1,105)	(1,105)
Disposals	-	-	(125,164)	(80,925)	-	-	(206,089)
1 April 2017	4,131,420	4,774,462	1,050,622	470,298	540,923	30,787	10,998,512
Additions	90,000	155,773	-	29,000	42,570	7,550	324,893
Disposals	(29,039)	(280,476)	(790)	(38,115)	(3,869)	-	(352,289)
31 March 2018	4,192,381	4,649,759	1,049,832	461,183	579,624	38,337	10,971,116

The amount incurred towards capital work-in-progress relates to construction of residential complex for employees in Soughra. These are expected to be completed in year 2019.

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6.Property, plant and equipment (continued)

Parent Company	Land, buildings and cabins	Plant and equipment	Boats and trawlers	Motor vehicles	Furniture, fixture and office equipment	Capital work- in-pro-gress	Total
	RO	RO	RO	RO	RO	RO	RO
Depreciation							
1 April 2016	1,808,024	2,454,869	468,493	340,362	413,706	-	5,485,454
Charge for the year	218,204	396,792	126,159	65,642	61,226	-	868,023
Disposals	-	-	(81,551)	(38,613)	-	-	(120,164)
1 April 2017	2,026,228	2,851,661	513,101	367,391	474,932	-	6,233,313
Charge for the year	213,075	370,191	108,515	50,139	43,692	-	785,612
Disposals	(12,296)	(175,516)	(788)	(38,105)	(3,379)	-	(230,084)
31 March 2018	2,227,007	3,046,336	620,828	379,425	515,245	-	6,788,841
Carrying value							
31 March 2018	1,965,374	1,603,423	429,004	81,758	64,379	38,337	4,182,275
31 March 2017	2,105,192	1,922,801	537,521	102,907	65,991	30,787	4,765,199

During the year 2016, Group has written-off certain items from capital-work-in progress based on the State Audit Institution report, which were identified as items with no future economic benefit.

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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							
1 April 2016	5,574,254	5,974,885	1,175,786	989,709	581,732	41,493	14,337,859
Additions	3,674	32,912	-	40,462	12,176	-	89,224
Write-off	-	-	-	-	-	(1,105)	(1,105)
Disposals	-	-	(125,164)	(88,575)	-	-	(213,739)
1 April 2017	5,577,928	6,007,797	1,050,622	941,596	593,908	40,388	14,212,239
Additions	1,216,000	212,403	-	35,750	45,335	7,550	1,517,038
Transfers	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-
Disposals	(29,039)	(280,476)	(790)	(38,115)	(3,869)	-	(352,289)
31 March 2018	6,764,889	5,939,724	1,049,832	939,231	635,374	47,938	15,376,988

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							
1 April 2016	2,100,319	2,837,666	468,493	531,604	438,432	-	6,376,514
Charge for the year	295,433	506,504	126,159	157,602	72,723	-	1,158,421
Disposals	-	-	(81,551)	(44,100)	-	-	(125,651)
1 April 2017	2,395,752	3,344,170	513,101	645,106	511,155	-	7,409,284
Charge for the year	304,042	475,708	108,515	141,908	53,856	-	1,084,029
Disposals	(12,296)	(175,516)	(788)	(38,105)	(3,379)	-	(230,084)
31 March 2018	2,687,498	3,644,362	620,828	748,909	561,632	-	8,263,229
Carrying value							
31 March 2018	4,077,391	2,295,362	429,004	190,322	73,742	47,938	7,113,759
31 March 2017	3,182,176	2,663,627	537,521	296,490	82,753	40,388	6,802,955

During the year 2016, Group has written-off certain items from capital-work-in progress based on the State Audit Institution report, which were identified as items with no future economic benefit.

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6.Property, plant and equipment (continued)

(a)Breakup of capital work-in-progress is as follows:

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Civil works	**38,337**	30,787	**38,337**	30,787
Building	**-**	-	**9,601**	9,601
	38,337	30,787	**47,938**	40,388

During the year 2017, building was acquired for the additional ware house to be set up in Al Ameen.

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

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Cost of goods sold (note 24)	**454,361**	474,433	**742,612**	474,433
Administration and general expenses (note 26)	**331,251**	393,590	**341,417**	683,988
	785,612	868,023	**1,084,029**	1,158,421

7.Investment in subsidiaries

The details of investment in subsidiaries during the current and prior years is as below:

	Parent Company	
	2018	2017
	RO	RO
At 1 April and 31 March	515,750	515,750

Company name	Country of incorporation	Year end	Percentage held		Principal activities
			2018	2017	
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

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8.Held-to-maturity financial assets

	Parent Company and Group	
	2018	2017
	RO	RO
April 1	**-**	965,261
Value of bond matured	**-**	(965,261)
March 31	**-**	-

Held-to-maturity financial assets represents bonds issued by a commercial bank which earned interest at the rate of 8% per annum. These bonds have been matured on 7 May 2016.

9.Inventories

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Fish	**3,453,741**	1,049,906	**3,453,740**	1,049,906
Trading stock	**-**	-	**180,146**	484,739
Packing materials	**147,746**	143,959	**147,746**	143,959
Maintenance spares	**82,177**	78,787	**82,177**	78,787
Others	**10,545**	13,786	**10,690**	13,786
	3,694,209	1,286,438	**3,874,499**	1,771,177
Less: allowance for slow moving and obsolete inventory	**(42,489)**	(108,232)	**(42,489)**	(108,232)
	3,651,720	1,178,206	**3,832,010**	1,662,945

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

	Parent Company and Group	
	2018	2017
	RO	RO
1 April	**108,232**	155,301
Less: Reverse during for the year	**(65,743)**	(47,069)
31 March	**42,489**	108,232

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10.Trade and other receivables

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Trade receivables	**2,411,880**	1,874,703	**3,095,456**	2,671,980
Less: allowance for doubtful debts	**(344,937)**	(310,564)	**(357,483)**	(318,887)
	2,066,943	1,564,139	**2,737,973**	2,353,093
Accrued income	**28,559**	40,525	**28,559**	40,525
Advances to suppliers	**512,608**	480,471	**564,395**	1,200,931
Prepayments	**72,936**	112,806	**93,896**	136,604
Other receivables	**222,171**	220,128	**222,810**	220,302
	2,903,217	2,418,069	**3,647,633**	3,951,455

At the reporting date, 55% of trade receivables are receivable from three parties outside the Sultanate of Oman and five parties in the Sultanate of Oman (2017: 53% from one party outside the Sultanate of Oman and six parties in the Sultanate of Oman).

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

1 April	**310,564**	164,564	**318,887**	172,887
Received during the year	**(2,463)**	-	**(2,463)**	-
Charge for the year (note 26)	**36,836**	146,000	**41,059**	146,000
31 March	**344,937**	310,564	**357,483**	318,887

The details of gross exposure of trade receivables are set out below:

Not due	1,895,946	1,392,064	**2,315,668**	2,045,770
Past due but not yet impaired	**170,997**	172,075	**422,305**	307,323
Past due and impaired	**344,937**	310,564	**357,483**	318,887
	2,411,880	1,874,703	**3,095,456**	2,671,980

At 31 March 2018, past due but not impaired relates to customers for whom there is no recent history of default. The ageing analysis of these past due trade receivables is as follows:

Due from 3 to 6 months	**51,439**	136,655	**116,329**	271,903
Due above 6 months	**119,558**	35,420	**305,976**	35,420
	170,997	172,075	**422,305**	307,323

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10.Trade and other receivables (continued)

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

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
USD	**1,421,941**	1,031,287	**1,465,705**	1,115,174
Rial Omani	**989,939**	843,416	**1,629,207**	1,556,262
UAE Dirhams	**-**	-	**544**	544
	2,411,880	1,874,703	**3,095,456**	2,671,980

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 against receivables 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	
	2018	2017
	RO	RO
1 April	**256,936**	310,776
Investment sold during the year	**(34,971)**	(2,782)
Change in fair value (note 28)	**(28,877)**	(51,058)
31 March	**193,088**	256,936

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

	Parent Company and Group			
	2018		2017	
	Cost	**Fair value**	Cost	Fair value
	RO	**RO**	RO	RO
Banking	**72**	**158**	30,519	35,042
Services	**170,865**	**148,290**	209,765	165,845
Industrial	**51,028**	**44,640**	66,571	56,049
	221,965	**193,088**	306,855	256,936

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

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

2018	of investment % portfolio	Number of shares	Market value	Cost
			RO	RO
Bank Muscat SAOG	-	-	-	-
Oman Telecommunication Co. SAOG	14	29,600	26,995	42,032
SMN Power Holding Co. SAOG	19.8	58,110	38,353	40,677
Omani Qatari Telecommunication Co. SAOG	58.6	221,700	113,293	118,831

2017	of investment % portfolio	Number of shares	Market value	Cost
			RO	RO
Bank Muscat SAOG	12.5	84,192	32,330	29,617
Oman Telecommunication Co. SAOG	16.3	29,600	42,032	45,140
SMN Power Holding Co. SAOG	15.8	58,110	40,677	42,537
Omani Qatari Telecommunication Co. SAOG	46.2	221,700	118,831	159,627

12.Cash in hand and at bank

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Cash in hand	**33,092**	41,738	**33,092**	41,738
Cash at bank	**1,140,560**	1,494,953	**1,160,509**	1,533,464
	1,173,652	1,536,691	**1,193,601**	1,575,202

13.Share capital

The authorised Issued and paid up share capital comprises of 125,000,000 (2017 - 125,000,000) fully paid ordinary shares of RO 0.100 (2017 - 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:

	2018		2017	
	Number of shares	**holding %**	Number of shares	holding %
Government of the Sultanate of Oman	**30,000,000**	**24**	30,000,000	24

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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.

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 loans

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

A subsidiary company has obtained a loan from a local commercial bank repayable in equal monthly instalments over 10 years with the first monthly instalment due in April 2013. The facility is secured against the corporate guarantee given by the Parent Company and carries interest at 2.9% in the first year and 3% thereafter up to June 2017. From July 2017, rate of interest will be 6.25% on the remaining balance of loan.

	Parent Company		Group	
	2018	2017	2018	2017
	RO	RO	RO	RO
Term loan	96,071	131,005	1,096,050	1,330,989
Current portion	(34,678)	(34,678)	(234,682)	(234,682)
Non-current portion	61,393	96,327	861,368	1,096,307
Within one year	34,678	34,678	234,682	234,682
Between two to three years	34,678	34,678	234,682	234,682
Between three to four years	26,715	61,649	626,686	660,100
After five years	-	-	-	201,525
	96,071	131,005	1,096,050	1,330,989

Reconciliation of movement of liabilities to cashflows arising from financing activities:

	Parent Company		Group	
	Long term loan	Short term loan	Long term loan	Short term loan
	RO	RO	RO	RO
Balance at the beginning of the year	131,005	-	1,330,989	-
Receipts during the year	-	3,000,000	-	3,000,000
Repayments during the year	(34,934)	(3,000,000)	(234,939)	(3,000,000)
Balance at the end of the year	96,071	-	1,096,050	-

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17.End of service benefits

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
1 April	**128,847**	140,178	**135,350**	144,980
Charge for the year (note 25)	**20,116**	30,952	**23,472**	32,653
Paid during the year	**(25,891)**	(42,283)	**(26,602)**	(42,283)
31 March	**123,072**	128,847	**132,220**	135,350

18.Short term loans

During the year, the Company obtained short term loans from local commercial banks. The facilities carried interest in the range of 2.8% to 3.5% and were settled prior to 31 March 2018.

19.Trade and other payables

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Trade and other payables	**693,348**	720,364	**945,847**	793,514
Accrued expenses	**561,405**	761,741	**596,095**	819,584
Advances from customers	**67,514**	92,637	**81,458**	93,265
	1,322,267	1,574,742	**1,623,400**	1,706,363

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:

Net assets (RO)	**12,603,749**	12,584,831	**14,669,690**	14,553,619
Number of shares outstanding (No.)	**125,000,000**	125,000,000	**125,000,000**	125,000,000
Net assets per share (RO)	**0.101**	0.101	**0.117**	0.116

21.Related parties

The Group and the Parent Company enter into transactions with shareholders, with entities over which certain Directors have significant influence and with senior management. The Parent Company also transacts with subsidiaries in the ordinary course of business. The Group and Parent Company sell goods and procure goods and services from these related parties.

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21.Related parties (continued)

(a)Amount due from related parties

	Parent Company	
	2018	2017
	RO	RO
Al Ameen Cold Stores and Refrigeration LLC	2,396,150	1,665,488
Oman Fisheries FZE - Sharjah	43,764	30,509
	2,439,914	1,695,997

(b)Amount due to related parties

Al Ameen Cold Stores and Refrigeration LLC	2,467,070	1,571,847
Oman Fisheries FZE - Sharjah	74,465	-
	2,541,535	1,571,847

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

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

	Parent Company	
	2018	2017
	RO	RO
Hire charges of cold store	757,452	434,008
Hire charges of vehicles	144,893	83,774
Management charges	360,000	360,000
Rent	30,672	30,680

b)Sitting fees and remuneration

	Group	
	2018	2017
	RO	RO
Directors' sitting fees	30,450	57,300
Directors' remuneration	25,550	38,000
	56,000	95,300

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21.Related parties (continued)

c)Key management compensation

	Parent Company and Group	
	2018	2017
	RO	RO
Salaries and allowances	231,729	125,212
Other benefits and expenses	19,150	19,310
End of service benefits	5,196	7,461
	256,075	151,983

22.Sales

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Export sales	**18,822,956**	20,966,109	**19,608,609**	21,842,956
Local sales	**2,360,644**	2,594,060	**4,150,678**	6,492,345
	21,183,600	23,560,169	**23,759,287**	28,335,301

23.Other income

Income from sale of ice	**3,805**	3,596	**3,805**	3,596
Compensation from Ministry	**22,880**	18,251	**22,880**	18,251
Lease rentals	**206,082**	663,014	**206,082**	672,014
Accrual written back	**63,312**	-	**63,312**	-
Insurance claim	**17,536**	15,528	**17,536**	15,528
Management Charges	**390,672**	390,675	**-**	-
Others	**61,670**	21,734	**61,670**	21,733
	765,957	1,112,798	**375,285**	731,122

24.Cost of goods sold

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Opening stock of fish and meat	**941,674**	1,088,936	**1,426,413**	1,088,936
Purchases	**17,669,980**	17,053,209	**19,257,125**	20,762,797
Processing charges	**307,592**	1,147,686	**307,592**	1,147,686
Packing material consumed	**500,609**	561,351	**500,609**	561,351
Hire charges of cold store	**758,459**	434,651	**976**	643
Custom and clearing charges	**34,780**	50,280	**108,192**	220,822
(Staff cost and wages (note 25	**775,984**	220,962	**950,754**	220,962
Utilities	**170,854**	70,608	**170,854**	70,608
(Depreciation (note 6	**454,361**	474,433	**742,612**	474,433

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24.Cost of goods sold (continued)

Ice and production charges	**41,178**	5,575	**41,038**	5,572
Closing stock fish & meat	**(3,411,252)**	(941,674)	**(3,591,397)**	(1,426,413)
	18,244,219	20,166,017	**19,914,768**	23,127,397

25.Staff costs

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Salaries, wages and bonus	**1,261,984**	678,872	**1,479,687**	875,407
Social security costs	**64,124**	37,473	**74,756**	45,255
(End of service benefits (note 17	**20,116**	30,952	**23,472**	32,653
Others	**272,291**	356,832	**318,828**	424,965
	1,618,515	1,104,129	**1,896,743**	1,378,280

Staff cost allocation is as follows:

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
(Cost of goods sold (note 24	**775,984**	220,962	**950,754**	220,962
(Administration and general expenses (note 26	**842,531**	883,167	**945,989**	1,157,318
	1,618,515	1,104,129	**1,896,743**	1,378,280

26.Administration and general expenses

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Depreciation (note 6)	**331,251**	393,590	**341,417**	683,988
Staff cost (note 25)	**842,531**	883,167	**945,989**	1,157,318
Repairs and maintenance	**287,332**	187,714	**311,385**	211,736
Vehicle expenses	**63,462**	54,601	**190,568**	65,869
Boat expenses	**62,700**	53,127	**62,700**	53,127
Electricity, water and fuel	**35,043**	27,110	**144,393**	91,060
Sundry expenses	**49,400**	46,453	**59,303**	61,593
Professional fees	**44,053**	46,879	**52,167**	53,983
Insurance costs	**47,960**	59,494	**58,369**	67,227
Rent	**51,267**	47,983	**67,056**	65,900
Communication expenses	**34,389**	31,113	**43,435**	37,592
Traveling and entertainment	**55,336**	26,533	**62,172**	41,006
Directors' remuneration (note 21)	**25,550**	-	**25,550**	38,000
Printing and stationery	**11,512**	6,159	**12,483**	8,159

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26.Administration and general expenses (continued)

(Directors' sitting fees (note 21	**24,450**	51,200	**30,450**	57,300
(Allowance for doubtful debts (note 10	**36,836**	146,000	**41,059**	146,000
Bank charges	**5,282**	6,320	**5,283**	6,320
Consumables	**129,800**	184,000	**129,800**	184,000
	2,138,154	2,251,443	**2,583,579**	3,030,178

27.Selling and distribution expenses

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Freight	**1,265,958**	1,514,675	**1,145,798**	1,521,639
Export related expenses	**84,479**	91,976	**85,368**	93,988
Advertisement and sales promotion expenses	**106,035**	61,523	**119,181**	64,007
	1,456,472	1,668,174	**1,350,347**	1,679,634

28.Loss on investment – net

	Parent Company and Group	
	2018	2017
	RO	RO
Dividend income	**13,396**	19,742
Loss on sale of financial assets at fair value through profit or loss	**1,554**	(1,628)
Change in fair value loss on financial assets at fair value through profit or loss – net	**(28,877)**	(51,058)
	(13,927)	(32,944)

29.Finance income / cost

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Finance income				
Interest income on deposits	**65,746**	34,748	**65,746**	34,748
Finance cost				
Interest expense on short term loan and overdraft	**(29,665)**	(22,407)	**(100,314)**	(93,446)

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30.Basic and diluted earnings per share

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

	Parent Company		Group	
	2018	2017	2018	2017
Profit attributable to shareholders (RO)	**18,918**	1,156,670	116,071	1,652,248
Weighted average number of shares outstanding	**125,000,000**	125,000,000	125,000,000	125,000,000
Earnings per share (RO)	**0.0002**	0.009	0.001	0.013

31.Taxation

The Group has provided for taxation in accordance with the income tax laws of the Sultanate of Oman at the rate of 15% (2017: 12% on taxable profits in excess of RO 30,000) on taxable profits

	2018	2017
Parent Company	**RO**	RO
Current tax		
Prior years	**614**	-
Deferred tax		
Current year	**(109,250)**	87,825
Prior years	**131,596**	(698,891)
	22,346	(611,066)
Income tax expense	**22,960**	(611,066)
Group		
:Current tax		
Current year	**21,453**	67,659
Prior years	**2,907**	-
Income tax expense	**24,360**	67,659
Deferred tax charge		
Current year	**24,407**	79,035
Prior years	**(18,443)**	(682,496)
	5,964	(603,461)
Taxation	**30,324**	(535,802)

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31.Taxation (continued)

The reconciliation of tax on accounting profit at the applicable rate of 15% (2016: 12%) with the taxation charge in the statement of profit or loss and other comprehensive income is as follows:

	Parent Company		Group	
	2018	2017	2018	2017
	RO	RO	RO	RO
Profit before tax	41,878	545,604	146,395	1,116,446
Tax at applicable tax rate	6,282	61,872	21,958	130,374
Exempt income	(2,242)	(2,352)	(2,242)	(2,352)
Non-deductible expenses	6,086	7,140	6,386	7,188
Deferred tax prior years	131,596	(698,891)	115,446	(682,496)
Current tax prior years	614	-	614	-
Deferred tax effect due to change in tax rate	(123,208)	17,565	(107,061)	15,807
Effect of minimum exemption limit	-	3,600	-	3,600
Others	3,832	-	3,832	(7,923)
Permenant difference	-	-	(8,609)	-
	22,960	(611,066)	30,324	(535,802)

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 15% (2017 - 12%). The net deferred tax asset in the statement of financial position and deferred tax (charge)/credit in the profit or loss is attributable to the following items:

Parent Company	1 April 2017	Charged / (credited) to profit or loss	31 March 2018
	RO	RO	RO
(Deferred tax asset/ (liability			
Allowance for obsolete inventory	16,235	(9,861)	6,374
Allowance for doubtful debts	46,585	5,156	51,741
Depreciation	(33,467)	7,549	(25,918)
Tax losses	595,071	(25,190)	569,881
	624,424	(22,346)	602,078

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31.Taxation (continued)

Group			
Deferred tax asset			
Allowance for obsolete inventory	16,235	(9,861)	6,374
Allowance for doubtful debts	47,833	18,621	66,454
Depreciation	(115,453)	8,173	(107,280)
Tax losses	595,071	(22,897)	572,174
	543,686	(5,964)	537,722

Parent Company	1 April 2016	Charged / (credited) to profit or loss	March 31 2017
Deferred tax asset			
Allowance for obsolete inventory	2,400	13,835	16,235
Allowance for doubtful debts	-	46,585	46,585
Depreciation	(7,603)	(25,864)	(33,467)
Tax losses	18,561	576,510	595,071
	13,358	611,066	624,424
Group			
Deferred tax asset			
Allowance for obsolete inventory	2,400	13,835	16,235
Allowance for doubtful debts	-	47,833	47,833
Depreciation	(80,736)	(34,717)	(115,453)
Tax losses	18,561	576,510	595,071
	(59,775)	603,461	543,686

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31.Taxation (continued)

The Parent Company's tax assessments for the years ended 31 March 2012 has been finalised. Tax assessments for the years ended 31 March 2013 to 2017 are yet to be agreed with Secretariate General of taxation, at Ministry of Finance. The Board of Directors are of the opinion that any additional taxes that may be assessed would not be significant to the financial position of the Parent Company at 31 March 2018. Oman Fisheries FZE is registered in Free Zone Establishment with limited liability at Sharjah Airport International Free Zone (SAIF Zone) in the Emirates of Sharjah and is not subject to taxation in the UAE.

Al Ameen Stores and Refrigeration LLC, the subsidiary's tax assessment for the period ended 31 March 2013 to 2017 are yet been agreed Secretariate General of taxation, at Ministry of Finance. The Board of Directors is of the opinion that any additional taxes that may be assessed would not be significant to the financial position of the Group at 31 March 2018.

32.Financial risk management

Financial risk factors

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

Market risk

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

Foreign exchange risk

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

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32.Financial risk management (continued)

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

Price risk

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

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

Sensitivity

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	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
MSM	**9,654**	12,847	**9,654**	12,847

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. The Group's policy is to maintain almost all of its borrowings in fixed rate instruments. The Group analyses its interest rate exposure on a regular basis and reassesses the source of borrowings and renegotiates interest rates at terms favorable to the Group.

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32.Financial risk management (continued)

At 31 March 2018, 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 nil (2017: RO 4,825).

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, cash and cash equivalents, 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	
	2018	2017	2018	2017
	RO	RO	RO	RO
Trade receivables	2,066,943	1,564,139	2,737,973	2,353,093
Due from related parties	2,439,914	1,695,997	-	-
Other receivables	222,171	220,128	222,810	220,302
Cash at bank	1,140,560	1,494,953	1,160,509	1,533,464
	5,869,588	4,975,217	4,121,292	4,106,859

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

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

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Local customers	**989,940**	843,416	**1,672,972**	1,640,693
Foreign customers	**1,421,940**	1,031,287	**1,422,484**	1,031,287
	2,411,880	1,874,703	**3,095,456**	2,671,980

32.Financial risk management (continued)

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

	Parent Company		Group	
	2018	2017	2018	2017
	RO	RO	RO	RO
Hypermarkets	34,912	24,291	37,072	24,291
Private entities	1,875,274	1,347,425	2,556,690	2,144,902
Other retail customers	501,694	502,987	501,694	502,787
	2,411,880	1,874,703	3,095,456	2,671,980

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 Company				
March 2018 31	Carrying amount	Less than one year	to 2 years 1	More than 2 years
	RO	RO	RO	RO
Trade and other payables	1,322,267	1,322,267	-	-
Amount due to related parties	2,541,535	2,541,535	-	-
Term loan	96,071	35,720	35,720	27,517
	3,959,873	3,899,522	35,720	27,517

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.

Liquidity risk

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

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

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32.Financial risk management (continued)

Parent Company

March 2017 31	Carrying amount	Less than one year	to 2 years 1	More than 2 years
	RO	RO	RO	RO
Trade and other payables	1,574,742	1,574,742	-	-
Amount due to related parties	1,571,847	1,571,847	-	-
Term loan	131,005	35,720	35,720	63,500
	3,277,594	3,182,309	35,720	63,500

Group

March 2018 31				
Trade and other payables	1,623,400	1,623,400	-	-
Term loan	1,096,050	241,725	241,725	645,700
	2,719,450	1,865,125	241,725	645,700
March 2017 31				
Trade and other payables	1,706,363	1,706,363	-	-
Term loan	1,330,989	241,725	241,725	861,625
	3,037,352	1,948,088	241,725	861,625

33.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.

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33.Fair value estimation (continued)

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 carrying amounts of the financial assets not presented at their fair values in the statement of financial position.

34.Fixed deposits

The Company has placed term deposits with local commercial banks and earns interest at the rate of 2.50% per annum and are maturing on August 2018.

35.Segment information

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("the Board") that are used to make strategic decisions. The Board considers the business from a group level as the Group is principally engaged in one segment which is fishing, procurement, processing and sale of fish. The Board also considers the geographical segments. The Board review monthly analysis of these geographical segments by monitoring volume and value and the related debtors. As the Board effectively look at only one group level segment, all relevant details are as set out in the profit or loss and statement of financial position. The geographical distribution of revenue and receivables, based on the reports reviewed by the Board 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	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Far East	**9,477,700**	11,797,262	**10,638,650**	11,797,262
GCC and Middle East	**4,356,044**	3,222,499	**5,798,781**	7,597,443
Africa and others	**5,129,804**	7,174,595	**5,096,030**	7,174,595
Europe	**2,220,052**	1,365,813	**2,225,826**	1,365,813

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35.Segment information (continued)

	21,183,600	23,560,169	23,759,287	27,935,113
Trade receivable				
Far East	409,445	195,325	409,445	195,325
GCC and Middle East	1,247,285	852,028	1,930,861	1,649,305
Africa and others	632,336	677,709	632,336	677,709
Europe	122,814	149,641	122,814	149,641
	2,411,880	1,874,703	3,095,456	2,671,980

36.Capital management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Capital requirements are prescribed by the Capital Market Authority and the Commercial Companies Law of 1974, as amended.

37.Contingent liabilities and commitments

At 31 March 2018, the Parent Company and Group had contingent liabilities in respect of bank guarantees amounting to RO 370,953 (2017: RO 370,953) given in the normal course of business against which no material liabilities are expected to arise. The Parent Company has also given a corporate guarantee of RO 2,000,000 (2017: RO 2,000,000) to local commercial bank against the loan obtained by Al Ameen Stores and Refrigeration LLC.

38.Reclassification of prior year figures

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

	Parent Company		Group	
	2018	2017	**2018**	2017
	RO	RO	**RO**	RO
Capital commitments	**-**	-	**-**	578,347