

# **A'Saffa Foods SAOG**

## **Chairman's Report**

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**Dear Shareholders,**

On behalf of the Board of Directors of A'Saffa Foods SAOG, I have pleasure in presenting the financial results for nine months ended 30<sup>th</sup> September 2017.

### **Performance Review**

Sales for the nine months ended 30<sup>th</sup> September 2017 were RO. 22,955,995/- as compared to RO. 23,105,874/- during the same period of 2016. Net profit (consolidated) of RO. 3,139,695/- has been achieved during nine months of 2017 as compared to net profit of RO. 4,160,038/- for the same period of 2016. The decrease in Sales and net profit was mainly due to decrease in production as compared to last year.

We would like to express our sincere gratitude to His Majesty Sultan Qaboos Bin Said for the encouragement and support given by his Government and pray to Almighty ALLAH(swt) to provide Oman and its people peace and prosperity under His Majesty's wise leadership.

We also take this opportunity to thank all customers, shareholders and staff for their continued support and confidence in the Company.

Chairman

# A'SAFFA FOODS SAOG

## CONSOLIDATED AND PARENT COMPANY STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	Notes	Parent company		Group (Note 1)	
		2017 RO	2016 RO	2017 RO	2016 RO
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		17,117,514	17,063,793	25,643,317	26,005,916
Capital Advances & CWIP		-	838,131	-	864,810
Intangible assets	13	238,375	312,301	293,765	312,301
Investments in subsidiaries	14	2,950,000	2,950,000	-	-
Available-for-sale financial assets	15	56,076	100,000	56,076	100,000
Investment in associate	16	2,648,534	980,651	2,648,534	980,651
Term deposits	21	4,000,000	5,000,000	4,000,000	5,000,000
<b>Total non-current assets</b>		<b>27,010,499</b>	<b>27,244,876</b>	<b>32,641,692</b>	<b>33,263,678</b>
<b>Current assets</b>					
Inventories	17	4,326,528	3,431,855	4,952,191	4,001,172
Biological assets	18	1,367,062	1,355,847	1,367,062	1,355,849
Trade and other receivables	19	9,605,750	8,020,610	9,397,021	7,889,010
Cash and bank balances	20	373,427	1,543,251	574,040	1,627,705
Term deposits	21	3,500,000	4,000,000	3,500,000	4,000,000
<b>Total current assets</b>		<b>19,172,767</b>	<b>18,351,563</b>	<b>19,790,314</b>	<b>18,873,736</b>
<b>TOTAL ASSETS</b>		<b>46,183,266</b>	<b>45,596,439</b>	<b>52,432,006</b>	<b>52,137,414</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital		12,000,000	12,000,000	12,000,000	12,000,000
Legal reserve		4,000,000	4,000,000	4,000,000	4,000,000
Retained earnings		23,454,174	22,735,902	24,161,760	23,007,432
<b>Total equity</b>		<b>39,454,174</b>	<b>38,735,902</b>	<b>40,161,760</b>	<b>39,007,432</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	25	450,000	950,000	2,370,000	3,350,000
Finance lease liabilities	26	-	-	1,360,268	2,163,353
End of service benefits		561,429	487,865	588,524	505,642
Deferred taxation		563,432	572,048	601,341	572,048
<b>Total non-current liabilities</b>		<b>1,574,861</b>	<b>2,009,913</b>	<b>4,920,133</b>	<b>6,591,043</b>
<b>Current liabilities</b>					
Borrowings	25	1,279,959	500,000	1,759,959	500,000
Finance lease liabilities	26	-	-	848,615	848,435
Trade and other payables	27	3,874,272	4,350,624	4,741,539	5,190,503
		<b>5,154,231</b>	<b>4,850,624</b>	<b>7,350,113</b>	<b>6,538,938</b>
<b>Total liabilities</b>		<b>6,729,092</b>	<b>6,860,537</b>	<b>12,270,246</b>	<b>13,129,981</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>46,183,266</b>	<b>45,596,439</b>	<b>52,432,006</b>	<b>52,137,413</b>
<b>Net assets per share (RO)</b>	28	<b>0.329</b>	0.323	<b>0.335</b>	0.325

# A'SAFFA FOODS SAOG

## CONSOLIDATED AND PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 September 2017

	Notes	Parent company		Group (Note 1)	
		2017 RO	2016 RO	2017 RO	2016 RO
Revenue		<b>22,652,848</b>	23,041,792	<b>22,955,995</b>	23,105,874
Cost of sales	4	<b>(14,707,805)</b>	(14,124,487)	<b>(14,149,983)</b>	(13,721,713)
Gross profit		<b>7,945,043</b>	8,917,305	<b>8,806,012</b>	9,384,161
Selling and distribution expenses	5	<b>(3,245,658)</b>	(3,069,377)	<b>(3,245,658)</b>	(3,069,378)
General and administrative expenses	6	<b>(1,600,068)</b>	(1,406,693)	<b>(1,830,260)</b>	(1,578,767)
Other operating income	7	-	-	-	-
<b>Operating profit</b>		<b>3,099,317</b>	4,441,235	<b>3,730,094</b>	4,736,016
Finance cost – net	9	<b>51,632</b>	115,424	<b>(117,757)</b>	(33,377)
<b>Profit and total comprehensive income for the year before tax</b>		<b>3,150,949</b>	4,556,659	<b>3,612,337</b>	4,702,639
Taxation					
- Current tax	10	<b>(472,642)</b>	(542,600)	<b>(472,642)</b>	(542,601)
		<b>(472,642)</b>	(542,600)	<b>(472,642)</b>	(542,601)
<b>Profit and total comprehensive income for the year</b>		<b>2,678,307</b>	4,014,059	<b>3,139,695</b>	4,160,038
<b>Basic earnings per share (RO)</b>	11	<b>0.022</b>	0.033	<b>0.026</b>	0.035

# A'SAFFA FOODS SAOG

## CONSOLIDATED AND PARENT COMPANY STATEMENT OF CASH FLOWS

Period ended 30 September 2017

	Notes	Parent company		Group (Note 1)	
		2017 RO	2016 RO	2017 RO	2016 RO
<b>OPERATING ACTIVITIES</b>					
<b>Cash generated from operations</b>	29	<b>957,521</b>	4,339,900	<b>1,578,063</b>	5,426,039
Interest paid		<b>77,007</b>	(41,880)	<b>246,396</b>	(190,682)
Interest received		<b>(128,639)</b>	157,304	<b>(128,639)</b>	157,304
<b>Net cash generated from operating activities</b>		<b>905,889</b>	4,455,324	<b>1,695,820</b>	5,392,661
<b>INVESTING ACTIVITIES</b>					
Purchase of property, plant, equipment and intangible assets		<b>(211,395)</b>	(776,862)	<b>(250,600)</b>	(2,924,952)
Investment in associate	16	<b>(1,731,840)</b>	(916,004)	<b>(1,731,840)</b>	(916,004)
Term deposits	21	<b>1,000,000</b>	-	<b>1,000,000</b>	-
<b>Net cash used in investing activities</b>		<b>(943,235)</b>	(1,692,866)	<b>(982,440)</b>	(3,840,956)
<b>FINANCING ACTIVITIES</b>					
Long term loan received		-	-	-	1,230,335
Long term loans repaid		<b>(500,000)</b>	(650,752)	<b>(500,000)</b>	(650,752)
Finance lease repaid		-	-	<b>(606,960)</b>	(490,101)
Long term loans repaid		-	-	-	-
Dividend paid		<b>(2,400,000)</b>	(2,134,728)	<b>(2,400,000)</b>	(2,134,728)
<b>Net cash used in financing</b>		<b>(2,900,000)</b>	(2,785,480)	<b>(3,506,960)</b>	(2,045,246)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(2,937,346)</b>	(23,022)	<b>(2,793,580)</b>	(493,541)
Cash and cash equivalents at beginning of the year		<b>6,030,815</b>	5,566,273	<b>6,087,661</b>	6,121,246
<b>CASH AND CASH EQUIVALENTS AT PEIOD END 30 September</b>		<b>3,093,469</b>	5,543,251	<b>3,294,081</b>	5,627,705

# A'SAFFA FOODS SAOG

## CONSOLIDATED AND PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Period ended 30 September 2017

	Share capital RO	Legal reserve RO	Retained earning RO	Total RO
<b>Parent company</b>				
As at 1 January 2016	12,000,000	3,930,987	20,950,856	36,881,843
Profit and total comprehensive income for the year	-	-	4,014,059	4,014,059
<i>Transactions with owners:</i>				
Dividend paid	-	-	(2,160,000)	(2,160,000)
Transfer to legal reserve	-	69,013	(69,013)	-
<b>Total transactions with owners</b>	-	69,013	(2,229,013)	(2,160,000)
<b>At 30 September 2016</b>	<b>12,000,000</b>	<b>4,000,000</b>	<b>22,735,902</b>	<b>38,735,902</b>
<b>Group (Note 1)</b>				
As at 1 January 2016	12,000,000	3,949,729	21,057,665	37,007,394
Profit and total comprehensive income for the year	-	-	4,160,038	4,160,038
<i>Transactions with owners:</i>				
Dividend paid	-	-	(2,160,000)	(2,160,000)
Transfer to legal reserve	-	50,271	(50,271)	-
<b>Total transactions with owners</b>	-	50,271	(2,210,271)	(2,160,000)
<b>At 30 September 2016</b>	<b>12,000,000</b>	<b>4,000,000</b>	<b>23,007,432</b>	<b>39,007,432</b>
<b>Parent company</b>				
<b>As at 1 January 2017</b>	<b>12,000,000</b>	<b>4,000,000</b>	<b>23,175,867</b>	<b>39,175,867</b>
Profit and total comprehensive income for the year	-	-	<b>2,678,307</b>	<b>2,678,307</b>
<i>Transactions with owners:</i>				
Dividend paid	-	-	<b>(2,400,000)</b>	<b>(2,400,000)</b>
Transfer to legal reserve	-	-	-	-
<b>Total transactions with owners</b>	-	-	<b>(2,400,000)</b>	<b>(2,400,000)</b>
<b>At 30 September 2017</b>	<b>12,000,000</b>	<b>4,000,000</b>	<b>23,454,174</b>	<b>39,454,174</b>
<b>Group (Note 1)</b>				
<b>As at 1 January 2017</b>	<b>12,000,000</b>	<b>4,000,000</b>	<b>23,422,065</b>	<b>39,422,065</b>
Profit and total comprehensive income for the year	-	-	<b>3,139,695</b>	<b>3,139,695</b>
<i>Transactions with owners:</i>				
Dividend paid	-	-	<b>(2,400,000)</b>	<b>(2,400,000)</b>
Transfer to legal reserve	-	-	-	-
<b>Total transactions with owners</b>	-	-	<b>(2,400,000)</b>	<b>(2,400,000)</b>
<b>At 30 September 2017</b>	<b>12,000,000</b>	<b>4,000,000</b>	<b>24,161,760</b>	<b>40,161,760</b>

# A'SAFFA FOODS SAOG

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2017

### 4 COST OF SALES

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
Cost of materials consumed	9,928,957	9,764,078	8,211,054	8,444,151
Less: Government subsidy	(6,102)	(16,924)	(6,102)	(16,924)
	<b>9,922,855</b>	9,747,154	<b>8,204,952</b>	8,427,227
Employee related costs (note 8)	2,357,032	2,408,865	2,881,887	2,847,034
Depreciation (note 12)	823,890	763,028	1,088,070	1,000,831
Fuel expenses	715,548	587,365	892,552	693,744
Amortisation	64,950	63,818	72,113	63,818
Other direct expenses	823,530	554,257	1,010,409	689,059
	<b>14,707,805</b>	14,124,487	<b>14,149,983</b>	13,721,713

### 5 SELLING AND DISTRIBUTION EXPENSES

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
Employee related costs (note 8)	1,142,322	1,123,191	1,142,322	1,123,191
Transportation costs	788,219	683,584	788,219	683,584
Rent and storage expenses	689,770	704,383	689,770	704,384
Advertisement and sales promotion	378,751	368,123	378,751	368,123
Insurance	105,060	79,353	105,060	79,353
Communication	17,846	15,530	17,846	15,530
Depreciation (note 12)	19,397	17,952	19,397	17,952
Amortisation	1,529	1,500	1,529	1,500
Miscellaneous	102,764	75,761	102,764	75,761
	<b>3,245,658</b>	3,069,377	<b>3,245,658</b>	3,069,378

### 6 GENERAL AND ADMINISTRATIVE EXPENSES

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
Employee related costs (note 8)	852,570	739,657	1,000,665	843,586
Depreciation (note 12)	126,000	116,700	172,620	158,666
Directors' remuneration	105,000	105,000	105,000	105,000
Contributions for social causes	75,000	75,000	75,000	75,000
Printing and stationery	340	4,120	340	4,120
Amortisation	9,934	9,760	11,198	9,760
Directors' meeting attendance fees	38,000	39,200	43,500	45,950
Professional and consultancy fees	20,654	22,365	26,709	27,319
Business travel and meeting expenses	33,452	48,762	34,550	50,521
Rent	101,565	73,120	101,565	73,120
Communication	15,279	19,286	15,279	19,286
Registration and renewals	21,649	6,502	24,342	7,673
Vehicle expenses	8,917	5,420	8,917	5,420
Repairs and maintenance	17,555	20,630	17,555	20,630
Miscellaneous	174,153	121,171	193,020	132,716
	<b>1,600,068</b>	1,406,693	<b>1,830,260</b>	1,578,767

# A'SAFFA FOODS SAOG

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2017

### 7 OTHER OPERATING INCOME

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
Profit on disposal of property, plant and Write back of provision for doubtful debts (note 19(c))		-	-	-
Miscellaneous		-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 8 EMPLOYEE RELATED COSTS

Salaries wages and related costs included under cost of sales, selling and distribution expenses and general and administrative expenses comprise:

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
Salaries, wages and other benefits	4,124,503	3,903,043	4,743,761	4,401,825
Leave salary	211,000	201,270	245,029	227,345
Air passage	113,621	106,197	123,640	116,491
End of service benefits (note 27)	72,800	61,203	82,444	68,150
	<u>4,521,924</u>	<u>4,271,713</u>	<u>5,194,874</u>	<u>4,813,811</u>

Staff costs are included in the statement of comprehensive income as follows:

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
Cost of sales (note 4)	2,357,032	2,408,865	2,881,887	2,847,034
Selling and distribution expenses (note 5)	1,142,322	1,123,191	1,142,322	1,123,191
General and administrative expenses (note 6)	852,570	739,657	1,000,665	843,586
	<u>4,351,924</u>	<u>4,271,713</u>	<u>5,024,874</u>	<u>4,813,811</u>

### 9 FINANCE COSTS - NET

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
Interest expenses:				
- on loans from related parties		-	-	-
- on government soft loan	28,157	38,619	28,157	38,619
- on long term loans from bank		-	-	-
- on finance lease liabilities		-	-	-
- on bank overdraft	13,098	10,047	14,074	13,625
	<u>41,255</u>	<u>48,666</u>	<u>42,231</u>	<u>52,244</u>
Financing cost on Islamic Finance	11,406	6,679	177,688	41,205
Financing cost on Islamic finance lease		-		110,676
Government soft loan - release of grant (note 25f)		-	-	-
	<u>52,661</u>	<u>55,345</u>	<u>219,919</u>	<u>204,125</u>
Profit on deposits	(128,639)	(157,304)	(128,639)	(157,304)
Interest income on deposits		-	-	-
Net foreign exchange loss	24,346	(13,465)	26,477	(13,442)
Finance costs – net	<u>(51,632)</u>	<u>(115,424)</u>	<u>117,757</u>	<u>33,378</u>

# A'SAFFA FOODS SAOG

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2017

### 10 TAXATION

(a) The tax authorities in Oman follow the legal entity concept. There is no concept of group taxation in Oman. Accordingly each legal entity is taxable separately. The tax rate applicable to all taxable entities of the Group is 15% (2016 - 12%). For the purpose of determining the tax expense for the year, the accounting results of each individual legal entity has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense.

(b) Tax expenses for the year is as follows:

	<b>Parent Company</b>		<b>Group</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>RO</b>	<b>RO</b>	<b>RO</b>	<b>RO</b>
Current tax	<b>472,642</b>	542,600	<b>472,642</b>	542,601
Tax refund		-	-	-
	<b>472,642</b>	542,600	<b>472,642</b>	542,601

### 11 BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	<b>Parent Company</b>		<b>Group (Note 1)</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>RO</b>	<b>RO</b>	<b>RO</b>	<b>RO</b>
Profit attributable to shareholders (RO)	<b>2,678,307</b>	4,014,059	<b>3,139,695</b>	4,160,038
Weighted average number of shares outstanding	<b>120,000,000</b>	120,000,000	<b>120,000,000</b>	120,000,000
Basic earnings per share (RO)	<b>0.022</b>	0.033	<b>0.026</b>	0.035

No figure for diluted earnings per share has been presented because the Company has not issued any instruments which would have an impact on earnings per share when exercised.



# A'SAFFA FOODS SAOG

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2017

### 12 PROPERTY, PLANT AND EQUIPMENT

(a) The movement on property, plant and equipment during the year is set out on pages 35 to 38.

(b) Depreciation is allocated as follows:

	Parent Company		Group (Note 1)	
	2017 RO	2016 RO	2017 RO	2016 RO
Cost of sales (note 4)	823,890	763,028	1,088,070	1,000,831
General and administrative expenses	126,000	116,700	172,620	158,666
Selling and distribution expenses (note 5)	19,397	17,952	19,397	17,952
	<b>969,287</b>	<b>897,680</b>	<b>1,280,087</b>	<b>1,177,449</b>

### 13 INTANGIBLE ASSETS

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
<b>Cost</b>				
<b>At 1 January</b>	510,819	510,819	574,636	510,819
Addition for the year	29,105	-	29,105	-
<b>At 31 December</b>	<b>539,924</b>	<b>510,819</b>	<b>603,741</b>	<b>510,819</b>
<b>Accumulated amortization</b>				
<b>At 1 January</b>	(225,137)	(123,440)	(225,137)	(123,440)
Charge for the year	(76,412)	(75,078)	(84,839)	(75,078)
<b>At 31 December</b>	<b>(301,549)</b>	<b>(198,518)</b>	<b>(309,976)</b>	<b>(198,518)</b>
<b>Net book amount</b>				
<b>At 31 December</b>	<b>238,375</b>	<b>312,301</b>	<b>293,765</b>	<b>312,301</b>

### 14 INVESTMENT IN SUBSIDIARIES

	% holding	Year of incorporation	Parent Company	
			2017 RO	2016 RO
A'Saffa Food Processing LLC ('A'Saffa Processing')	100%	2011	1,350,000	1,350,000
A'Saffa Logistics LLC ('A'Saffa Logistics')	100%	2014	1,600,000	1,600,000
			<b>2,950,000</b>	<b>2,950,000</b>

# A'SAFFA FOODS SAOG

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2017

### 14 INVESTMENT IN SUBSIDIARIES (continued)

(a) Investments in subsidiaries have been set off against the share capital and reserves of the subsidiaries in the consolidated financial statements.

(b) The Board of Directors of the Parent Company consider that no impairment has arisen during the years 2017 and 2016 as the subsidiaries have orders on hand at the reporting date that will generate future cash flows and no specific indicators for impairment were identified.

### 15 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
<b>Unquoted local investment</b>	<b>56,076</b>	100,000	<b>56,076</b>	100,000

(a) The Parent Company acquired 100,000 shares of RO 1 each (2016: 100,000 shares of RO 1 each) in Al Najd Agricultural Development SAOC which are being carried at fair value estimate.

### 16 INVESTMENT IN ASSOCIATE

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
<b>Al Namaa Poultry Co SAOC</b>	<b>1,020,000</b>	1,020,000	<b>1,020,000</b>	1,020,000
<b>Share of losses from associate</b>	<b>(203,310)</b>	(139,353)	<b>(203,310)</b>	(139,353)
<b>Osool Poultry SAOC</b>	<b>1,831,844</b>	100,004	<b>1,831,844</b>	100,004
	<b>2,648,534</b>	980,651	<b>2,648,534</b>	980,651

### 17 INVENTORIES

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
Raw materials and consumables	<b>2,550,745</b>	1,919,570	<b>3,022,306</b>	2,350,327
Finished products	<b>1,036,695</b>	844,705	<b>1,037,519</b>	844,920
Stores and spares	<b>739,088</b>	667,580	<b>892,366</b>	805,925
Goods in transit		-		-
	<b>4,326,528</b>	3,431,855	<b>4,952,191</b>	4,001,172

The Company has made no write downs or provisions in the current year (2016 - RO Nil).

# A'SAFFA FOODS SAOG

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2017

### 18 BIOLOGICAL ASSETS

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
Mature biological assets (Broiler birds)	756,588	755,317	756,588	755,317
Immature biological assets (Parent day)	439,598	447,213	439,598	447,215
Hatch-able eggs	170,876	153,315	170,876	153,315
	<u>1,367,062</u>	<u>1,355,845</u>	<u>1,367,062</u>	<u>1,355,847</u>

### 19 TRADE AND OTHER RECEIVABLES

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
Trade receivables	8,355,461	6,816,396	8,505,017	6,827,946
Less: provision for doubtful debts	(85,931)	(131,761)	(135,208)	(131,761)
	<u>8,269,530</u>	<u>6,684,635</u>	<u>8,369,809</u>	<u>6,696,185</u>
Due from a related party (note 34b)	657,378	327,192	150,886	30,697
Advance to staff and suppliers	470,685	392,374	580,575	460,792
Prepayments	208,157	616,409	295,751	701,337
Other receivables	-	-	-	-
	<u>9,605,750</u>	<u>8,020,610</u>	<u>9,397,021</u>	<u>7,889,011</u>

### 20 CASH AND BANK BALANCES

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
Cash on hand	17,302	17,302	19,102	18,602
Cash at bank:				
- Call deposit	-	-	-	-
- Current accounts	356,125	1,525,949	554,938	1,609,103
	<u>373,427</u>	<u>1,543,251</u>	<u>574,040</u>	<u>1,627,705</u>

### 21 TERM DEPOSITS

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
<b>Non-current:</b>				
Term deposit (see (a) below)	<u>4,000,000</u>	<u>5,000,000</u>	<u>4,000,000</u>	<u>5,000,000</u>
<b>Current:</b>				
Term deposits (see (b) below)	<u>3,500,000</u>	<u>4,000,000</u>	<u>3,500,000</u>	<u>4,000,000</u>

## A'SAFFA FOODS SAOG

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2017

#### 25 BORROWINGS

##### Non-current:

	Parent Company		Group (Note 1)	
	2017	2016	2017	2016
	RO	RO	RO	RO
Term loans from commercial banks:				
Islamic Financing (Al Izz Bank		-	2,400,000	2,400,000
Government soft loan (e)	950,000	1,450,000	950,000	1,450,000
	<b>950,000</b>	<b>1,450,000</b>	<b>3,350,000</b>	<b>3,850,000</b>
Less: current portion of term loans included under current borrowings	(500,000)	(500,000)	(980,000)	(500,000)
	<b>450,000</b>	<b>950,000</b>	<b>2,370,000</b>	<b>3,350,000</b>

##### Current:

	Parent Company		Group (Note 1)	
	2017	2016	2017	2016
	RO	RO	RO	RO
Current portion of long term loans	500,000	500,000	980,000	500,000
Bank overdrafts (see h below)	779,959	-	779,959	-
	<b>1,279,959</b>	<b>500,000</b>	<b>1,759,959</b>	<b>500,000</b>

#### 26 FINANCE LEASE LIABILITIES

Assets acquired under finance lease are reflected in the statement of financial position at their original cost less accumulated depreciation. The present value of finance lease liabilities at 30 September 2017 and 2016 in respect of future years is as follows:

	Parent Company		Group	
	2017	2016	2017	2016
	RO	RO	RO	RO
Finance lease liabilities	-	-	2,208,883	3,011,788
	-	-	2,208,883	3,011,788
Amount falling due:				
Within one year	-	-	848,615	848,435
After one year but within four years	-	-	1,360,268	2,163,353
	-	-	<b>2,208,883</b>	<b>3,011,788</b>

# A'SAFFA FOODS SAOG

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2017

### 27 TRADE AND OTHER PAYABLES

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
Trade payables	2,807,870	3,158,420	3,625,317	3,710,788
Accruals	582,324	618,620	632,144	645,468
Tax payable (note 10a)	472,642	548,312	472,642	548,312
Other payables	11,436	25,272	11,436	202,369
Retentions payable		-	-	83,566
	<b>3,874,272</b>	<b>4,350,624</b>	<b>4,741,539</b>	<b>5,190,503</b>

### 28 NET ASSETS PER SHARE

Net assets per share are calculated by dividing the net assets attributable to shareholders of the Parent Company and the Group at the year end by the number of shares outstanding at the year end as follows:

	Parent Company		Group	
	2017 RO	2016 RO	2017 RO	2016 RO
Net assets (RO)	39,454,174	38,735,900	40,161,760	39,007,430
Number of shares at 31 December	120,000,000	120,000,000	120,000,000	120,000,000
Net assets per share (RO)	<b>0.329</b>	<b>0.323</b>	<b>0.335</b>	<b>0.325</b>

### 29 CASH GENERATED FROM OPERATIONS

	Parent Company		Group (Note 1)	
	2017 RO	2016 RO	2017 RO	2016 RO
<b>Operating activities</b>				
Profit and total comprehensive income for the period	2,678,307	4,014,057	3,139,695	4,160,037
<b>Adjustment for:</b>				
Depreciation	969,287	897,680	1,280,087	1,177,449
Amortisation	76,413	75,078	84,840	75,078
Interest income	128,639	(157,304)	128,639	(157,304)
Interest expense	(52,661)	41,880	(219,919)	190,682
Gain & Loss on disposal of property & End of service benefits	(24,346)	-	(26,477)	-
	54,865	52,030	61,974	57,740
	<b>3,830,504</b>	<b>4,923,421</b>	<b>4,448,839</b>	<b>5,503,682</b>
<b>Working capital changes:</b>				
Inventories and biological assets	(387,156)	(43,583)	(396,337)	15,857
Trade and other receivables	(1,255,247)	(648,800)	(1,578,061)	(711,353)
Trade and other payables	(1,230,580)	108,862	(896,378)	617,853
<b>Cash generated from operations</b>	<b>957,521</b>	<b>4,339,900</b>	<b>1,578,063</b>	<b>5,426,039</b>