OCEAN AQUATIC PROTEINS LLC

FINANCIAL STATEMENTS

31 MARCH 2024

OCEAN AQUATIC PROTEINS LLC

FINANCIAL STATEMENTS

31 March 2024

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEAN AQUATIC PROTEINS LLC

Report on the audit of financial statements

Opinion
We have audited the accompanying financial statements of Ocean Aquatic Proteins LLC ('the company'), which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with 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 company's financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities 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.

Responsibilities of management and the members for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company'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 company or to cease operations, or has no realistic alternative but to do so.

The members are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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 financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEAN AQUATIC PROTEINS LLC (continued)

Report on the audit of financial statements (continued)

Auditor's responsibilities for the audit of financial statements (continued)
As a part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 company'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 event or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report. However, future events or conditions may cause the company to cease to continue as going concern.

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

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

12 May 2024
Muscat.

C.R.: 1316620
P.O.Box
Postal Code 116
Sultanate of Oman
Al Barij Audit and Financial Consultancy

OCEAN AQUATIC PROTEINS LLC

STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	Notes	2024 RO	2023 RO
ASSETS			
Non-current assets			
Property, plant and equipment	3	**742,168**	966,260
Right to use assets	4 *(a)*	**204,812**	263,077
		946,980	1,229,337
Current assets			
Inventories	5	**1,237,026**	634,470
Trade and other receivables	6	**2,129,846**	1,054,369
Cash and bank balances	7	**34,291**	114,799
		3,401,163	1,803,638
TOTAL ASSETS		**4,348,143**	3,032,975
EQUITY AND LIABILITIES			
Equity			
Share capital	8	**150,000**	150,000
Legal reserve	9	**47,099**	11,888
Retained earnings		**545,009**	228,108
Deeply subordinated loans	18 *(c)*	**543,225**	664,309
		1,285,333	1,054,305
Non-current liabilities			
Term loan: non - current	10	**133,732**	238,638
Lease liability: non - current	4 *(b)*	**160,423**	217,959
		294,155	456,597
Current liabilities			
Term loan: current portion	10	**95,012**	95,012
Bank borrowings	11	**1,352,107**	698,181
Lease liability: current	4 *(b)*	**55,583**	54,235
Trade and other payables	12	**1,265,953**	674,645
		2,768,655	1,522,073
Total liabilities		**3,062,810**	1,978,670
TOTAL EQUITY AND LIABILITIES		**4,348,143**	3,032,975

The financial statements were authorised for issue by shareholders on 12 May 2024 and signed here under by

Authorised signatory

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شناص، سلطنة عمان
C.R.1317680
S.of Oman
Shinas
OCEAN AQUATIC PROTIENS L.L.C.

The attached notes 1 to 22 form part of these financial statements.

OCEAN AQUATIC PROTEINS LLC

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	**2024 RO**	2023 RO
Revenue from contracts with customers	14	**5,954,250**	5,648,151
Cost of sales	15	**(4,718,080)**	(4,740,653)
Gross profit for the year		**1,236,170**	907,498
General and administration expenses	16	**(333,923)**	(342,076)
Depreciation	3	**(245,436)**	(263,142)
Depreciation on right of use assets	4 *(c)*	**(58,265)**	(58,265)
Interest on lease liability	4 *(c)*	**(13,171)**	(25,016)
Finance costs	17	**(119,790)**	(55,319)
Other income	13	**23,347**	3,271
Profit for the year before taxation		**488,932**	166,951
Income tax for current year	19	**(136,820)**	(48,068)
Profit for the year		**352,112**	118,883
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**352,112**	118,883

The attached notes 1 to 22 form part of these financial statements.

OCEAN AQUATIC PROTEINS LLC

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	Share capital RO	Legal reserve RO	Retained earnings RO	Deeply subordinated loans RO	Total RO
At 1 April 2022	150,000	-	121,113	433,340	704,453
Total comprehensive income for the year:					
Profit for the year	-	-	118,883	-	118,883
Transfer to legal reserve	-	11,888	(11,888)	-	-
Movement in deeply subordinated loans	-	-	-	230,969	230,969
At 31 March 2023	150,000	11,888	228,108	664,309	1,054,305

	Share capital RO	**Legal reserve RO**	**Retained earnings RO**	**Deeply subordinated loans RO**	**Total RO**
At 1 April 2023	**150,000**	**11,888**	**228,108**	**664,309**	**1,054,305**
Total comprehensive income for the year:					
Profit for the year	-	-	**352,112**	-	**352,112**
Transfer to legal reserve	-	**35,211**	**(35,211)**	-	-
Movement in deeply subordinated loans	-	-	-	**(121,084)**	**(121,084)**
At 31 March 2024	**150,000**	**47,099**	**545,009**	**543,225**	**1,285,333**

The attached notes 1 to 22 form part of these financial statements.

OCEAN AQUATIC PROTEINS LLC

STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	2024 RO	2023 RO
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	**488,932**	166,951
Adjustments for:		
Depreciation	**245,436**	263,142
Depreciation on right to use assets	**58,265**	58,265
Gain on disposal of property, plant and equipment	**(6,000)**	(1,374)
Interest on lease finance	**13,171**	25,016
Operating profit before working capital changes	**799,804**	512,000
Working capital changes:		
Inventories	**(602,556)**	(358,548)
Trade and other receivables	**(1,075,477)**	(609,591)
Trade and other payables	**506,224**	(164,621)
Income tax paid	**(51,736)**	-
Net cash used in operating activities	**(423,741)**	(620,760)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(21,344)**	(68,100)
Proceeds from disposal of property, plant and equipment	**6,000**	5,854
Net cash used in investing activities	**(15,344)**	(62,246)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in deeply subordinated loan	**(121,084)**	230,969
Term loans, net	**(104,906)**	(82,548)
Lease liability paid	**(69,359)**	(74,164)
Net cash (used in) / from financing activities	**(295,349)**	74,257
Net change in cash and cash equivalents	**(734,434)**	(608,749)
Cash and cash equivalents at beginning of the year	**(583,382)**	25,367
Cash and cash equivalents at the end of the year	**(1,317,816)**	(583,382)
Cash and cash equivalents comprises of:		
Cash and bank balances	**34,291**	114,799
Bank borrowings	**(1,352,107)**	(698,181)
	(1,317,816)	(583,382)

The attached notes 1 to 22 form part of these financial statements.

1 ACTIVITIES

Ocean Aquatic Proteins LLC ('the company') is registered as a limited liability company incorporated on 11 April 2018, under the Commercial Companies Law of the Sultanate of Oman. The principal activities of the company are manufacture of fish products, extraction and refining of fish and marine mammal oils, preparation and preservation of fish crustaceans and mollusks by drying, smoking and salting. The company's registered address is Postal Code 324, Shinas, North Al Batinah, Sultanate of Oman.

The company shareholding structure is set out below :

	Shareholding %	
Name of shareholders	**2024**	2023
Saif Salim Ahmed Al-Rawahi	**30**	30
Mukka Proteins Limited, India	**63**	63
Mohammed Haris Kalandan	**7**	7
	100	100

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the applicable requirements of the Commercial Companies Law of the Sultanate of Oman. The financial statements have been presented in Rial Omani ("RO"), which is the company functional currency and are prepared under the historical cost convention.

2.2 New and amended IFRS adopted by the company

The financial statements have been drawn up based on accounting standards, interpretations and amendments effective at 1 January 2023. The company has adopted the applicable new and revised Standards and Interpretations issued by International Accounting Standards Board and the International Financial Reporting Interpretations Committee, which were effective for the current accounting period.

- Amendments to IFRS 17 – Insurance Contracts
- Disclosure of accounting policies - Amendments to IAS 1
- Definition of Accounting Estimates - Amendments to IAS 8
- Amendment to IAS 12 - Deferred tax related to Assets and Liabilities arising from a single transaction and International Tax reforms (Pillar two model rules).

The management believes the adoption of the above amendments has not had any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for the current accounting period.

2.3 New and amended IFRS which are in issue but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company financial statements are disclosed below. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IAS 1 Presentation of Financial Statements the classification of certain liabilities as current or non-current may change (e.g. convertible debt). In addition, companies may need to provide new disclosures for liabilities subject to covenants. The amendments will apply from 1 January 2024.

- Amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019. The amendment will be applied from 1 January 2024 retrospectively.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 New and amended IFRS which are in issue but not yet effective (continued)

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments introduce additional disclosure requirements for companies that enter into these arrangements. However, they do not address the classification and presentation of the related liabilities and cash flows. The amendments will apply from 1 January 2024.

- Amendments to IFRS 10 and IAS 28 - sale or contribution of assets between an Investor and its associate or joint venture. This amendment is available for optional adoption, however effective date is deferred indefinitely.

- Amendments to IAS 21 to clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability. The amendments will apply from 1 January 2024.

The management believes the adoption of the above amendments is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for future periods.

2.4 Accounting policies

The significant accounting policies adopted by the company are as follows:

Income tax
Taxation is provided in accordance with Omani fiscal regulations.

Deferred income tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted at the statement of financial position date.

Deferred income tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Foreign currencies
Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the statement of financial position date. All exchange differences are taken to the statement of comprehensive income.

Revenue recognition
Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Accounting policies (continued)

Financial assets

Initial recognition

The company's financial assets comprise accounts and other receivables and bank balances and cash. These financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The subsequent measurement of financial assets at amortised cost is analyzed as follows:

Financial assets at amortised cost:

The company measures financial assets at amortised cost if both of the following conditions are met:

a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income from financial assets, if any, is included in finance income using the effective interest rate method. Impairment losses are presented as separate line item in the statement of income.

Cash and cash equivalents

For purpose of statement of cash flows, cash and cash equivalents consist of bank balances and cash, net of bank borrowing.

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and represent the Company's right to an amount of consideration that is unconditional (i.e.. only the passage of time is required before payment of the consideration is due). They are generally due for settlement within 90 to 120 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

Inventories

Inventories are stated at lower of cost and net recognised value after making due allowance for any obsolete or slow-moving items. Cost is determined on weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. The company measures the impairment using the expected credit loss (ECL) model for different categories of financial assets.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Accounting policies (continued)

Impairment (continued)

Financial assets (continued)

Accounts receivable
The company uses a single rate valuation method to calculate ECLs for accounts receivable since the historical data is not representative of credit losses as there have been insignificant credit losses in the past. The default rates are based on external credit rating agencies for industry and country wise default rates, adjusted for forward-looking factors specific to the economic environment in the Sultanate of Oman.

Other financial assets
For other financial assets, which are subject to impairment, the ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a lifetime ECL is recognised for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

For bank balances and cash, the ECL adjustments are made only if they are material.

Write off
The gross carrying amount of a financial asset is written off when the company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

Non financial assets
At the end of each reporting period, the Management assesses if there is any indication of impairment of non financial assets. If an indication exists, the Management estimates the recoverable amount of the asset and recognises an impairment loss in the statement of income. The Management also assesses if there is any indication that an impairment loss recognised in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognised immediately in the statement of income.

Employees' end of service benefits
Payment is made to Government of the Sultanate of Oman's Social Security Scheme for Omani employees. Provision is made for amounts payable under the Oman Labour Law applicable to expatriate employees' accumulated years of service at the end of the reporting period.

Provisions
A provision is recognised if, as a result of a past event, the company has a present legal or the expected future cash flows at a pre-tax rate that reflects current market assessments constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting of the time value of money and the risks specific to the liability.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Accounting policies (continued)

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation. The cost of equipment is their purchase price together with any incidental expenses necessary to bring the assets to their intended condition and location. 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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the year in which they are incurred.

The cost of property, plant and equipment is written-down to residual value using straight line method, over the estimated useful lives of the assets. The estimated useful lives are set out below:

	Years
Building	10
Plant and machineries	7
Furniture and fixtures	3
Motor vehicles	3

Capital work-in-progress is stated at cost. When the underlying asset is ready for its intended use, capital work-in-progress balance is transferred to the appropriate equipment category and depreciated in accordance with the depreciation policies of the company. Capital work-in-progress is not depreciated until the asset is ready for use.

Borrowing costs incurred for construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are

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

Gains and losses on disposals of equipment are determined by reference to their carrying amounts and are taken into account in determining other income.

Leases
The company leases its warehouse premises under various lease arrangements. Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-along prices unless it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Lease liabilities include the net present value of the following lease payments:

a. fixed payments, less any lease incentives receivable
b. variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
c. amounts expected to be payable by the company under residual value guarantees
d. the exercise price of a purchase option if the company is reasonably certain to exercise the option, and
e. penalties for terminating the lease, if the lease term reflects the company exercising that option.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Accounting policies (continued)

Leases (continued)
Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the company's incremental borrowing rate is used.

Lease payments are allocated between the principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

a the amount of the initial measurement of lease liability
b any lease payments made at or before the commencement date less any lease
c any initial direct costs, and
d restoration costs, if applicable.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and low value assets are recognised on a straight-line basis as an expense in the statement of income.

Estimates and assumptions
The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by the management in the application of IFRSs that have an effect on the financial statements and estimates with a significant risk of material adjustment in the next period mainly comprises of the impairment of capital-work-progress and going concern assumption.

3 PROPERTY, PLANT AND EQUIPMENT

	Building RO	Plant and machineries RO	Furniture and fixtures RO	Motor vehicles RO	Total RO
Cost:					
At 1 April 2023	109,670	1,427,609	5,601	66,374	1,609,254
Additions during the year	350	19,985	1,009	-	21,344
Disposal during the year	-	-	-	(6,000)	(6,000)
At 31 March 2024	**110,020**	**1,447,594**	**6,610**	**60,374**	**1,624,598**
Accumulated depreciation:					
At 1 April 2023	16,858	579,952	2,842	43,342	642,994
Charge for the year	4,282	230,994	511	9,649	245,436
Disposal during the year	-	-	-	(6,000)	(6,000)
At 31 March 2024	**21,140**	**810,946**	**3,353**	**46,991**	**882,430**
Net book value:					
At 31 March 2024	**88,880**	**636,648**	**3,257**	**13,383**	**742,168**
At 31 March 2023	92,812	847,657	2,759	23,032	966,260

4 LEASES

The company has entered into leasing arrangements for factory, machinery and land. The lease term for factory was 10 years. machinery was 5 years and land for a period of 15 years. The weighted average incremental borrowing rate applied to the lease liabilities is between 6.5% per annum.

a) The movement in right-to-use asset is as set out below:

	2024 RO	2023 RO
Arising on the application of IFRS 16	**335,908**	335,908
At 1 April 2023	**263,077**	321,342
Charge for the year	**(58,265)**	(58,265)
At 31 March 2024	**204,812**	263,077

b) The movement in lease liability is as set out below:

	2024 RO	2023 RO
Arising on the application of IFRS 16	**335,908**	335,908
Lease liability at 31 March	**216,006**	272,194
Disclosed as:		
Non-current liability	**160,423**	217,959
Current liability	**55,583**	54,235
	216,006	272,194

4 LEASES

c) Amounts recognised in the statement of comprehensive income:

	2024 RO	2023 RO
Depreciation on right-of-use assets	**58,265**	58,265
Interest on lease liabilities	**13,171**	25,016
	71,436	83,281

d) Amount recognised in the statement of cash flows:

	2024 RO	2023 RO
Total cash outflows for lease payments	**69,359**	74,164

5 INVENTORIES

	2024 RO	2023 RO
Fish oil	**758,143**	187,624
Fish powder	**349,678**	138,155
Fish soluble paste	**99,387**	73,376
Dry fish	**6,211**	215,252
Others	**23,607**	20,063
	1,237,026	634,470

6 TRADE AND OTHER RECEIVABLES

	2024 RO	2023 RO
Advance to suppliers	**968,096**	595,438
Trade receivables	**790,453**	254,533
Due from related parties (note 18)	**190,260**	156,705
VAT recoverable	**129,839**	20,033
Prepayments and other receivables	**37,084**	27,660
Loans and advances	**14,114**	-
	2,129,846	1,054,369

Trade receivable are non-interest bearing and are generally on 90 days credit terms. The details of credit risks on trade receivable is disclosed in note 21.

7 CASH AND BANK BALANCES

	2024 RO	2023 RO
Cash in hand	**1,537**	278
Bank balances	**32,754**	114,521
	34,291	114,799

8 SHARE CAPITAL

	2024 RO	2023 RO
Authorized, issued and fully paid 150,000 shares of RO 1 each	**150,000**	150,000

9 LEGAL RESERVE

In accordance with the Commercial Companies Law of the Sultanate of Oman, annual appropriation of 10% of the net profit for the year is to be made to the legal reserve until the reserve equals one-third of the entity's share capital. The reserve is not available for distribution, but can be utilised to set off against any accumulated losses.

10 TERM LOAN

	2024 RO	2023 RO
Term loan	**228,744**	333,650
Less: current portion of term loan	**(95,012)**	(95,012)
Non-current portion of term loan	**133,732**	238,638

The company has been transferred a term loan availed by a related party (Mukka Sea Food Industries Limited) based in India, from an Indian commercial bank. However, the related disbursement was done from the HDFC Bank in Bahrain. The loan has a tenor of 6 years and interest is charged at mutually agreed market rates.

The loan is secured by:
- a mortgage on property located in India;
- 10% cash margin provided by related party; and
- personal guarantees of owners of related parties.

11 BANK BORROWINGS

	2024 RO	2023 RO
Bank overdraft	**1,352,107**	698,181

The company has been sanctioned an overdraft facility from a commercial bank in India for a tenor of 1 year to meet working capital requirements of the company. The interest is charged at mutually agreed market rates.

The facility is secured by:
- a charge on the stock and book debts of the company; and
- corporate guarantee of Mukka Proteins Ltd, India.

12 TRADE AND OTHER PAYABLES

	2024 RO	2023 RO
Amount due to related parties (note 18)	**761,445**	370,394
Trade payables	**311,331**	227,682
Advance from customers	**-**	10,094
Accrued expenses	**60,025**	18,407
Provision for income tax	**133,152**	48,068
	1,265,953	674,645

13 OTHER INCOME

	2024 RO	2023 RO
Profit on sale of fixed assets	**6,000**	1,374
Rental and other income	**17,347**	1,897
	23,347	3,271

14 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2024 RO	2023 RO
Fish meal	4,905,149	3,994,995
Fish oil	805,462	1,532,316
Fish soluble paste	243,639	120,840
	5,954,250	5,648,151

a) Timing of revenue recognition

	2024 RO	2023 RO
Revenue recognised at a point in time	5,954,250	5,648,151

b) Geographical region

	2024 RO	2023 RO
Within Oman	64,340	1,176
Outside Oman		
India	356,894	383,297
Others	5,533,016	5,263,678
	5,954,250	5,648,151

c) Segment information

The company is operating into one business segment i.e. fish products.

15 COST OF SALES

	2024 RO	2023 RO
Opening stock	634,470	275,922
Add: purchase of stock/consumables	4,756,576	4,423,560
Less: closing stock	(1,237,026)	(634,470)
Cost of material consumed	4,154,020	4,065,012
Freight and customs duty	249,061	313,587
Power and fuel expenses	120,765	95,771
Other direct costs	194,234	266,283
	4,718,080	4,740,653

16 GENERAL AND ADMINISTRATION COSTS

	2024 RO	2023 RO
Hired labour charges	**232,328**	180,342
Commission paid	**5,836**	35,744
Exchange loss	**5,583**	51,037
Traveling and conveyance expenses	**24,769**	11,495
Vehicle fuel and maintenance	**18,435**	10,546
Legal and professional charges	**4,970**	7,123
Communication expenses	**3,619**	4,339
Rent expenses	**6,570**	4,100
Bank charges	**4,631**	2,783
Printing and stationery	**522**	543
Insurance charges	**4,751**	234
Miscellaneous expenses	**21,909**	33,790
	333,923	342,076

17 FINANCE COSTS

	2024 RO	2023 RO
Interest on term loan	**37,565**	26,110
Interest on bank overdraft	**82,225**	29,209
	119,790	55,319

18 RELATED PARTY TRANSACTIONS

The company, in the ordinary course of business, carries out transactions with other business enterprises that fall within the definition of a related party contained in International Accounting Standard 24. The terms relating to these transactions are agreed between, the management of the company and the management of respective related parties.

a Transactions with related parties

	2024 RO	2023 RO
i) Mukka Protein Limited, India		
Sale of fish meal and soluble	**356,894**	383,297
Purchase of machinery	**14,515**	2,533
Machinery rent	**12,787**	51,184
Other expenses (net)	**960**	3,030
ii) Saif Al Rawahi		
Purchase of raw fish	**66,510**	152,287
iii) Shipwaves International Co LLC, UAE		
Shipping charges	**50,493**	182,270
iv) Shipwaves International Co LLC, UAE		
Machinery accessories and other expenses	**-**	2,539

i) Balances with related parties included in the statement of financial position are as follows:

	2024 RO	2023 RO
Amount due to related parties (note 12)		
Mukka Proteins Limited, India	**756,907**	350,746
Shipwaves International Co LLC, UAE	**4,538**	2,505
Shipwaves Online LLC, UAE	**-**	17,143
	761,445	370,394

18 RELATED PARTY TRANSACTIONS (continued)

i) Balances with related parties included in the statement of financial position are as follows (continued):

	2024 RO	2023 RO
Amount due from related parties (note 6)		
Saif Salim Ahmed Al Rawahi	**6,069**	7,108
Shipwaves DXB, UAE	**32,638**	-
Shipwaves Oman LLC	**10,729**	8,773
Shipwaves Online LLC , UAE - Container Advance	**140,824**	140,824
	190,260	156,705

c Deeply subordinated loan

	2024 RO	2023 RO
Deeply subordinated loan from members and related parties	**543,225**	664,309

The subordinated contribution from the members are interest free and deeply subordinated, which is repayable only at the discretion of the company.

19 TAXATION

a) The company is subject to income tax at 15% of taxable profits (2023 – 15% of taxable profits).

b) The reconciliation of income tax at the applicable tax rates with income tax expense for the year is as below:

	2024 RO	2023 RO
Net profit for the year	**488,932**	166,951
Add:		
Accounting depreciation	**245,435**	263,142
Profit on sale of fixed assets	**6,000**	1,374
Depreciation on right of used assets	**58,265**	58,265
Interest on lease liability	**13,171**	25,016
	811,803	514,748
Less:		
Tax depreciation	**169,689**	(249,104)
Lease rentals paid during the year	**(69,359)**	(74,164)
Taxable income / (loss)	**912,133**	191,481
Tax rate	**15%**	15%
Income tax of the year	**136,820**	28,722
Opening tax liability	**48,068**	19,346
Tax liability for the year	**136,820**	28,722
Tax paid for the year	**(51,735)**	-
Closing tax liability	**133,153**	48,068

The company's tax assessment for the year 2019 to 2023 are yet to be finalised with Secretariate General of Taxation, Ministry of Finance. The management is of the opinion that any additional taxes that may be assessed would not be significant to the financial position of the company at 31 March 2024.

20 CONTINGENCIES AND COMMITMENT

There is no contingent liabilities and open purchase commitments by the company at the reporting date.

21 FINANCIAL RISK AND CAPITAL MANAGEMENT

Financial assets and liabilities

Financial assets and liabilities carried on the statement of financial position include cash and bank balances, trade receivables and other financial assets at amortised cost, due from and to related parties, term loans and other payables. The carrying values of the financial assets and liabilities at 31 March are as below:

	2024 RO	2023 RO
Financial assets		
At amortised cost		
Trade receivables	**790,453**	254,533
Other receivables	**37,084**	27,660
Amount due from related parties	**190,260**	156,705
Cash and bank balances	**34,291**	114,799
Total financial assets	**1,052,088**	553,697

	2024 RO	2023 RO
Financial liabilities		
At amortised cost		
Term loan	**228,744**	333,650
Bank borrowings	**1,352,107**	698,181
Amount due to related parties	**761,445**	370,394
Trade payables	**311,331**	227,682
Other payables	**60,025**	18,407
Total financial liabilities	**2,713,652**	1,648,314

Financial risk management

The company' activities expose it to various financial risks, primarily being, market risk (including interest rate risk), credit risk and liquidity risk. The company's risk management is carried out internally in accordance with the approval of the shareholders.

a) Market risk

Interest rate risk

The company is exposed to interest rate risk on its interest bearing liabilities (bank borrowings and term loans). The management manages the interest rate risk by obtaining borrowings and term loans at the most competitive rates and monitoring changes in interest rates on a periodic basis.

b) Credit risk

Credit risk primarily arises from credit exposures for outstanding receivables with customers. The status of outstanding dues is monitored on an ongoing basis. The carrying value of trade receivables and amounts due from related parties approximate their fair values due to the short-term nature of those assets and represents the maximum credit exposure.

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The following table provides information about the ageing of trade receivables from invoice date, at the reporting date:

	2024 RO	2023 RO
Less than 180 days	**790,453**	232,041
181 days to 365 days	**-**	22,492
	790,453	254,533

21 FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company's management monitors liquidity requirements on a regular basis to help ensure that sufficient funds are available to meet any future commitments. The company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecasted and actual cash flows. At the end of the reporting period, the contractual maturity analysis in respect of liabilities is provided below:

	Less than 1 year RO	Between 1 to 2 years RO	Between 2 to 5 years RO	Above 5 years RO	Total RO
31 March 2024					
Payables and accruals	**1,265,953**	**-**	**-**	**-**	**1,265,953**
Bank borrowings	**1,352,107**	**-**	**-**	**-**	**1,352,107**
Term loan	**120,012**	**120,012**	**48,908**	**-**	**288,932**
Lease liability	**114,122**	**70,069**	**69,660**	**-**	**253,851**
	2,852,194	**190,081**	**118,568**	**-**	**3,160,843**
31 March 2023					
Payables and accruals	674,645	-	-	-	674,645
Bank borrowings	698,181	-	-	-	698,181
Term loan	120,012	120,012	181,126	-	421,150
Lease liability	57,299	56,673	174,764	-	288,736
	1,550,137	176,685	355,890	-	2,082,712

The following table provides information about the ageing of trade payables from invoice date, at the reporting date:

	2024 RO	2023 RO
Less than 1 year	**283,162**	224,682
Between 1 to 2 years	**72**	3,000
Between 2 to 3 years	**28,097**	-
	311,331	227,682

Capital management

The company's objectives when managing capital is to enable the company to continue as a going concern, so that it can continue to provide adequate returns to the shareholders. In order to maintain or adjust the capital structure, the entity may adjust the amount of dividends paid to the shareholders, return capital to shareholders or raise additional capital. No changes were made in the objectives, policies or processes during the year ended 31 March 2024. The company's capital requirements are determined by the commercial company's Law of 2019, as amended.

Fair value of financial instruments

The fair values of the financial instruments are not materially different from their carrying values.

22 COMPARATIVE FIGURES

Certain comparative numbers of the previous year have been either regrouped or reclassified, wherever considered necessary, in order to conform with the presentation adopted in the current year. Such reclassifications do not affect previously reported net profit or equity.