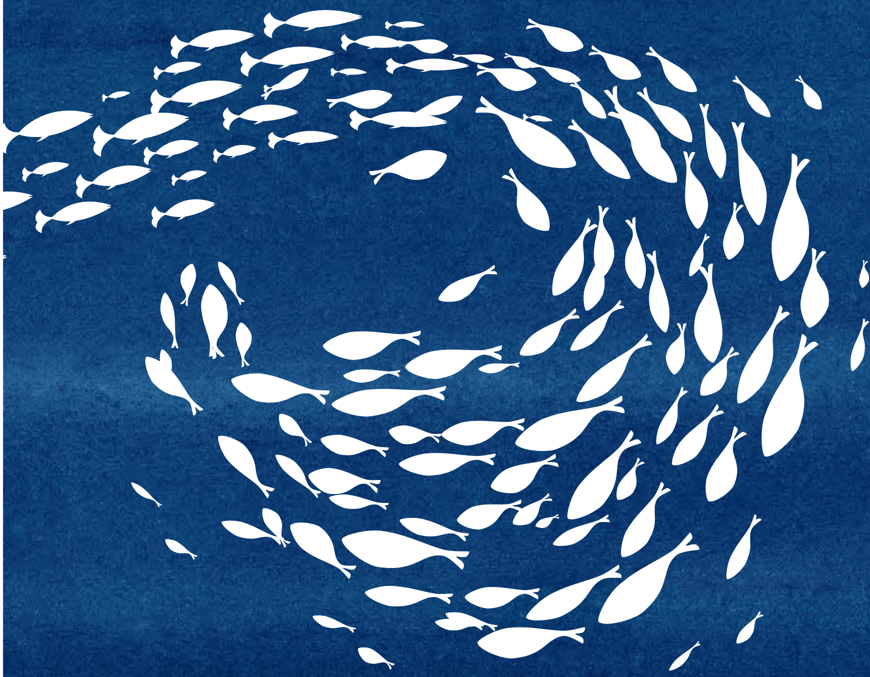
OCEANA GROUP

POSITIVELY IMPACTING LIVES

AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021



CONTENTS

The audited consolidated financial statements for the year ended 30 September 2021, as set out on pages 30 to 120, were prepared under the supervision of Mr R Buddle CA(SA). The financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa No. 71 of 2008.

DIRECTORS' RESPONSIBILITIES AND APPROVAL OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF OCEANA GROUP LIMITED

The directors are required in terms of the Companies Act of South Africa No. 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the audited consolidated financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the year then ended.

The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), including interpretations of such standards as issued by the Interpretations Committee, the Johannesburg Stock Exchange Listing Requirements, the Namibian Stock Exchange Listing Requirements, the requirements of the Companies Act of South Africa No. 71 of 2008 or relevant laws and establishments, specifically relating to its incorporation and operates in compliance with its Memorandum of Incorporation.

The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of consolidated annual financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and effective system of risk management as well as the preparation of supplementary schedules included in these consolidated annual financial statements.

The directors are of the opinion, based on the information and explanations given by management that the internal control system provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors believe the Group has adequate resources to continue trading as a going concern in the foreseeable future. The consolidated annual financial statements support the viability of the Group to continue as a going concern. For further detail on the going concern assessment refer to note 45.

The external auditors are responsible for independently auditing and reporting on the Group's consolidated annual financial statements and their unqualified audit report is presented on pages 21 to 29.

The consolidated annual financial statements set out on pages 30 to 120 which have been prepared on the going concern basis, were approved and authorised by the directors and were signed on 25 March 2022 on their behalf by:

MA Brey
Chairman

N Brink
Interim Chief Executive Officer

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER RESPONSIBILITY STATEMENT

The director and officer, whose names are stated below, hereby confirm that:

a) The consolidated annual financial statements set out on pages 30 to 120, fairly present in all material respects the financial position, financial performance and cash flows of Oceana Group Limited ("the Group") in terms of IFRS;

b) No facts have been omitted or untrue statements made that would make the consolidated annual financial statements false or misleading;

c) Internal financial controls have been put in place to ensure that material information relating to the Group and its consolidated subsidiaries have been provided to effectively prepare the consolidated annual financial statements of the Group; and

d) The internal financial controls are adequate and effective and can be relied upon in compiling the consolidated annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King IV Code on Corporate Governance. Where we are not satisfied, we have disclosed to the audit committee and the auditor, the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

N Brink
Interim Chief Executive Officer

R Buddle
Interim Chief Financial Officer

COMPANY SECRETARY CERTIFICATION

I certify that Oceana Group Limited has filed all the Oceana Group returns and notices as required by a public company in terms of section 88(2)(e) of the Companies Act of South Africa, No. 71 of 2008, as amended, and that such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.

R Buddle
Interim Company Secretary

25 March 2022

DIRECTORS' REPORT

The directors submit their report which forms part of the consolidated annual financial statements for the year ended 30 September 2021.

NATURE OF BUSINESS AND OPERATIONS

The Group was incorporated in 1918 in South Africa and is listed on the Johannesburg (JSE) and Namibian (NSX) stock exchanges. The Group is a participant in the South African, Namibian and USA fishing industries with fishing and production-related activities conducted primarily through three operating divisions: Lucky Star; Daybrook Fisheries and Blue Continent Products. A fourth division, Commercial Cold Storage and Logistics, provides refrigerated warehouse facilities with operations in South Africa and Namibia. In addition, Oceana Group Limited (the "Company") also carries on the business of investing surplus funds and providing treasury, information technology services and administration management services to its subsidiaries. This structure creates value through economies of scale and efficiencies in terms of raw material and product volumes, use of vessels and production resources, market focus, risk management and growth opportunities.

The Group consists of a number of operating subsidiaries and joint arrangements engaged in the catching, processing and procurement of various marine species, including pilchard, anchovy, redeye herring, Gulf menhaden, tuna, lobster, squid, horse mackerel and hake and also provides refrigerated warehouse facilities and logistical support services.

COVID-19 PANDEMIC

The business environment continued to be shaped by the on-going uncertainties brought on by the Covid-19 pandemic on economies and people across the globe, impacting both the pace of economic recoveries as well as consumer spending patterns.

As a designated essential service provider, the Group continued to operate in all geographies with rigorous monitoring and evaluation of Covid-19 protocols to safeguard our employees, customers and suppliers and to ensure food security through continuity of production and supply.

Notwithstanding this, the Group's supply chain and operations were hampered by disruptions brought on by lockdown regulations and restrictions in key supply territories impacting freight and fish supply required to maintain production levels and to fully service demand.

The Group continued to incur additional costs in a continued effort to provide a safe working environment at both our land and sea-based operations. At 30 September 2021 the Group raised an accrual for an insurance claim receivable of R30.2 million towards the increased Covid-19 related costs. This claim has been settled by the insurance providers. Notwithstanding these efforts, our fishing operations were intermittently disrupted by Covid-19 and our canned fish operations were further impacted by global container shortages and port challenges.

IMPACT OF OTHER EVENTS ON THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

In October 2020, the Desert Diamond fishing vessel suffered main engine damage resulting in the vessel being non-operational for 49 days and impacting the horse mackerel, hake, lobster and squid segment. A business interruption claim amounting to R28.1 million was lodged with insurers and accrued for in the current year. (Refer to note 22.3)

In July 2021, civil unrest broke out in KwaZulu-Natal and Gauteng, South Africa and impacted the Canned fish and Fishmeal (Africa) segment. The Group's property, plant and equipment did not suffer material damage, however, inventory amounting to R86.1 million was lost and damaged resulting in a stock write-off (refer to note 21) which hindered product availability for the remainder of the year. The impact of the civil unrest has been taken into account in assessing the expected credit losses on trade and other receivables. An insurance claim of R88.0 million was accrued for in the current year.

In August 2021, Hurricane Ida made landfall in Louisiana, USA. The resulting floods and widespread devastation to surrounding areas temporarily restricted road access and utility services to the Daybrook Fisheries Incorporated ("Daybrook") plant, resulting in plant closure for a week, while poor fishing conditions in the aftermath of the storm resulted in low catch rates and production levels impacting inventory levels and the ability to meet customer demand. The local team acted swiftly and decisively to restore operations and minimise downtime. The impact of the temporary disruption was taken into consideration when assessing going-concern implications. A business interruption insurance claim of R63.1 million was submitted but has not been accrued for as it was only received in October 2021 but has been noted as a contingent asset at year end. (Refer to note 37)

FORENSIC INVESTIGATION

During October 2021, the Group was made aware of concerns raised by a whistle-blower relating predominantly to the accounting treatment of a United States subsidiary of the Group, Daybrook together with its 25% interest in Westbank Fishing LLC ("Westbank"). In order to protect the integrity of the Group's accounting and governance processes, the Board took the decision to undertake a comprehensive forensic investigation and review process of all matters raised. In February 2022, the auditors raised a new concern regarding the dating of signatures on an internal document pertaining to an insurance claim in the amount of USD4.2 million that was then also independently investigated. As a result, the publication of the annual financial results was delayed.

The results of these investigations and the basis for the delay in the publication of the annual financial results were communicated in SENS publications on 10 December 2021, 31 January 2022, 10 February 2022 and 25 February 2022. The dating on the insurance document created concern that other insurance claim documentation may also be impacted. ENSafrica Forensics performed a comprehensive review and was able to confirm no further impact to the consolidated financial statements as a result of the backdating of any insurance claims. However, the investigation did identify other instances of misdating although none of these instances impacted the annual financial statements. The Oceana Board views the practice of backdating or misdating documents in a serious light and is implementing appropriate remedial interventions to address this, which includes disciplinary action and training. The forensic investigations concluded that none of the matters considered resulted in financial loss to the Group nor was there any evidence of fraud or criminal conduct. A detailed summary of the findings of the forensic investigation is available on the Company's website. Some of these matters are dealt with further in the prior period restatement notes. (Refer to note 39)

SHARE CAPITAL

The Company's shares are listed on the JSE Limited (JSE share code: OCE) and the Namibian Stock Exchange (NSX share code: OCG).

Details of the authorised and issued share capital of the Company are set out in note 23.

During the year under review, 143 799 treasury shares (2020: 72 533 treasury shares) held by the Oceana Empowerment Trust ("OET") were allotted on the death of beneficiaries.

The lock-in period of the Group's first BBBEE trust, OET expired in January 2021. To facilitate the establishment of two new BBBEE trusts the Company repurchased 8 478 067 shares from the beneficiaries of the OET. These shares were subsequently delisted and cancelled. In accordance with the circular published to shareholders on 22 January 2021, the Company allocated 7 825 908 and 652 159 shares to the Saam-Sonke Trust and Oceana Stakeholder Empowerment Trust ("OSET") respectively.

FINANCIAL RESULTS

The results for the year under review are reflected in the statement of comprehensive income on page 30.

During the preparation of the current year's financial statements certain changes and/or errors in accounting treatment were identified requiring the previously reported consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cashflows to be restated.

These restatements had no effect on the Group's current year or prior year earnings and have been revised in each of the respective financial statement line items reducing the Group's net asset value by R34 million in the prior year. The pertinent prior period restatements (refer to note 39) included the following:

- The exchange rate used in translating the assets and liabilities of the Company's USA subsidiary did not meet the requirements of IAS 21 – The Effects of Changes in Foreign Exchange Rates. This restatement had no effect on the Group's profit after tax for the prior period and has been reflected by adjusting each of the respective statement of financial position line items reducing the Group's net asset value by R89 million in the prior period.
- Accounting treatment of the investment in Westbank:
  As previously communicated in our various SENS announcements relating to the delay of our results, the accounting treatment of our 25% investment in Westbank was changed to proportionate consolidation from equity accounting.

  Lengthy deliberations and discussions were held to consider the matters highlighted by the whistle-blower and auditors in this regard. Various independent technical and legal advisors (both in SA and the US) were consulted over the last few months to:

  1. Consider whether our initial governance, regulatory and technical accounting processes were sufficient and appropriate and whether there were any shortcomings in said processes both in 2015 and 2018. No shortcomings in the processes were identified in this regard by said advisors.
  2. Whether there were any grounds to suggest a change in accounting treatment based on a different interpretation of the agreements and the practical day-to-day implementation thereof, including the implications of a change, based on a technical interpretation of IFRS 11 (joint control and proportionate consolidation) versus IAS 28 (significant influence and equity accounting), on the licensing of fishing vessels in the US by Westbank, the 75% US citizen owned entity. Our US legal and marine law advisors have confirmed no risk to the fishing licenses but for the avoidance of doubt any clauses that may be considered to indicate control will be refined to confirm the original intent. Westbank has also detailed the background to the change to the marine regulator; the vessel fishing licenses remain in place for the start of the April 2022 fishing season.

The crux of the argument has centred around our ability to exert significant influence versus joint control over Westbank, and the matters considered consist of a number of legal, accounting and operational practices with evidence supporting both arguments. The Board, its technical advisors and auditors have acknowledged that there are complex areas that impact the outcome, and therefore have spent considerable time in evaluating both the legal aspects as well as the factors indicating joint operational control or significant influence.

After careful consideration of the matter, and being cognisant of the delays in reporting to date, the Board adopted the proportionate consolidation accounting treatment based on the assessment of our investment in Westbank not being material to the Group financial statements as a whole. Further, the earnings on the consolidated statement of comprehensive income and net asset value on the consolidated statement of financial position do not change as a result of the change in treatment. The consolidated statement of cash flows has also been restated to take into account this change. The Board also wishes to re-iterate (as mentioned above under the Forensics update) that there has been no evidence of fraud, misappropriation or loss of funds or management override of controls arising from the review.

The Company has treated this change in line with the requirements of International Financial Reporting Standards, and accordingly recorded this as a prior year restatement.

The summarised effect of proportionately consolidating Westbank on the Group's statement of financial position as at 30 September is as follows:

	2021	Restated[1] 2020
	R'000	R'000
Property, plant and equipment	**714 902**	758 370
Investment in associate	**(193 788)**	(246 370)
Cash and cash equivalents	**105 816**	232 124
TOTAL ASSETS	**626 930**	744 124
Long term liabilities	**497 815**	490 664
Other net liabilities	**4 076**	48 692
Liability to joint operator	**125 039**	204 768
TOTAL LIABILITIES	**626 930**	744 124
NET ASSET VALUE EFFECT	**–**	–

1. *The summarised effect excludes the correction of the R52.8 million / USD3.5 million referred to in note 39.1.*

- An amount paid on the exercise of a put option was incorrectly recognised as a receivable. The put option was granted to the previous shareholders of Daybrook and the potential amount payable under the option should have been estimated at the time of the acquisition and included in goodwill. Then, a special dividend of R66.7 million / USD4.4 million paid by Westbank to Daybrook in 2019 (i.e. 4 years after the acquisition) was incorrectly recorded as a reduction against this receivable instead of 25% being recorded as a reduction of Daybrook's investment and 75% recognized as a gain. The prior year restatement results in an increase in goodwill of R133 million, a reduction in trade and other receivables of R60 million, an increase in liability to joint operator of R18 million, and an increase in distributable reserves of R55 million.

SPECIAL RESOLUTIONS

In addition to the special resolutions approved at the Company's 2020 annual general meeting:

- To approve and authorise the provision of financial assistance to subsidiaries by the Company as contemplated in section 45 of the Companies Act, No. 71 of 2008;
- To approve and authorise the provision of financial assistance by the Company as contemplated in section 44 of the Companies Act, No. 71 of 2008;
- To approve the non-executive directors' remuneration in their capacity as directors only;
- To grant general approval and authorisation to repurchase the issued shares by the Company or its subsidiaries;
- Replacement of the Company MOI's.

A general meeting was held on 23 February 2021 to approve resolutions pertaining to the OET specific repurchase of a maximum of 8 478 067 shares by Oceana from OET, the subsequent cancellation and delisting thereof, the implementation of new BEE Trusts through the issue of 8 478 067 shares resulting in zero dilution to existing shareholders and the providing of financial assistance to the newly established Trusts. Refer to the circular to shareholders dated 22 January 2021.

DIVIDENDS

Dividends paid during the year and dividends declared after the reporting date are set out in note 12.

DIRECTORS AND OFFICERS

The names of the directors and officers for the current financial year and up to the date of this report can be found in a separate schedule on page 120, along with the name, business and postal address of the company secretary.

Following the sad passing of our Lead Independent Director and chairman of the Audit Committee, Mr Shams Pather, on 5 July 2021, the Board appointed Mr Peter de Beyer as Lead Independent Director, with effect from 15 July 2021 and Ms Zarina Bassa as Chairman of the Audit Committee effective 14 July 2021.

In addition, Ms Thoko Mokgosi-Mwantembe and Mr Peter Golesworthy were appointed as independent non-executive Directors with effect from 7 April 2021.

Mr Imraan Soomra resigned as executive director and Chief Executive Officer ("CEO") effective 14 February 2022. The Group appointed Mr Neville Brink as Interim CEO effective 14 February 2022 and as an executive director effective 21 February 2022.

Ms Hajra Karrim, the Group's Chief Financial Officer ("CFO") was suspended on a precautionary basis pending a disciplinary process, as announced on 6 February 2022. Ms Karrim has lodged a subsequent grievance in relation to the suspension. Mr Ralph Buddle was appointed as Interim CFO effective 23 February 2022.

Ms Adela Fortune resigned as Company Secretary on 4 March 2022. Mr Ralph Buddle was appointed as Interim Company Secretary effective 9 March 2022.

DIRECTORS' INTERESTS IN SHARES

The aggregate direct and indirect beneficial interest of the directors in the issued share capital of the Company at 30 September 2021 was as follows:

	Number of shares		
	Direct beneficial	**Indirect beneficial**	**Aggregate**
2021			
I Soomra	**24 247**	**215 623**	**239 870**
H Karrim	**–**	**42 054**	**42 054**
2020			
I Soomra	24 247	200 723	224 970

Subsequent to year end, all shares held by Mr I Soomra which had not yet vested were forfeited at the time of his resignation. No director holds 1% or more of the issued share capital of the Company. Details of directors' individual interests in options held in terms of the Oceana Group (1985) Share Option and Share Purchase Schemes and remuneration are set out in note 41.

GOING CONCERN

The directors have made an assessment of the ability of the Group to continue as a going concern and have no reason to believe that the business will not be a going concern in the period ahead. Taking into account the risks associated with the Covid-19 pandemic, the operational impact of Hurricane Ida in the USA and the unrest in KwaZulu-Natal and Gauteng, which resulted in stock losses, the directors believe that the Group has adequate financial resources to continue its operations into the foreseeable future. Refer to note 45 for further details.

DIRECTORS' REPORT continued

FINANCIAL SECTOR CONDUCT AUTHORITY ("FSCA") INVESTIGATION UPDATE

The Company was informed by the FSCA on 21 February 2022 that the FSCA had registered an investigation to determine whether any person may have published false, misleading or deceptive statements, promises and forecasts regarding the past or future performance of the Company, or its securities.

The Company engaged with the FSCA on 23 February 2022 in order to address their queries. We await their conclusion on the matter and will continue to co-operate fully with them to the extent still required, if at all, until their investigation is finalised.

EVENTS SUBSEQUENT TO THE REPORTING DATE

REPORTABLE IRREGULARITIES ("RI'S")

Subsequent to the financial year end, five RI's were lodged by our external auditors, PricewaterhouseCoopers ("PwC"), with the Independent Regulatory Board for Auditors ("IRBA") as required by the Auditing Profession Act (APA). Four of the matters were identified by ENSafrica during the course of their investigation.

These are summarised below:

- Non-disclosure of a conflict of interest by a senior member of management relating to a relationship conflict with a staff member, for whom an ex gratia payment was approved and paid ("RI 1").
- Behavioural matters that contributed towards a culture of dominance and bullying involving a senior member of management ("RI 2").
- The obstruction and / or interference with the forensic investigation by deletion of certain information from their electronic devices by two senior members of management in contravention of a 'hold notice' that was issued to the management team to hold and preserve all email and electronic records during the investigation ("RI 3").
- Suspected irregularities by management in the submission of an insurance claim relating to the backdating of an internal approval document submitted with the final claim to the date of the initial claim notification to the insurer ("RI 4").
- Two members of management implicated in RI 4 were found to have contravened a confidentiality instruction from the forensic investigators ("RI 5") to not discuss the investigation. The forensic investigation took appropriate steps to ensure that the integrity of the investigation was not compromised by this contravention.

RI 1, RI 2 and RI 3, pertain to behavioural and conduct matters where disciplinary action is in process or the individuals are no longer with the Company. The contraventions are in respect of non-financial matters and no financial loss has been caused to the Company, nor has there been any impact on the financial statements.

The Board has taken the necessary remedial actions required with regards to the individuals involved.

The forensic investigation in respect of RI 4 and RI 5 did not identify any deliberate attempt to misrepresent through the backdating of the insurance claim or any intent to mislead the investigation through the confidentiality breach. The proceeds of the claim have been recorded in the 2022 financial year following a review of "virtual certainty" in terms of IFRS recognition requirements, and no loss has been suffered by the Group. Remedial actions in respect of RI 4 and RI 5 are in the process of being initiated.

PwC have reviewed the responses by management and are satisfied that the reportable irregularities described above are no longer taking place (classified as "not ongoing" from a regulatory reporting perspective) and where appropriate, the Company has or is in the process of taking disciplinary action in accordance with the Company's disciplinary code and procedures and with due cognisance of applicable labour legislation. PwC have notified the IRBA accordingly that the reportable irregularities are not ongoing.

COVENANT WAIVERS

Due to the delay in the publishing of the financial results for the financial year ended 30 September 2021 the Company obtained default waivers from lenders. The waiver obtained from South African ("SA") lenders requires the Group's audited annual financial statements to be published by no later than 15 April 2022. Lenders also require the audited financial statements for Daybrook Inc. for the year ended 30 September 2021 to be completed by no later than 30 June 2022. The Company is confident that it will comply with these dates and that no disruption to banking facilities is likely to occur.

FISHING RIGHTS APPLICATION PROCESS ("FRAP")

The Group is pleased with the conclusion of the Department of Forestry, Fisheries and the Environment's 2021/22 Fishing Rights Allocation Process which was announced on 28 February 2022. The outcome secures the Group's rights in 5 key species for the next 15 years and ensures that current South African fishing operations will continue unimpacted. There has been no material change to the Group's previous rights.

US FISHING LICENCES

The Group is pleased to confirm that Westbank's United States ("US") fishing licences have been received and that the operations are in good standing and ready for when fishing commences at the start of the season in April 2022.

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 30 SEPTEMBER 2021

INTRODUCTION

The Oceana Group Limited ("Oceana" or "Group") Audit Committee (or "the Committee") is pleased to present its report for the financial year ended 30 September 2021. This report is intended to provide details on how the Committee satisfied its various statutory obligations during the year, as well as on the significant audit matters considered during the period. This report has been prepared based on the requirements of the South African Companies Act, No. 71 of 2008 (Companies Act), the King Code of Governance for South Africa ("King IV"), and the JSE Listing Requirements.

Following the unfortunate passing of Mr S Pather in July 2021, Ms ZBM Bassa took over as Chairman of the Committee.

Subsequent to the year-end the Committee was confronted with significant and unexpected challenges that resulted in an unfortunate delay in the publication of the Oceana year end results. The Committee reports in some detail below on the nature of these challenges, and on the approach that the Board and the Committee took to ensure the maintenance of the Group's integrity and its governance processes.

COMMITTEE CONSTITUTION AND GOVERNANCE

MANDATE AND TERMS OF REFERENCE

The responsibilities of the Audit Committee are incorporated into the Committee's Charter which is reviewed annually and approved by the Board. The Charter can be viewed on our website at **www.oceana.co.za** or can be requested from the Group's company secretary whose contact details are available on page 120. The Committee has conducted its affairs in compliance with this Charter and has discharged its responsibilities contained therein.

COMPOSITION OF THE COMMITTEE

The Committee, appointed by shareholders on 23 March 2021 to hold office until the conclusion of the next annual general meeting, is comprised of four independent non-executive directors, Ms ZBM Bassa (Chairman), Mr PG de Beyer, Mr A Jakoet, and Ms L Sennelo, all of whom satisfy the requirements to serve as members of an audit committee. In addition, Mr P Golesworthy was appointed to the Board as an independent non-executive director effective 7 April 2021 and as a member-elect of the Audit Committee.

The qualifications and experience of the members of the Committee can be viewed on our website at **www.oceana.co.za**

Fees paid to the Committee members for the 2021 financial year are disclosed in Note 41 to the consolidated Annual Financial Statements.

OVERALL ROLE, RESPONSIBILITIES, AND FUNCTIONS

The Committee is a formal statutory committee and is responsible for fulfilling its statutory responsibilities under section 94(7) of the Companies Act and for providing independent oversight, particularly regarding:

a. The integrity of the consolidated Annual Financial Statements, financial reporting and, to the extent delegated by the Board, other external reports issued by the Group.
b. The effectiveness of the Group's systems of internal control, assurance function and services, with particular focus on the combined assurance arrangements.
c. Assessing the effectiveness of the internal audit function, the Chief Financial Officer ("CFO") and finance function and the independence and effectiveness of external auditors.
d. The effectiveness of the technology and information governance and risk management framework.
e. Oversight responsibilities over registered public entities and key subsidiaries within the Group.

WORK PLAN AND MEETINGS

The Committee adopted a formal work plan designed to structure execution of responsibilities over the year. It held 3 formal meetings during the year, with full attendance by all members. Between October 2021 and March 2022, numerous additional *ad hoc* committee meetings were held (including workshops pertaining to the technical matters under scrutiny) to address the challenges referred to below and to monitor progress on the resolution of the issues identified (as outlined in more detail further in this report). Attendance at meetings by directors who are not members of the Committee, relevant external specialists and management is by way of invitation.

The Committee provides a forum through which the external and internal auditors report to the Board. The external and internal auditors are invitees to committee meetings. The auditors have unrestricted access to the Committee and its Chairman at all times, ensuring that their independence is not impaired. Both the external and internal auditors have the opportunity to address the committee and its Chairman at each of the meetings without management being present. The Committee reviews detailed reports from both the external and internal auditors. The Chairman of the Committee reports on all matters discussed, including the findings of the external and internal auditors, at board meetings.

The independence of the Committee is key to its effective functioning, whilst ensuring that it does not assume the functions of management. As part of its mandate, the Committee has the authority to consult with specialists, as it did during the current year, to assist it in the performance of its functions, subject to a Board-approved process

REPORT OF THE AUDIT COMMITTEE continued

FOR THE YEAR ENDED 30 SEPTEMBER 2021

FOCUS AREA AND STATUTORY DUTIES

The Committee is satisfied that it has fulfilled its responsibilities and discharged its duties in accordance with its statutory duties (the Companies Act, No.71 of 2008 section 94 (7)), the JSE Limited and NSX Listings Requirements, its Board mandate and the Audit Committee Charter during the reporting period. The Committee has:

- Set the direction for financial reporting;
- Reviewed and recommended to the Board the consolidated Annual Financial Statements, interim reports, and summarised financial statements;
- Reviewed and recommended trading updates and trading statements in line with the JSE's requirements;
- Considered and nominated the external auditor for appointment at the annual general meeting; determined the fees to be paid to the external auditors and their terms of engagement;
- Determined the nature and extent of non-audit services and pre-approved any proposed agreement with the external auditors for the provision of non-audit services; satisfied itself with respect to external auditor independence and audit quality;
- Made submissions to the Board on matters concerning the Company's accounting policies;
- Reviewed the solvency and liquidity, debt covenant compliance and going concern position;
- Satisfied itself on the internal controls, internal financial controls, records and reporting;
- Considered the expertise, competence and skill of the CFO and the Finance function;
- Considered the effectiveness and independence of the Chief Internal Audit Executive and the internal audit function;
- Performed oversight functions as determined by the Board;
- Received and considered the JSE proactive monitoring of financial statements reports;
- Satisfied itself that the appropriate financial reporting procedures are in place and are operating;
- Commissioned an independent forensic investigation by the law firm Edward Nathan Sonnenbergs Inc, together with its wholly-owned subsidiary ENS Forensics Proprietary Limited, collectively ("ENSafrica") in response to allegations treated as having been made by a whistle-blower, which arose in October 2021;
- Commissioned independent accounting and legal reviews on Westbank Fishing LLC ("Westbank") accounting matters to reassess the appropriate treatment of such issues; and
- Played a key oversight role in the year-end financial statement close process at the request of the auditors given the conflicts of interest of the executive directors pertinent to the matters under investigation.

SIGNIFICANT CHALLENGES IN RELATION TO THE FINALISATION OF THE RESULTS

ACCOUNTING, AUDIT, AND LEGAL MATTERS THAT DELAYED OUR YEAR-END REPORTING

Over the period from mid October 2021 to March 2022, the Company notified the JSE and its shareholders of a delay in publishing the year-end results. This delay was a result of the Company being made aware of thirteen separate allegations raised directly with the Group's external auditors, PricewaterhouseCoopers Inc. ("PwC") by a senior member of management relating to amongst others the accounting treatment of a United States subsidiary and its corresponding 25% investment in a fishing vessel owning entity, Westbank, together with various other financial and non-financial matters.

The accounting-related aspects pertained mainly to the Group's 25% shareholding in Westbank held by Daybrook Fisheries Inc. ("Daybrook"), a wholly-owned subsidiary of Oceana. Westbank owns fishing vessels and operates a commercial fishing business to supply Daybrook with 100% of its catch.

Given the nature of the allegations raised directly with the Group's external auditors, and PwC's treatment of the raising of the allegations as constituting whistle-blowing and the seniority of the individual raising the matter, in order to protect the integrity of the Group's accounting and governance processes, and for the avoidance of doubt, the Oceana Board took the decision to undertake a comprehensive independent investigation and review process of all matters raised.

The Board appointed ENSafrica to carry out this task and further appointed external accounting and technical advisors (Mazars SA and International), as well as an independent IFRS expert, to assist and support it in the interpretation and review of:

- IFRS requirements;
- previous legal and technical advice obtained at the inception of the Daybrook and Westbank transactions in 2015 and on the change of the 75% majority shareholding in Westbank in 2018;
- interpretations of legal agreements and operational practices; and
- to consider what the most appropriate accounting treatment should be, relative to previous accounting treatment applied for the 2015 to 2020 reporting periods, upon which our predecessor auditors, Deloitte, had issued unqualified audit opinions.

The accounting advisory team was supported by specialist US legal advisors in respect of US legal and marine regulatory matters and interviewed various stakeholders to assess the operational realities in the business on a day to day basis. The Committee and the accounting advisory team also engaged with the Group's previous auditors.

This review was undertaken notwithstanding the fact that the US acquisition transaction had been designed and structured, both in 2015 and subsequently in 2018, to ensure full compliance with US marine law regulations pertaining to US citizen control of the fishing vessels. These transactions had been informed by the advice of both SA and US transaction and legal advisors, including specifically advisors on US marine law; the transaction was approved by shareholders in compliance with the JSE Listings Requirements. The transactions and all agreements pertaining thereto had been lodged with the US Maritime Administration ("Marad") and had fully met all Marad requirements for 75% US citizenship and control of vessels. An accounting technical opinion on the IFRS implications had been obtained at the same time and this informed and confirmed the basis of accounting since 2015.

At the time of the Daybrook and Westbank transaction, the Board constituted a committee comprised solely of non-executive directors to have oversight of the transaction and to interact directly with the advisors in addressing both governance and scrutiny over specific transaction matters. The 2018 negotiations were led by non-executive directors, supported by the advisors referred to above, and additionally supported by the Corporate Finance function of Tiger Brands Limited, the Group's largest shareholder at the time. The transaction was also subject to Investment Committee scrutiny and Board approval at a Tiger Brands Limited level at the time. The final transaction and operating agreements were also submitted for approval to Marad and other regulators. Westbank's fishing endorsements were approved by the regulator on commencement of the transaction and have been renewed every year since. Through undertaking this current review, the Board was also intent on understanding and assessing any potential risk a revised accounting treatment may have on the US marine regulator's assessment of compliance with its regulations and the impact, if any, on the fishing licences going forward.

The principal aspects of the investigation were completed by ENSafrica towards the end of December 2021, and a draft report was made available to the external auditors on 24 December 2021. The comprehensive investigation found no evidence of fraud, misappropriation or loss of funds, or management override of controls arising from any of the matters raised.

Despite this finding, there was a difference in opinion between the Oceana Board and PwC regarding how Westbank should be treated in the Group financial statements. The crux of the argument has centred around our ability to exert significant influence *versus* joint control over Westbank, and the matters considered consisted of various legal, accounting and operational practices with evidence supporting both arguments.

While PwC considered the Group to have joint 'control' of Westbank, thus requiring the presentation of proportionately consolidated financial statements, it was the view of the Board, our technical advisors and our previous external auditors, Deloitte, that the Group has 'significant influence' over Westbank, which does not require consolidated financial statements. The Board, its technical advisors and external auditors have acknowledged that there are compl*ex* areas requiring significant judgement that impact the outcome, and therefore have spent considerable time in evaluating both the legal aspects, as well as the factors indicating joint operational control or significant influence. These include, amongst others, those matters which the Board considers to be protective rights in terms of the various agreements but some of which rights PwC consider to be substantive in nature.

After careful consideration of the matter, and being cognisant of the delays in reporting the 2021 results, the Board adopted the proportionate consolidation accounting treatment based on the assessment of the impact on the investment in Westbank (less than 1% of Group profit before tax) to the Group financial statements as a whole. Further, that the earnings on the consolidated statement of comprehensive income and net asset value on the consolidated statement of financial position do not change as a result of the change in treatment. The consolidated statement of cash flows has also been restated to provide for this change.

It is important to emphasise that there has been no evidence of fraud, misappropriation or loss of funds or management override of controls arising from the review above.

A further accounting issue, also pertaining to Westbank and Daybrook, that came under review is the accounting treatment of a USD3.5 million receivable on the Group's balance sheet in respect of Westbank that arose in respect of costs incurred prior to the new shareholder taking ownership in 2018. Specifically, the technical accounting team considered whether the amount should be in the cost of investment in an associate, goodwill, or written-off. The final accounting treatment has been an increase in goodwill of USD7.9 million including a reallocation of the USD3.5 million from current assets to goodwill.

In addition to the involvement of local technical specialists, and due to the prevailing US requirements to re-visit their audit opinion in respect of the year ended 30 September 2020, the Deloitte US team also referred the technical matters above to their National Technical committee and concluded that it still remained comfortable with the original accounting approach taken, and consequently would not withdraw its audit opinion in respect of the equity accounting of Westbank in the Daybrook financial statements for prior financial years.

In late January 2022, the Board was advised that although the audit was substantially complete, the external auditors required additional time in which to finalise their audit work with regards to matters outstanding, and release the results.

REPORT OF THE AUDIT COMMITTEE continued

FOR THE YEAR ENDED 30 SEPTEMBER 2021

A meeting was held with the JSE to request an extension for the release of the 2021 results; this meeting was attended by ENSafrica, the external auditors PwC, and Board representatives comprising the Chairman, Lead Independent Director, and Committee members, excluding the Audit Committee Chairman given her conflict of interest (arising from her also being a board member of the JSE and chairman of the JSE SRO Committee). The request was for a ten-day extension to cater for any unforeseen matters, rather than the seven days indicated by the incumbent auditors to complete their review

The auditors, PwC, subsequently advised on 4 February 2022 that they would not be able to sign off on 10 February, after raising a new concern regarding the dating of signatures on an approval document sent to the insurer on 7 October 2021 pertaining to an insurance claim of USD4.2 million relating to the impacts of Hurricane Ida, initially submitted to the insurer in draft on 20 September 2021; the document sent to the insurer on 7 October was dated the same date as the draft claim, i.e. 20 September 2021 with supporting documents from the assessor dated 6 October. This transaction had been subjected to examination by PwC in November 2021.

The dating of the internal approval documents which were submitted to the insurer and auditors, created concern that other insurance claim documentation may also be backdated. This issue was then also independently investigated by ENSafrica, resulting in further delays in the publication of the annual financial results. ENSafrica performed a comprehensive review of insurance claims over a two year period together with a review of over 12 200 documents or correspondence and was able to confirm no further impact to the consolidated financial statements due to backdating of insurance claims or other documents. However, the investigation did identify 5 other instances of backdating. None of these instances impacted the annual financial statements and ENSafrica concluded that this was reflective primarily of a need for training rather than indicative of an intent to misrepresent financial treatment.

A detailed summary of the findings of the forensic investigation of the initial 13 allegations, as well as a preliminary update on the forensic investigation pertaining to the insurance matter, is available on the Company's website. A summary of the forensic investigation findings regarding the above further backdating concerns was provided in a SENS dated 9 March 2022.

There was regular interaction with the JSE throughout the process commencing October 2021; the Committee Chairman was at no point involved in these discussions given her position on the JSE Board referred to above.

Throughout the investigation the Committee Chairman liaised directly with the ENSafrica investigators, and provided regular reports to the Audit Committee and Board, with ENSafrica providing weekly reports to the entire non-executive Board from 17 October onwards. At certain periods, these were daily report backs and daily board discussions.

As a result of the reporting delays, management had to obtain the necessary default waivers from both the US and SA lenders for the lodgement of the relevant annual financial statements.

INITIAL FIVE REPORTABLE IRREGULARITIES

After the financial year end, five initial Reportable Irregularities ("RI's") were lodged by the external auditors, PwC, with the Independent Regulatory Board for Auditors ("IRBA") as required by section 45 of the Auditing Profession Act ("APA"). Please refer to Note 43 of the Annual Financial Statements for a detailed description as well as the resolution of these in accordance with the process required by IRBA.

The Audit Committee and non executive Board members were involved in the responses to the RI's and discussions were held with PwC in order to fully understand PwC's concerns, the possible risks to the Company and consequences of the matters reported. Whilst the Board was unanimous in the actions that needed to be taken to respond to the issues, there was extensive debate, with legal advice and input, as to whether the matters should have been reported as RI's or not, in the first instance, particularly as three of the five matters had been identified by ENSafrica as behavioural and conduct matters with no impact on the financial statements and remedial actions had already been agreed with ENSafrica as part of the conclusion of the investigation and such had already been communicated to management implicated in the three RI's. Notwithstanding this, the Board formally responded in writing to all five RI's raised and submitted its views on the significance of the issues as well as on the remedial action taken or to be taken, as necessary within the required 30 days. These RI's have since been reported to IRBA by PwC as 'not ongoing'.

The first three RIs pertained to behavioural misconduct, confidentiality and fiduciary breaches, where disciplinary action is in progress or the individual is no longer with the Company. These apparent contraventions are in respect of non-financial matters and no financial loss has been caused to the Company thereby, nor has there been any impact on the financial control environment or the annual financial statements, other than the business implications of the exit or suspension of key individuals.

The fourth RI related to the concern referred to earlier regarding the back dating of signatures on an internal document pertaining to an insurance claim in the amount of USD4.2 million where the final claim document submitted on 7 October 2021 was dated with the same date (20 September 2021) as the initial draft claim approved and submitted to the insurer but with insurance assessor supporting documents dated later only on 6 October 2021. ENSafrica undertook a thorough and comprehensive review of all insurance claims going back to 2020, as well as a search covering more than 12 200 documents and emails to search for other potential instances of backdating. The investigation found no other instances of incorrect dating of insurance documents, and no evidence of a deliberate attempt to misrepresent through the incorrect dating of the Hurricane Ida insurance claim given the attachments were clearly dated 6 October 2021. Although the investigation identified other instances of incorrect dating of other documents, none of the instances involved a deliberate intent to misrepresent, and there was no impact on the annual financial statements.

The fifth RI related to the behaviour of two members of management implicated in the back dating, who were found to have contravened a confidentiality instruction from the forensic investigators to not discuss the issue under investigation. While the Board does not condone the action, it did not see this matter, which was raised with the Board immediately by ENSafrica at the time, as an RI in terms of the APA or the IRBA Guide on Reportable Irregularities Requirements; which view was notified to PwC at the time the RI was reported by PwC. ENSafrica further ensured that the behaviour of two members of management did not compromise the investigation.

The forensic investigation in respect of the fourth and fifth RIs did not identify any deliberate attempt to misrepresent through the backdating of the insurance claim, or any intent to mislead the investigation through the confidentiality breach. As outlined above, disciplinary actions against the relevant individuals have been initiated, together with appropriate training and culture interventions.

PwC have reviewed the responses by management to all the reportable irregularities described above and are satisfied that the RIs are no longer taking place and that where appropriate, the Company has taken, or is taking, disciplinary action in accordance with the Company's disciplinary code and procedures and with due cognisance of applicable labour legislation. PwC have notified the IRBA accordingly that the reportable irregularities listed above are classified as "not ongoing" from a regulatory reporting perspective.

FURTHER RIS

There were 3 categories of further RIs (comprising 6 further RIs in total), that were reported by PwC to the Company and the relevant subsidiaries on 21 March 2022. These affected 6 different entities, including the Company. These categories were, broadly speaking backdating of resolutions and journal entries in respect of dividends to be declared by the subsidiaries, the backdating of a Subordination Agreement between the Company and one of its subsidiaries Lucky Star Limited to the date when the resolution was passed by Lucky Star Limited to enter into the Subordination agreement and lastly the backdating by a third party, the insurance broker for the Company and its subsidiary Commercial Cold Storage (Pty) Ltd ("CCS") in relation to a claim for legal fees that was incurred by CCS in a litigation matter against a third party.

The Board considered PwC's further 6 RIs, took legal advice on the issue and responded to PwC on 22 March 2022 as contemplated in terms of the process set out in section 45 of the APA. In relation to all 6 of the RIs, the Board was of the view that the conduct in question did not meet the threshold of triggering section 45 of the APA, it nevertheless responded comprehensively to PwC on each RI and addressed any perceived concerns and risks that PwC raised as well as provided PwC with remedial steps that it intended to take in the circumstances.

PwC have reviewed the responses by management to the further 6 RI's described above and are satisfied that the RIs are no longer taking place (classified as "not ongoing" from a regulatory reporting perspective) and that where appropriate, the Company has taken, or is taking, disciplinary action in accordance with the Company's disciplinary code and procedures and with due cognisance of applicable labour legislation. PwC have notified the IRBA accordingly on 24 March 2022 that these reportable irregularities are not ongoing.

FSCA NOTIFICATION

On 21 February 2022, the Company was informed by the Financial Sector Conduct Authority ("FSCA") that the FSCA has registered an investigation to determine whether any person may have published false, misleading or deceptive statements, promises and forecasts regarding the past or future performance of the Company, or its securities. The Company has engaged with the FSCA to address their queries. The Board is not aware of any instances of the publishing of false, misleading or deceptive statements, forecasts or contraventions of the Financial Markets Act. The Board has also considered the legal, technical and external auditor views ahead of SENS releases throughout the period under review.

KEY CHANGES TO SENIOR MANAGEMENT

The Committee, in conjunction with the Board, had to manage the consequences of the exit of the CEO and the Company Secretary and the precautionary suspension of the CFO. This amongst others, resulted in the Committee having to exercise oversight over year end reporting, the appointment of an interim CFO and Company Secretary, as well as the process to renegotiate covenant waivers with US and SA lenders as a result of the delay in releasing results and in the event of a risk of potential suspension of the Company's shares by the JSE.

Further details on the mitigating actions taken are outlined below under the effectiveness of the Finance function.

RESTATEMENTS AND RE-CLASSIFICATION OF BALANCES

There have been various other restatements to the comparatives including in respect of the rate at which the US subsidiary Daybrook's assets and liabilities were translated at the previous year end. These have been disclosed in Note 39 and will be separately communicated to the JSE. The Committee deems it prudent to supplement the Finance team with an additional technical accounting resource at a group reporting level.

In addition, the Committee will continue with its practice of independent technical reviews of the Group's financial statements. The previous reviews were done by PwC where they reviewed management's disclosures in the 2016 and 2019 financial statements for completeness and appropriateness.

SIGNIFICANT/KEY AUDIT MATTERS IN RELATION TO THE ANNUAL FINANCIAL STATEMENTS

The Committee outlines below the matters it concluded on as being material in nature and/or took up the Committee's time or focus or which the Committee believes is of a subjective or judgmental nature, together with how it went about addressing the matter. This is in addition to the matters pertaining to the forensic investigation, Westbank accounting and the RI's already detailed above.

KEY AUDIT MATTERS	How Addressed by the Committee
Valuation of goodwill and indefinite useful life of intangible assets	Goodwill is assessed at least annually for impairment. The key assumptions used are cash flow projections, growth rates and discount rates. The cash flow projections are prepared by divisional management taking into consideration the impact of external market factors such as health of resource biomass, abnormal weather events, changes in market demand and pricing as well as internal factors relating to current operating conditions and production trends. The discount rates are established by the corporate finance and treasury team, considering geographic and other risk factors. The headroom on Daybrook goodwill was specifically considered given the additional allocation of USD7.9 million to goodwill based on the accounting treatment informed by the PwC view on the matter, i.e. the Daybrook goodwill was tested for impairment against both the USD3.5 million it has always been tested against, plus the additional USD4.5 million debited to goodwill and credited to reserves. The assessment indicates that there is sufficient headroom between the recoverable value and the carrying value. The Committee agrees with this assessment.
Westbank accounting, Joint Control	As outlined above, the Company adopted the proportionate consolidation accounting treatment in respect of its investment in Westbank LLC, following extensive debate with the external auditors, PwC, and has treated this change in line with the requirements of IFRS by reflecting this as a prior year adjustment with full disclosure of this in our financial statements in Note 39.1. The proportionate consolidation of the joint control has been reflected as a consolidation of the 100% interest with the 75% 'majority' interest in Westbank reflected in 'minority' shareholder interests.
Treatment of the Westbank Fishing Partner LLC ("WBFP") receivable	During the process of revising the accounting treatment for the interest in Westbank, the accounting treatment of a payment made to WBFP of R120.7 million / USD7.9 million and a special dividend received from Westbank of R66.7 million / USD4.4 million, both of which ultimately resulted in a net receivable of R52.8 million / USD3.5 million reflected on the balance sheet, were reconsidered. In 2015 when the Group acquired 100% of the shares in Daybrook together with 25% of the shares in Westbank, the previous shareholders of Daybrook, namely WBFP, were granted a put option against Daybrook in respect of their 75% shareholding in Westbank. The put option was taken into account at the date of acquisition in determining the Group's purchase price of its investments in Daybrook and Westbank and the resultant goodwill. However, a portion of the amount payable under the put option, the value of which would depend on future profits of Daybrook and Westbank, was excluded from this assessment. When this amount, which constituted R120.7 million / USD7.9 million, was paid by Daybrook during the 2019 financial year, it was recognised as a receivable from Westbank. This treatment was debated as part of the re-visit of the accounting treatment of the Westbank investment and has subsequently resulted in an increase in the recognition of goodwill of R120.7 million / USD7.9 million and not as a receivable. The impact of the change is reflected as part of the effect of reclassifications and errors (refer to note 39). In 2019, Westbank paid a special dividend of R66.7 million / USD4.4 million only to Daybrook. At the time of receipt, the amount was reflected as a reduction against the aforementioned receivable that had been recognised of R120.7 million / USD7.9 million, resulting in a net receivable of R52.8 million/ USD3.5 million. This dividend has now been treated partly as a reduction of the investment in Westbank, to the extent of 25% (R16.6 million / USD1.1 million), and as a gain, to the extent of 75% (R50.0 million / USD3.3 million), since the 75% shareholder did not participate in the special dividend. Thus, the restatement of the accounting for Westbank reflects an increase of R50.0 million / USD3.3 million in distributable reserves. Deloitte SA and US previously annually allocated the USD3.5 million to the overall cost of the investment for the purposes of the recoverability assessments and assessed the total cost for potential impairment, if any. The Committee has accepted the above new treatment in order to consistently apply the accounting treatment adopted in respect of the investment in Westbank as referred to above under Westbank accounting.

KEY AUDIT MATTERS	How Addressed by the Committee
Accounting treatment of insurance claims	The Committee and management have had extensive accounting debates around recognition of the Hurricane Ida claim and requirements in order to meet the 'virtual certainty' principles outlined in IAS37, which included consideration of the initial draft claim on 20 September 2021 of R58 million, the letter of comfort on 27 September 2021 confirming the validity of the claim subject to reinsurer payment, and the subsequent final document from the insurer on 6 October confirming the final claim and payment of R63 million, with full receipt of funds on 27 October 2021. The debate centred on whether R58 million of the R63 million was virtually certain. Management and the forensic investigators interacted extensively with the insurer and reinsurer with regard to the extent of certainty of the claim at year end. The Committee took cognisance of the technical opinions in this regard (including those from the Insurance and the Re-insurance companies) that gave sufficient evidence to the certainty of the claim. The final decision, informed by PwC's view, was to reverse the raising of the full amount of R63 million from 30 September 2021 and recognise it in the financial year ending 30 September 2022. A further R32 million in respect of three other insurance amounts previously reflected on the summary of audit differences were also reversed at the request of PwC on the grounds of not being 'virtually certain' as at 30 September 2021. These two reversals had a slight impact on the trading statement range released on 10 December 2021.

OTHER SIGNIFICANT MATTERS CONSIDERED	How Addressed by the Committee
Related party transactions	The Committee reviewed and updated the policy in respect of the treatment of related party transactions during 2021 and is comfortable with the existing policy. Certain disclosure improvements were noted and implemented for the year ending 30 September 2021. The Committee is comfortable that there are sufficient checks and balances to ensure that related party directors and officers are recused from related decision making and governance processes.
Taxation	The group is exposed to amendments in tax laws in various jurisdictions.
	Taxation
	The charge for current taxation is based on the results for the year adjusted for income that is exempt and expenses that are not deductible using tax rates that are applicable to the taxable income and the jurisdiction in which the entity operates.
	Deferred taxation
	Deferred taxation is recognised in profit or loss except when it relates to items credited or charged to other comprehensive income, in which case it is also recognised in other comprehensive income. A deferred taxation asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. Deferred taxation assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The deferred tax asset value is R6.7 million as at 30 September 2021 and is considered to be recoverable. A deferred taxation liability represents the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred taxation liabilities are recognised for taxable temporary differences, unless specifically exempt. The deferred tax liability value is R500 million at 30 September 2021. The external auditors have highlighted the need for further assessment during the financial year ending 30 September 2022, to assess the recoverability of the deferred taxation asset balance in Daybrook relating to capital losses, due to the proximity of the expiry period ending 30 June 2023.
Residual values and useful lives of property, plant, and equipment	The depreciation charge is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life taking cognisance of the forecasted commercial and economic realities, by benchmarking accounting treatments in the specific industries where these assets are used. The assessment of useful lives considers management's historical experience with similar assets as well as management's judgement as to future events or market conditions which may impact their life. The useful lives and residual values of the assets are determined by management when the asset is acquired and then reviewed annually thereafter. During the current year, management's annual review of useful lives and residual values did not result in material changes to the carrying value of assets.

REPORT OF THE AUDIT COMMITTEE continued

FOR THE YEAR ENDED 30 SEPTEMBER 2021

OTHER SIGNIFICANT MATTERS CONSIDERED	How Addressed by the Committee
Leases	The Group is required to make judgements that affect the valuation of lease liabilities (Note 27) and the valuation of right-of-use assets (Note 14). This includes determining whether a contract meets the requirements of a lease, the lease term applicable and the interest rate used for discounting of future cash flows. In determining the lease term, the group considers all facts and circumstances that create an economic incentive to exercise an extension option. Factors considered include how far in the future an option occurs, payment amounts in the optional period, future plans of the group for use of the asset as well as historic past practice of renewing leases. Extension options are only included if the lease is reasonably certain to be extended. Lease payments are discounted using a rate applied to a portfolio of leases pertaining to land and buildings within a particular jurisdiction, where funding is sourced centrally. Judgement has been applied to determine the discount rate where the rate implicit in the lease cannot be determined. The incremental borrowing rates are detailed in Note 27. The lease of land and buildings which house significant Group operations in the canned fish and fishmeal (Africa) segment was extended in the 2020 financial year for a further 20 years, based on management judgement of the renewal of the lease.
Intangible asset impairment review	Indefinite useful life of intangible assets is assessed annually for impairment considering judgements and estimates made by management in determining the present values of the intangibles, including the discount rate used. Management has assessed that no impairment is required, refer to Note 16 which sets out the significant judgements and estimates applied.
Impairment of financial assets	Foreign trade receivables, other receivables and loans and advances are required to be assessed for impairment in terms of IFRS 9 – Financial instruments ("IFRS 9") and a credit loss recognised where required. The significant judgements applied in determining an impairment include the expected realisable value of collateral securing the debt, the probability that the customer will default, credit risk changes in customer, the size of credit exposures, country risk based on location of customer and the expected loss on default. The assessment considers quantitative and qualitative forward-looking information in relation to each of customer risk category. The Group has assessed the expected credit losses factoring in the financial uncertainty arising from the Covid-19 pandemic. Management have decreased the expected loss rates for trade receivables and loans and advances based on their assessment of the level of exposure. The Group has also determined that no credit impairment is required for amounts owing by foreign suppliers. In addition, certain individual customers were identified as credit impaired which resulted in a specific expected credit allowance being recognised.
Control	Management assesses whether it controls an entity based on whether the investor has power over the relevant activities of the investee. Relevant activities include the activities of the investee that significantly affect the investee's returns; the investor is exposed to variable returns from its involvement with the investee; and the investor is able to use its power to affect its returns from the investee. Control is re-assessed if the facts and circumstances impacting the assessment change. Judgement has been applied by management with respect to the group's shareholding in Erongo Seafoods Proprietary Limited and Compass Trawling Proprietary Limited. Management determined that the group controls the investee despite the non-controlling interests holding the majority shareholding in each entity. The group is deemed to exert control over these entities due to its active and unilateral management of day to day operations, financing and investing decisions to affect their returns and is subject to exposure to variability returns.

CFO AND EFFECTIVENESS OF THE FINANCE FUNCTION

Ms Hajra Karrim, a chartered accountant, was appointed as CFO from 1 November 2020, replacing Mr Trevor Giles who served as interim CFO from 1 February 2020 to 31 October 2020.

On 6 February 2022, Ms Karrim was suspended on a precautionary basis pending a disciplinary process; a grievance was also lodged by the CFO in relation to the suspension and pending disciplinary: both processes are pending. The issues being addressed as part of the disciplinary process do not pertain to matters which are related to the financial information of the Company, nor do they include alleged complicity on the part of the CFO in respect of the subject matter of the investigation. So as not to jeopardise the pending process relating to the CFO and to respect the employment law rights and obligations of all concerned, the Committee considers that it is not appropriate to provide further details at this stage.

The suspension of the CFO came at a critical time in the year-end reporting process; immediately prior to her suspension and a few days before the 30 January sign off, the CFO went on sick leave. In addition, Mr Imraan Soomra resigned as CEO (and executive director) effective 14 February 2022. In this context the Board and Committee had to navigate carefully to ensure that it maintained its oversight function, and to ensure that senior management dealt with the execution of the detail. The Board had to urgently appoint individuals to step in to facilitate the completion of the year-end business and audit deliverables as well as day to day critical finance operations, including amendment of terms and waivers with lenders as a consequence of the delay in reporting results.

The Company appointed Mr Neville Brink as Interim CEO effective 14 February 2022 and as an executive director effective 21 February 2022. The Company also appointed Mr Ralph Buddle as Interim CFO effective 23 February 2022. Mr Buddle's appointment is subject to the outcome of the pending process pertaining to the current CFO. Following the resignation of Ms Adela Fortune as Company Secretary, Mr Buddle was also appointed as Interim Company Secretary effective 9 March 2022. Mr Buddle is an experienced chartered accountant and previously served as a senior finance executive and director of business development and strategy at a large listed retailer. The Committee satisfied itself on the qualifications, competence and experience of the candidate before seeking a dispensation from the JSE to appoint him to both roles.

Ensuring the timely appointment of highly skilled and capable individuals to fill the roles of the relevant senior members of management was essential in addressing the low staff morale associated with the lack of senior leadership and negative speculation in the media. The Finance function was boosted further by the appointment in February 2022 of two other experienced individuals to assist with the year end deliverables. Given the extensive debates with auditors on technical accounting and audit matters, the board was assisted by two external and independent specialists in the field of financial reporting and auditing standards as well as Mazars as referred to above. The resourcing of the Finance function into the future is in the process of being addressed. The appointments of Neville Brink and Ralph Buddle have brought the focus back on the business and significantly boosted staff morale.

INTERNAL AUDIT

In terms of its Charter, the Committee is responsible for the appointment of the Company's internal auditors. This year the Company also had a change in internal auditors. BDO South Africa Incorporated ("BDO") was appointed as internal auditors with effect from 1 June 2021, following the resignation of the previously appointed internal auditors, Ernst & Young ("EY"), on 5th May 2021. The resignation of EY as internal auditors was a result of EY taking on the external audit of Brimstone Investment Corporation, a significant shareholder of Oceana; the continuation of the internal audit function of Oceana would in terms of good governance practices have posed a conflict of interest. The Committee approves the fees of internal auditors and the scope and rolling coverage plan for internal audit services.

Each year the Committee reviews, updates and approves a three-year rolling internal audit plan. The Chief Internal Audit executive attends the Risk Committee and Audit Committee meetings as well as having regular engagements with the Committee chairman, the CFO and other senior executives. The internal audit plan is compiled using a risk-based approach and through extensive consultation between the internal auditors and Oceana management, taking into consideration the entire risk universe affecting Oceana.

The internal audit function is outsourced, and the appointment of the internal audit provider is reviewed on an annual basis. Ms F Mohamed, a partner of BDO, has fulfilled the role of Chief Internal Audit Executive since June 2021, following the resignation of EY as internal audit provider. The internal auditors operate in terms of an internal audit Charter, which is reviewed annually and was reviewed during the year, under the direction of the Committee, which approves the scope of the work to be performed. Significant findings are reported to both executive management and the Committee and corrective action is taken by management to address identified internal control deficiencies.

The Committee is satisfied with the appropriateness of the expertise, effectiveness, and resources of the internal audit function; and that of the Chief Internal Audit Executive and their compliance with the duties and responsibilities as mandated by the Committee.

In addition, an audit findings tracker was set up and operationalised during 2019 whereby the status of all audit findings from the preceding three years are reviewed by management on a self-assessment approach thereby ensuring more regular reporting on remediation of control findings. BDO followed up on all significant audit findings noted in management's self-assessment.

REPORT OF THE AUDIT COMMITTEE continued

FOR THE YEAR ENDED 30 SEPTEMBER 2021

COMBINED ASSURANCE

The Committee is responsible for overseeing combined assurance activities. The combined assurance framework establishes co-ordinated assurance activities between the lines of assurance across the organisation, including Compliance and Risk Management. There is ongoing focus on increased collaboration and reducing duplication of activities. The Committee is satisfied that the arrangements in place for combined assurance in the Company are effective.

EXTERNAL AUDIT

Mandatory External Audit Firm Rotation in 2020

In terms of section 90 of the Companies Act, the Committee is responsible for the nomination, compensation, and oversight of the external auditors for the Group and Company. In line with mandatory requirements governing the rotation of external auditors, the Committee concluded a tender process during 2020 and recommended the proposed appointment of PwC as the external auditor for the financial year ending 30 September 2021, at the annual general meeting held in 2021. A key part of the tender process was the expected due diligence process on the accounting policies of the Group and the confirmation that was provided by the various firms considered that they were comfortable with the relevance of the accounting policies of the Company. This was particularly important in the context of not causing delays in the interim and year end reporting processes given the appointment was effective 1 January 2021.

PwC provided the Committee with the information detailed in paragraph 22.15(h) of the JSE Listing Requirements to assist the Committee in their assessment of the suitability for appointment of PWC as the external auditors of the Company and the appointment of Mr Richard Jacobs as the designated individual partner as required in terms of paragraph 3.84(g) of the JSE Listing Requirements.

The Committee approves the fees of external auditors and the policy, level and scope of external non-audit services. The Committee monitored and ensured that fees for non-audit services were in line with the Group's Non-Audit Services Policy.

Independence and Audit Quality

PwC was appointed as the Group and Company's external auditors with Mr Jacobs appointed as the designated lead audit partner with effect from 1 January 2021. The Committee has assessed the accreditation of the external audit firm and designated audit partner, in terms of the JSE Listing Requirements, and is satisfied with their JSE accreditation.

The Committee has formal rules, which are detailed in its policy on the use of external auditors for non-audit services, for regulating the services and conditions of use of non-audit services provided by the external auditors, governing, *inter alia*, compliance issues, taxation, group and company structure, information systems, organisational structure, remuneration structure, risk management services, audit certificates in relation to fishing rights, due diligence investigations and such other services as the Committee may approve and which are permitted by legislation and regulations. The Group and Company's independent external auditors do not assist in the performance of any internal audit assignments.

During the year-end process the Committee met to consider the quality and effectiveness of the newly appointed external auditors.

The Committee is cognisant of the many challenges experienced over the year-end both in terms of accounting interpretations and treatments and the delays in financial reporting. It further takes note that the external auditors were in their first year of audit post appointment as a result of mandatory audit firm rotation ("MAFR") and that the auditors were placed in a particularly challenging position given that the person who raised the 13 allegations referred to earlier was a senior member of management, and went directly to the auditors, albeit the individual at the time indicated to the Company that the matters raised were 'queries' rather than whistleblowing. The Committee has however expressed concerns regarding what would appear to be an entirely forensic lens to the external audit approach. In addition, there were concerns around IFRS interpretation and application of the standards given the business and operational practice in relation to matters of significant judgement where evidence might support different approaches. Accounting policies were discussed with PwC during the tender process and no issues were identified at that stage or during the interim review stage. The Board, supported by the advice of various highly qualified independent parties, has had a difference of opinion with the external auditors regarding matters pertaining to the accounting for Westbank.

PwC had advised that the Group audit was apparently 80% complete with the subsidiaries substantially complete at the point of the allegations being raised with them. Notwithstanding, the audit scope was changed to a highly substantive approach involving hundreds of transactions being tested on the smallest of entities and across the entire Group. The adherence to reporting deadlines and the resultant credibility and reputational risk to the Group where deadlines have not been met has been a further concern. The circumstances in which the Company's JSE listing was risked by way of suspension was a critical concern to management and all stakeholders. We fully expect our auditors to raise matters that impact the integrity of the financial statements and the control and governance environment, and fully expect to have robust discussions on such matters, but these need to be timeous and mindful of reporting obligations. These are matters that have been and are being addressed with our external auditors.

OTHER MATTERS

CEO AND CFO RESPONSIBILITY STATEMENT

The Committee evaluated the approach and processes that enabled the CEO and CFO to sign the responsibility statement on the consolidated annual financial statements and internal financial controls as required by new JSE Listings Requirements as set out on page 3.

The Committee received an update in September 2021 on the implementation of the project initiated across the Group and all subsidiaries and support functions to ensure compliance with paragraph 3.84(k) of the Listings Requirements of the JSE Limited. The implementation of the project included various stages such as scoping and assessment of materiality, gap analysis and the compilation of comprehensive risk and control matrices covering all the business processes that have an impact on financial reporting, the review and testing of key controls, consideration of any findings identified by internal audit and the final year end sign off by all the relevant control owners. Where the process identified deficiencies, these were included on a remediation plan communicated to the Committee and external auditors and were closed out prior to the financial close process. The Committee has considered the mitigating controls provided by management that provide reasonable assurance that these consolidated Annual Financial Statements are fairly presented.

INTERNAL CONTROLS

Oceana maintains manual and automated internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of accounting records and the consolidated annual financial statements and to adequately safeguard, verify and maintain accountability for its assets.

The Committee reviews the effectiveness of the procedures, policies and system of internal controls adopted by group companies to address potential risks within Oceana and provide reasonable assurance about the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

On an annual basis, internal audit provides input to the Committee on the effectiveness of the group's governance, risk management and control processes, based on the audits undertaken under the annual audit plan. The internal audit results concluded that the systems of internal control were adequate and operating effectively and that reliance can be placed on the design and implementation of internal controls to mitigate those inherent risks to which the underlying business processes are exposed. The Committee has not received any report of and is satisfied that no significant weaknesses were found in the design, implementation or execution of internal financial controls which resulted in material financial loss, fraud or corruption where the Group is concerned.

The Committee and Board have taken note of the results of the two investigations by ENSafrica. Whilst the investigations have not indicated any fraud, financial loss, override of the internal control environment or deliberate intent to misrepresent, the Committee views in a very serious light the potential implications on the control environment of the existence of conflicts in the workplace, the non declaration of these, the impacts of breach in confidentiality and breach in fiduciary duty by senior leadership together with the backdating of documents. The Committee and Board have agreed on disciplinary action where necessary, training in respect of dating of documents, further socialization of the conflicts of interest policy and the whistleblowing line together with broader culture conversations in the Group.

RISK MANAGEMENT

The Committee has oversight of fraud and technology and information governance risks. The Committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting and technology and information governance risks as they relate to financial reporting. On the basis of an enterprise risk review concluded during the year, internal audit concluded that processes are deemed adequate to ensure that key risks are identified, assessed, managed and reported under Oceana's risk policy and framework to the Board Risk Committee.

TECHNOLOGY AND INFORMATION GOVERNANCE

Oceana is committed to the highest level of technology and information governance, as managed by the Group Chief Information Officer ("CIO"). Oceana's information systems ("IS") governance framework is central to our strategic and business processes and supports the achievement of our strategic objectives.

The IS Charter sets the overall purpose of the function, its management and security. The IS department presents an IT Governance Report to the Committee, covering, *inter alia*, architecture and technology, change management, operations, risk, security and compliance, and strategy. An overarching Information Governance framework is in place, and regulates the IT governance bodies comprised of senior Oceana management.

Our corporate governance structures and processes are regularly reviewed and improved as appropriate. Oceana currently complies with the relevant technology and information governance principles of King IV.

Key strategic focus areas during the financial year were cyber security, including security awareness training, optimising Oceana's IT infrastructure and systems to support organisational efficiencies and enabling and ongoing support to enable remote work.

REPORT OF THE AUDIT COMMITTEE continued

FOR THE YEAR ENDED 30 SEPTEMBER 2021

COMPLAINTS AND/OR CONCERNS

The allegations treated as whistleblowing relating to the application of specific accounting principles and other matters has been detailed earlier in this report.

GOING CONCERN

The Committee reviewed the going concern statement and supporting calculation (refer to Note 32) as required by the Companies Act and have no reason to believe that the business will not be a going concern in the year ahead.

This was further supported by the review of solvency and liquidity and debt covenant compliance along with the risks associated with the Covid-19 pandemic, hurricane events in the USA and civil unrest and looting in SA. The Committee is satisfied, that the Group and Company have adequate financial resources to continue their operations into the foreseeable future.

The committee reviewed the going concern assumption and concurred with management's conclusion that it is the appropriate basis for the preparation of the financial statements.

As a result of the delays, management engaged with US and SA lenders to obtain the necessary default waivers from both the US and SA lenders for the lodgement of the relevant annual financial statements. The Committee is comfortable that the Oceana Group will comply with the revised dates, and that there is not likely to be an interruption to the Group's banking facilities as a result.

EVALUATION AND RE-ELECTION

The performance of the Committee is regularly assessed as part of an effectiveness review of the Board and all its committees. An externally facilitated review is performed every two years with the next one scheduled for 2022. The previous assessment concluded that the Committee is operating effectively and successfully discharged its responsibilities and duties. The Board is satisfied that the Committee has performed its duties effectively and that committee members have the necessary skills and experience to discharge their duties effectively.

The Board, on recommendation of the Corporate Governance and Nominations Committee, has nominated the current members for re-election at the upcoming annual general meeting in 2022. Mr PJ Golesworthy is recommended as an additional member of the Committee in accordance with the Board's succession and transition plan.

POST BALANCE SHEET EVENTS

Given the extensive delay in the finalisation of the 30 September 2021 year end results, the Committee undertook an extensive process to identify post balance sheet events that require disclosure in the annual financial statements. The Committee is comfortable that these are adequately disclosed in Note 44 to the AFS.

JSE REPORTING REQUIREMENTS

The interim Company Secretary and management are satisfied that the Group has met the JSE Listings Requirements and the requirements of the King IV Codes. Where the JSE Listings Requirements have not been complied with relating to the publication of condensed and audited results, these have been discussed with and dispensation sought from the JSE. The King IV application code can be found on the group's website: **www.oceana.co.za.**

JSE PROACTIVE MONITORING REPORTS

The Committee has received and considered the findings on the JSE's proactive monitoring of financial statements for compliance with IFRS.

The Committee has ensured that where applicable the contents of these reports have been appropriately actioned in the preparation of the consolidated Annual Financial Statements for the year ended 30 September 2021.

CONCLUSION

In signing this report on behalf of the Committee, I would like to thank my fellow Committee members and invitee non-executive directors, our various technical advisors, the external and internal auditors, and management for their contributions to the Committee during the year.

I wish to express particular appreciation for the dedication and thoroughness shown by Committee members in ensuring that effective governance processes were followed in addressing the allegations treated as whistle blowing that were raised in October 2021. The members were asked to convene on numerous occasions, sometimes twice a day at short notice, and I am grateful for their commitment in maintaining their essential oversight role. I would particularly like to thank the various staff members who have worked many nights and weekends, Board members and staff who deferred Christmas holidays and worked diligently in completing what needed to be done to finalise the Group results. In this I am also conscious that the investigation indicated instances of specific individuals who have not necessarily lived by our values and legacy as a 104 year old business and that the bulk of our staff remain committed, diligent individuals who embody our values on a day to day basis.

Ms ZBM Bassa

Audit Committee chairman

25 March 2022

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Oceana Group Limited (the Company) and its subsidiaries (together the Group) as at 30 September 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act of South Africa.

What we have audited

Oceana Group Limited's consolidated financial statements set out on pages 30 to 118 comprise:

- the consolidated statement of financial position as at 30 September 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 consolidated and separate financial statements* section of our report.

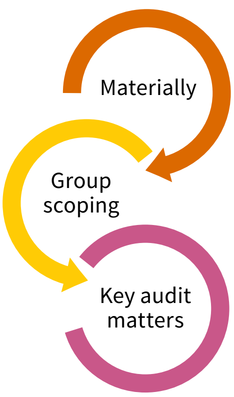
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).*

OUR AUDIT APPROACH

Overview



OVERALL GROUP MATERIALITY

- Overall group materiality: R50,451,000, which represents 5% of profit before taxation

GROUP AUDIT SCOPE

The Group consists of nineteen components. We performed full scope audits at six components, and audits of specific financial statement line items at two components. On the remaining components, which were not significant individually and in aggregate, we performed analytical procedures at group level to confirm our risk assessment

KEY AUDIT MATTERS

- Financial reporting process
- Restatement of consolidated annual financial statements: Joint Operation
- Restatement of consolidated annual financial statements: Accounting treatment of receivable owed by Westbank
- Impairment assessment of goodwill arising from the Daybrook Business Combination
- Recognition of insurance receivables

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Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

MATERIALITY

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	R50,451,000
How we determined it	5% of profit before taxation
Rationale for the materiality benchmark applied	We chose profit before taxation as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

HOW WE TAILORED OUR GROUP AUDIT SCOPE

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our scoping assessment included consideration of the financial significance of the group's components as well as the sufficiency of work planned to be performed over material consolidated financial statement line items.

We identified three financially significant components in the group, namely Lucky Star Marketing (A division of Lucky Star Limited), Horse Mackerel Division and Daybrook Fisheries Incorporated as each component's contribution to group profit before tax exceeded 15%. We performed full scope audits for these components.

We identified three components to be significant based on nature. Commercial Cold Storage Proprietary Limited is separately disclosed within the segmental analysis and Lucky Star Operations (A division of Lucky Star Limited) is a significant contributor to the group's revenue, and a large contributor to both profit before tax and assets. Oceana Group Limited is a significant contributor to the group's assets and liabilities. Therefore Commercial Cold Storage Proprietary Limited, Lucky Star Operations and Oceana Group Limited are considered to be significant. We performed full scope audits for these components.

Based on indicators such as the contribution to group revenue and profit before taxation, we also included two other components in the scope of our group audit. For these components audit of balances and/or classes of transactions, and analytical review procedures.

The remainder of the components were insignificant to the group, individually and in aggregate. The above, together with additional procedures performed at the group level, including substantive procedures over the consolidation process, gave us sufficient and appropriate audit evidence to form an opinion on the consolidated financial statements as a whole. In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team and by component auditors from other PwC network firms operating under our instruction, in order to issue our audit opinion on the consolidated financial statements of the group.

Where the work was performed by component auditors, we determined the level of involvement necessary in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the consolidated financial statements as a whole. Detailed group audit instructions were communicated to all components in scope and the group engagement team was involved in determining the audit approaches adopted in relation to significant risk areas. Throughout the audit, various discussions were held with the component auditors and we inspected component auditors' working papers relating to areas of significant risks in the consolidated financial statements.

KEY AUDIT MATTERS

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

Key audit matter	*How our audit addressed the key audit matter*
FINANCIAL REPORTING PROCESS *Refer to notes 43 and 44 to the consolidated annual financial statements* As disclosed in notes 43 and 44 to the consolidated annual financial statements, the directors formally appointed an independent forensic investigator to establish the veracity of a number of allegations raised by a whistle-blower during October 2021 that related predominantly to the historical accounting treatment of Daybrook together with its 25% interest in Westbank. A further investigation was carried out during February 2022 after backdated insurance claim forms in the amount of R63.1 million (US$4.2million) were identified. The respective investigations were completed during December 2021 and March 2022, and as a result, the publication of the consolidated annual financial statements was delayed. Based on the findings of the independent forensic investigator, the directors have concluded that none of the allegations raised by the whistle-blower resulted in financial losses to the Group. Furthermore, the directors have concluded that no evidence of fraud or criminal conduct was evidenced by the investigations' findings. The investigations have, however, highlighted a number of other matters related to the conduct and practices of former senior management and other personnel as disclosed in note 43 to the consolidated annual financial statements, including conflicts of interest in relation to an ex-gratia payment, behavioural matters that contributed to a culture of dominance and bullying, obstruction and/or interference with a forensic investigation, and the identification of various instances relating to the backdating of documentation, including insurance claim forms. As a result of the timing, extent and complexity of the allegations included within the scope of the investigations and the subsequent adverse investigation findings, our audit required extensive involvement from senior audit personnel, auditor's accounting technical, methodology, audit technical, risk management and forensic specialists and other individuals with specialised knowledge. We experienced challenges in obtaining sufficient and appropriate evidence, particularly in areas requiring judgement and management representation over the financial reporting process. Accordingly, we have considered the forensic investigation and the consequential impact on the financial reporting process to be a matter of most significance due to the significant and pervasive impact this had on the overall timing, level of expertise, and effort associated with the current year audit of the consolidated annual financial statements.	At the time of the whistle-blower allegations, a significant portion of the audit had already been completed. Accordingly, a number of revisions were made to our initial audit plan and strategy responsive to the heightened risk of fraud and management override of controls arising from the whistle-blower concerns and subsequent allegations related to the backdating of documentation. These adjustments included, amongst other matters: • the assignment of senior audit personnel and specialists to the engagement team, including a number of engagement support partners, and subject matter experts in the fields of forensics, audit methodology, audit technical, accounting technical, risk management and internal legal counsel. • the reduction of our Group and component performance materiality levels to account for heightened aggregation risk and the potential breakdown in management's control environment; • the revision of our risk assessments, including the identification of additional significant risks and areas of audit focus; • the reconsideration of estimates and areas of judgement that could be subject to management bias or management override of controls; • the scoping in of additional financial line items for testing; • the issuance of revised Group instructions to component teams, including targeted procedures in relation to various allegations, including additional risk criteria in respect of journal entry testing; • the execution of a fully substantive audit, including the increased extent in audit procedures and sample sizes arising from revised materiality levels and risk assessments; • the performance of specific audit procedures responsive to additional risks arising from the allegations; • the consideration of the reliability of representations obtained from senior management implicated in any adverse findings arising from the independent forensic investigations' reports; and • the independent assessment of the findings of the forensic investigator with the involvement of our internal forensic and accounting specialists. Based on the audit procedures performed and the level of expertise and effort associated with the current year audit, our audit approach and strategy, including the subsequent revisions thereto, were responsive to the additional risks identified from the whistleblower and subsequent allegations

Key audit matter	*How our audit addressed the key audit matter*
RESTATEMENT OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS: JOINT OPERATION *Refer to accounting policies 1.3 and 2.7 and notes 30 and 39.1 to the consolidated annual financial statements.* As disclosed in note 39.1 to the consolidated annual financial statements, the Group has restated its previously reported consolidated annual financial statements and all related disclosures to account for its 25% investment in Westbank Fisheries, LLC ("Westbank") as a joint operation in terms of IFRS 11 *Joint Arrangements* ("IFRS 11"). The investment in Westbank by the Group's 100% held subsidiary, Daybrook Fisheries Inc. ("Daybrook"), was previously classified as an associate in terms of IAS 28 - *Investments in Associates and Joint Ventures,* whereby the Group initially accounted for its investment at cost with subsequent adjustments to its carrying value to account for the post-acquisition changes in the Group's 25% share of the investee's net assets. The financial statements have been restated to reflect the classification of the Westbank investment as a joint operation considering the commercial and legal substance of the agreement that exists between the shareholders and the investee after consideration of, amongst other matters, (i) the decision making rights attributed to each joint operator, being Daybrook and Makimry Patronus LLC ("Makimry"), (ii) the impact of an offtake agreement between Daybrook and Westbank, and (iii) other indicators considered relevant in assessing control and joint control in terms of IFRS 10 *Consolidated Financial Statements* and IFRS 11. The restatement has resulted in the Group accounting for: • 100% of Westbank's income, expenses, assets, and liabilities based on 100% of the fishing output which Daybrook is contractually obliged to take from Westbank; and • a liability in respect of Makimry's 75% share of the profit/loss and net assets which Daybrook is not entitled to. We considered this area to be a matter of most significance to our current year audit due to the judgement applied by the directors in assessing the appropriate accounting treatment of the Group's investment in Westbank, including the purpose and design of the investee entity and the various contractual and commercial arrangements between Daybrook, Makimry and Westbank.	Our audit procedures focused on the key areas of judgement applied by the directors in the evaluation of the commercial and legal substance that exists between the shareholders and the investee. These procedures included the following: • We utilised our accounting technical expertise to inspect and independently assess all relevant contractual arrangements that govern the decision making processes between the shareholders of Westbank, being Daybrook and Makimry. These included, amongst others, the assessment of the following significant contracts: — The Operating Agreement entered into between Daybrook and Makimry, which regulates the governance and operating structure of Westbank; and — The Fish Supply Agreement entered into between Daybrook and Westbank, which governs the fishing catch offtake arrangement between the two entities. Based on the review of the contractual arrangements, we concurred with the directors' conclusions regarding the joint decision making abilities of the shareholders in relation to the relevant activities of Westbank. On the basis that joint control exists over Westbank, we furthermore concurred with management's classification and accounting for Westbank as a joint operation under IFRS 11, with the recognition of a liability representing Makimry's 75% share of the profit/loss and net assets which Daybrook is not entitled to. • We inspected various legal opinions obtained by the directors regarding the rights and obligations of the shareholders as contained in the various contractual agreements. In this regard, we concurred with the directors' conclusion that neither party possesses the unilateral ability to direct the relevant activities of Westbank. • We tested the mathematical accuracy and reviewed the sufficiency of the restatement disclosures pertaining to Westbank. We noted no exceptions in this regard.

Key audit matter	*How our audit addressed the key audit matter*
RESTATEMENT OF CONSOLIDATED ANNUAL FINANCIAL STATEMENTS: ACCOUNTING TREATMENT OF RECEIVABLE OWED BY WESTBANK *Refer to note 39 to the consolidated annual financial statements.* As disclosed in notes 39.1 and 39.2 to the consolidated annual financial statements, the directors have restated the Group's previously reported consolidated annual financial statements, and all related disclosures to correct for an error relating to the valuation of a put option against Daybrook by the predecessor owners. The put valuation was used in the determination of the historical purchase price and the associated quantum of goodwill arising from the Daybrook and Westbank business combinations. The error relates to the exclusion of an amount payable under the put option that was dependent on the future profits generated by Daybrook and Westbank at the time of acquisition, but which was incorrectly accounted for as a receivable from Westbank by Daybrook in subsequent periods when the amount was paid. Subsequently, special dividends paid by Westbank to Daybrook were also erroneously accounted for as a reduction of the incorrectly recognised receivable. As disclosed in note 39.1 to the consolidated annual financial statements, the effect of the restatement has resulted in the Group accounting for: • an increase in goodwill amounting to R120.7 million; • a decrease in trade and other receivables amounting to R52.8 million; and • an increase in retained earnings amounting to R67.9 million. We considered this area to be a matter of most significance to our current year audit due to: • the judgement applied by management in assessing whether the Group has a legally enforceable right to payment from Westbank; • the commercial rationale for the transaction; and • the significance of the goodwill balance in relation to the total assets of the Group.	Our audit procedures included utilising our accounting technical expertise to: • Obtain an understanding of the Operating Agreement entered into between Daybrook and Makimry, and in particular, the provisions relating to the put option against Daybrook (as a possible obligator) by the predecessor owners; and • Independently review the accounting opinion issued by the Group's external expert in relation to the proposed correction of the previously incorrectly recognised receivable. We further inspected a legal assessment obtained by the directors in support of their conclusion that no contractual right exists to evidence the enforceability or recovery of a receivable from Westbank. Based on the above procedures, and our evaluation of management's representations regarding the commercial rationale for the initial transaction, we concurred with the directors' conclusion that the historical accounting for the put option and subsequent special dividends paid by Westbank to Daybrook represented a prior period error. Furthermore, we concurred with management's proposed correcting entries in relation to the error, and in this regard we: • Inspected the correcting journal entries and tested the accuracy of the adjustments with reference to management's accounting assessment. We noted no exceptions in this regard. • Tested the mathematical accuracy and reviewed the sufficiency of the restatement disclosures pertaining to the error. We noted no exceptions in this regard.

Key audit matter	*How our audit addressed the key audit matter*
IMPAIRMENT ASSESSMENT OF GOODWILL ARISING FROM THE DAYBROOK BUSINESS COMBINATION *Refer to accounting policies 1.17 and 1.20, and note 16 and to the consolidated annual financial statements.* As disclosed in note 16 to the consolidated annual financial statements, the carrying value of goodwill attributable to the Daybrook business combination amounts to R3,593 million, which comprises 31.7% of the Group's total assets. The directors perform an annual impairment assessment to test the recoverability of the carrying value of goodwill in accordance with IAS 36 *Impairment of assets* ("IAS 36") by determining its recoverable amount with reference to the higher of value in use or fair value less costs to sell for each cash generating unit ("CGU"). Based on this assessment, the recoverable amount of the *Fishmeal and Fish Oil* (USA) CGU attributable to the Daybrook business combination was determined based on a value-in-use calculation using cash flow forecasts approved by the directors. In deriving the applicable cash flow forecasts, the directors applied judgement and estimation in the determination of key assumptions, including catch volumes, production yields, gross margins, weighted average cost of capital ("WACC"), growth rates, inflation rates and the terminal growth rate. These key assumptions have been estimated on the basis of future market conditions, which are also subject to change. Accordingly, we considered this area to be a matter of most significance to our current year audit due to the significance of the goodwill balance in relation to the total assets of the Group, and the level of judgement and estimation applied by the directors in determining the recoverable amount.	Our audit procedures focused on the key areas of subjectivity, judgement and estimates made by the directors. These procedures included the following: • We obtained an understanding of the process followed by management in respect of the impairment assessment of goodwill. • Making use of our internal valuations expertise, we independently assessed: — the valuation methodology applied by the directors against generally accepted valuation methods and IAS 36, noting no exceptions; and — the WACC discount rate, taking into account independently obtained data including the cost of debt, the risk free rate, market risk premiums, debt/equity ratios as well as the beta of comparable companies. The discount rate applied by the directors was then compared to the independently calculated WACC and found to be reasonable. • For the value-in-use calculations performed by the directors, we assessed the assumptions relating to catch volumes, gross margins and production yields to historical performance, other external evidence and the expected economic outlook to test the accuracy of the directors' projections. We found these assumptions to be reasonable. Furthermore, we obtained the directors' cash flow forecasts and: — agreed the forecasts to approved budgets; — assessed the reliability of management's forecasting ability by comparing current year actual results with the prior year budgeted results; — compared the growth projections applied by management to historically achieved growth rates; and — compared the terminal growth rates used by the directors to long-term consensus inflation rates as obtained from independent sources. Based on our assessment, we accepted the cash flows as being reasonable. We performed sensitivity analyses on the key assumptions included in management's value in use calculation, including catch volumes, production yields, growth rates and discount rates to determine the degree by which the key assumptions needed to change in order to trigger an impairment, and the likelihood of these assumptions changing to such a degree. Based on this assessment, we accepted the directors' conclusion that no impairment was required in respect of the CGU.

Key audit matter	*How our audit addressed the key audit matter*
RECOGNITION OF INSURANCE RECEIVABLES *Refer to notes 5, 22.3 and 37 to the consolidated annual financial statements* As disclosed in notes 22.3 and 37 to the consolidated annual financial statements, the Group instituted two business interruption insurance claims during the year for insured losses arising from (i) the disruption of power, fuel and water supplies following Hurricane Ida which made landfall in the USA on 29 August 2021, and (ii) engine damage to a vessel which resulted in it being out of service for 49 days during the peak fishing period. The Group also instituted a number of other insurance claims related to the civil unrest and riots in Kwazulu-Natal during July 2021 and the incremental costs incurred as a result of the ongoing COVID 19 pandemic. As at 30 September 2021, the Group had submitted gross insurance claims amounting to R242.5 million. Of these submissions, claims in the amount of R146.3 million have been recognised as claims receivable in the consolidated statement of financial position and as other income and cost of sales recoveries in the consolidated statement of comprehensive income. Further claim submissions amounting to R82.9 million have not been recognised but have been disclosed as contingent assets in note 37 to the consolidated annual financial statements as the directors believe it is more likely than not that an inflow of benefits will occur from these claims. These contingent assets include business interruption claims in the amount of R63.1 million relating to Hurricane Ida. In assessing whether the future inflow of benefits arising from insurance claims would be considered *virtually* certain so as to recognise an asset in the consolidated annual financial statements (as required by IAS 37 *Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")*), the directors have considered whether the respective insurers had acknowledged that claims made against them by the Group were covered by valid insurance policies. Furthermore, the directors applied judgement in evaluating whether any estimation uncertainty regarding the quantum of insurance claims receivable was negligible. • We considered this area to be a matter of most significance to our current year audit due to: the significance of the claim receivables - both individually and in aggregate - and the associated other income/cost of sales recoveries; • the estimation uncertainty inherent in the recognition of claims as being virtually certain; • the susceptibility of the Group's earnings per share ("EPS") and headline earnings per share ("HEPS") to material misstatement based on the inappropriate recognition of insurance claims.	Our audit procedures in respect of the recognition of insurance claim receivables included the following: • We obtained an understanding of the Group's processes relating to the accounting for insurance claim receivables, including an understanding of all substantive processes and approvals requiring fulfilment before the recognition of an insurance claim as being virtually certain by the directors. • Utilising our accounting technical expertise, we reviewed the policy wording and claim documentation in relation to the Hurricane Ida business interruption claim. We concluded that the recognition of the claim was dependent on the fulfilment of various substantive processes, including the issuance of the loss-adjuster's report and the confirmation of the claim quantum and validity by the reinsurer, which were both obtained after 30 September 2021. Accordingly, we concurred that the claim was appropriately disclosed as a contingent asset. • In respect of all material insurance claims submitted before 30 September 2021 - including claims submitted under policies containing "pay as paid" clauses whereby the insurers' liability was contingent upon the claim confirmation and approval of a reinsurer - we obtained confirmation from insurers and reinsurers of: — the validity of claims submitted in terms of policies held by the Group; — the intention and ability to settle claims submitted prior to 30 September 2021; — the quantum of claims approved for reimbursement; and — the timing of approvals, including the fulfilment of any substantive or suspensive conditions at 30 September 2021. We further obtained and inspected bank statements for the receipt of settlement proceeds from insurers both before and after 30 September 2021. Based on these procedures, we concurred with the directors' recognition of significant insurance claims in the consolidated annual financial statements as disclosed in note 22.3.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Oceana Group Limited Audited Consolidated Annual Financial Statements for the year ended 30 September 2021" which includes the Directors' Report, the Report of the Audit Committee and the Company Secretary Certification as required by the Companies Act of South Africa, the document titled "Oceana Group Limited Audited Annual Financial Statements for the year ended 30 September 2021", and the document titled "Oceana Group Integrated Report for the year ended 30 September 2021". The other information does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group and 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 the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

As 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 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group's and 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 to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether 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 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Oceana Group Limited for 1 year.

In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified reportable irregularities in terms of the Auditing Profession Act. We have reported such matters to the Independent Regulatory Board for Auditors. The matters pertaining to the reportable irregularities have been described in note 43 to the consolidated annual financial statements.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: R Jacobs

Registered Auditor

Cape Town, South Africa

25 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 R'000	Restated[1] 2020 R'000
Revenue	4	**7 633 416**	8 308 341
Cost of sales		**(5 062 180)**	(5 260 250)
Gross profit		**2 571 236**	3 048 091
Sales and distribution expenditure		**(364 527)**	(424 885)
Marketing expenditure		**(43 107)**	(59 993)
Overhead expenditure		**(1 078 592)**	(1 170 183)
Other income		**73 488**	1 871
Net foreign exchange gain / (loss)		**20 757**	(3 146)
Net impairment reversal / (loss) on financial assets		**6 259**	(8 228)
Operating profit before joint ventures loss	5	**1 185 514**	1 383 527
Joint ventures loss	17	**(332)**	(874)
Operating profit before other operating items		**1 185 182**	1 382 653
Other operating items	7	**16 306**	17 188
Operating profit		**1 201 488**	1 399 841
Interest income	8	**36 320**	41 306
Interest expense	9	**(228 773)**	(295 256)
Profit before taxation		**1 009 035**	1 145 891
Taxation expense	10	**(290 535)**	(329 740)
Profit after taxation		**718 500**	816 151
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Movement on foreign currency translation reserve		**(552 349)**	492 208
Movement on foreign currency translation reserve from joint ventures		**164**	5 415
Movement on cash flow hedging reserve		**51 901**	(72 334)
Income tax related to (gain) / loss recognised in equity		**(7 542)**	11 813
Other comprehensive (loss) / income, net of taxation		**(507 826)**	437 102
Total comprehensive income		**210 674**	1 253 253
Profit after taxation attributable to:			
Shareholders of Oceana Group Limited		**676 280**	760 635
Non-controlling interests		**42 220**	55 516
		718 500	816 151
Total comprehensive income attributable to:			
Shareholders of Oceana Group Limited		**168 540**	1 197 706
Non-controlling interests		**42 134**	55 547
		210 674	1 253 253
Earnings per share (cents)	11		
– Basic		**570.7**	650.9
– Diluted		**531.6**	603.3

[1] *Refer to note 39 for further detail of reclassifications and prior period errors.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

	Notes	2021 R'000	Restated[1] 2020 R'000	Restated[1] 1 October 2019 R'000
ASSETS				
Non-current assets				
Property, plant and equipment	13	**2 590 207**	2 593 844	2 345 841
Right-of-use assets	14	**202 912**	175 815	–
Goodwill and intangible assets	16	**4 914 750**	5 453 428	4 997 605
Interest in joint ventures	17	**70 919**	72 229	94 908
Deferred taxation	19	**6 661**	20 793	26 567
Investment and loans	20	**94 377**	84 910	107 682
Derivative asset		**–**	2 662	–
Total non-current assets		**7 879 826**	8 403 681	7 572 603
Current assets				
Inventories	21	**1 049 986**	1 713 485	1 876 899
Trade and other receivables	22	**1 424 268**	1 045 630	1 053 436
Taxation receivable		**48 682**	23 663	73 523
Cash and cash equivalents		**933 612**	1 432 692	762 877
Total current assets		**3 456 548**	4 215 470	3 766 735
Assets held for sale	15	**–**	19 420	–
Total assets		**11 336 374**	12 638 571	11 339 338
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	23	**1 222 388**	1 200 493	1 193 473
Foreign currency translation reserve		**715 291**	1 268 554	770 931
Cash flow hedging reserve	24	**(31 778)**	(76 223)	(15 671)
Share-based payment reserve	33	**61 179**	99 066	93 406
Distributable reserve		**3 336 527**	3 271 309	2 993 868
Interest of own shareholders		**5 303 607**	5 763 199	5 036 007
Non-controlling interests	35	**199 508**	182 796	110 435
Total capital and reserves		**5 503 115**	5 945 995	5 146 442
Non-current liabilities				
Deferred taxation	19	**500 222**	534 029	522 827
Borrowings	25	**2 663 792**	3 502 425	3 694 101
Derivative liabilities	26	**34 306**	113 490	26 851
Lease liabilities	27	**225 539**	206 232	–
Provisions	28	**39 925**	27 626	29 378
Liability for share-based payments	33	**14 329**	7 919	6 044
Total non-current liabilities		**3 478 113**	4 391 721	4 279 201
Current liabilities				
Borrowings	25	**697 594**	410 107	381 445
Derivative liabilities	26	**7 194**	–	–
Short-term banking facility		**91 000**	–	–
Lease liabilities	27	**46 528**	45 712	–
Provisions	28	**7 776**	12 092	9 608
Trade and other payables	29	**1 343 620**	1 573 146	1 315 868
Liability to joint operator	30	**141 654**	223 203	200 205
Taxation payable		**19 780**	36 595	6 569
Total current liabilities		**2 355 146**	2 300 855	1 913 695
Total liabilities		**5 833 259**	6 692 576	6 192 896
Total equity and liabilities		**11 336 374**	12 638 571	11 339 338

1. *Refer to note 39 for further detail of reclassifications and prior period errors.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Share capital
		R'000
Restated as at the beginning of 1 October 2019[1]		1 193 473
IFRS 16 transition adjustment		–
Total comprehensive income for the year[1]		–
Movement on foreign currency translation reserve – restated[1]		–
Movement on foreign currency translation reserve from joint ventures		–
Movement on cash flow hedging reserve		–
Income tax related to loss recognised in equity		–
Profit for the year		–
Transfers between reserves[2]		6 625
Decrease in treasury shares held by share trusts	23	1 105
Increase in treasury shares held by subsidiary		(710)
Share-based payment expense	33	–
Share-based payment exercised	33	–
Gain on disposal of shares distributed to deceased employee beneficiaries of Oceana Empowerment Trust ("OET")		–
Issuance of shares to non-controlling interests[3]		–
Distribution to OET beneficiaries		–
Dividends		–
Restated balance as at 30 September 2020[1]		**1 200 493**
Total comprehensive income for the year		**–**
Movement on foreign currency translation reserve		**–**
Movement on foreign currency translation reserve from joint ventures		**–**
Movement on cash flow hedging reserve		**–**
Income tax related to gain recognised in equity	24	**–**
Profit for the year		**–**
Transfers between reserves[4]		**–**
Decrease in treasury shares held by share trusts		**30 672**
Loss on cancellation of treasury shares[5]		**–**
Share-based payment expense	33	**–**
Share-based payment exercised		**(8 777)**
Allocation of elective deferral restricted shares		**–**
Gain on disposal of treasury shares - OET wind up		**–**
Gain on disposal of shares distributed to deceased employee beneficiaries of OET		**–**
Distribution to OET beneficiaries		**–**
Dividends		**–**
Balance as at 30 September 2021		**1 222 388**
Notes		**23**

1. *Refer to note 39 for further detail of reclassifications and prior period errors.*
2. *In the prior year R6.6 million was transferred between share capital and share- based payments reserve on exercising of equity settled incentives by employees.*
3. *In the prior year, Amawandle Pelagic Proprietary Limited, a 75% held subsidiary of Oceana Group Limited, issued new shares to shareholders in the proportion to their respective shareholding, of which an amount of R44.6 million was allocated to non-controlling interests. The allocation to non-controlling interest was settled through a right of set-off against a long-term loan.*
4. *Transfers between reserves includes IFRS 2 cost of R69.0 million relating to share trusts, for which rights have vested with employee beneficiaries, was transferred from the share-based payment reserve to the distributable reserve and non-controlling interest.*
5. *During the current year, 8 478 067 treasury shares were repurchased from the OET at a 30-day VWAP of R67.90. The loss relates to the difference between the value of the shares repurchased and the original cost of shares to the Group. These shares were subsequently cancelled.*

Foreign currency translation reserve	Cash flow hedging reserve	Share-based payment reserve	Distributable reserve	Interest of own shareholders	Non-controlling interests	Total
R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
770 931	(15 671)	93 406	2 993 868	5 036 007	110 435	5 146 442
–	–	–	(50 084)	(50 084)	(3 596)	(53 680)
497 623	(60 552)	–	760 635	1 197 706	55 547	1 253 253
492 208	–	–	–	492 208	–	492 208
5 415	–	–	–	5 415	–	5 415
–	(72 365)	–	–	(72 365)	31	(72 334)
–	11 813	–	–	11 813	–	11 813
–	–	–	760 635	760 635	55 516	816 151
–	–	(6 625)	562	562	(562)	–
–	–	–	–	1 105	–	1 105
–	–	–	(16 168)	(16 878)	–	(16 878)
–	–	14 309	–	14 309	–	14 309
–	–	(2 024)	–	(2 024)	–	(2 024)
–	–	–	1 265	1 265	–	1 265
–	–	–	–	–	44 636	44 636
–	–	–	(21 312)	(21 312)	–	(21 312)
–	–	–	(397 457)	(397 457)	(23 664)	(421 121)
1 268 554	**(76 223)**	**99 066**	**3 271 309**	**5 763 199**	**182 796**	**5 945 995**
(552 185)	**44 445**	**–**	**676 280**	**168 540**	**42 134**	**210 674**
(552 349)	**–**	**–**	**–**	**(552 349)**	**–**	**(552 349)**
164	**–**	**–**	**–**	**164**	**–**	**164**
–	**51 987**	**–**	**–**	**51 987**	**(86)**	**51 901**
–	**(7 542)**	**–**	**–**	**(7 542)**	**–**	**(7 542)**
–	**–**	**–**	**676 280**	**676 280**	**42 220**	**718 500**
(1 078)	**–**	**(68 969)**	**66 116**	**(3 931)**	**3 931**	**–**
–	**–**	**–**	**40 051**	**70 723**	**–**	**70 723**
–	**–**	**–**	**(311 904)**	**(311 904)**	**–**	**(311 904)**
–	**–**	**33 346**	**–**	**33 346**	**–**	**33 346**
–	**–**	**(7 253)**	**–**	**(16 030)**	**–**	**(16 030)**
–	**–**	**4 989**	**–**	**4 989**	**–**	**4 989**
–	**–**	**–**	**85 929**	**85 929**	**–**	**85 929**
–	**–**	**–**	**2 360**	**2 360**	**–**	**2 360**
–	**–**	**–**	**(19 608)**	**(19 608)**	**–**	**(19 608)**
–	**–**	**–**	**(474 006)**	**(474 006)**	**(29 353)**	**(503 359)**
715 291	**(31 778)**	**61 179**	**3 336 527**	**5 303 607**	**199 508**	**5 503 115**
	24	**33**			**35**	

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 R'000	Restated[1] 2020 R'000
Cash generated from operations	32.1	**1 446 613**	2 251 847
Investment income received	32.2	**30 021**	41 306
Interest paid	32.3	**(224 829)**	(286 933)
Taxation paid	32.4	**(314 428)**	(234 751)
Dividends paid	32.5	**(522 967)**	(442 433)
Net cash inflow from operating activities		**414 410**	1 329 036
Purchases of property, plant and equipment		**(398 257)**	(347 315)
Purchases of intangible assets		**(3 753)**	–
Proceeds on disposal of property, plant and equipment	32.6	**6 240**	18 497
Decrease in loans receivable from business partners		**4 724**	18 931
Proceeds on disposal of non-current asset held for sale	32.6	**32 129**	–
Proceeds on disposal of fishing rights		**–**	2 016
Proceeds on disposal of intangible assets	32.6	**–**	30 114
Purchase of additional shareholding in other investment		**–**	(341)
Cash flows used in investing activities		**(358 917)**	(278 098)
Repurchase of treasury shares[2]		**–**	(16 879)
Proceeds on sale of treasury shares to open market[3]		**287 170**	–
Payment to OET beneficiaries[3]		**(420 320)**	–
Short-term borrowings repaid	25	**(401 845)**	(349 899)
Long-term borrowings raised	25	**88 371**	–
Loans advanced		**(2 850)**	–
Payment of joint operator liability		**(21 678)**	(18 919)
Short-term banking facility raised		**3 593 000**	4 036 000
Short-term banking facility repaid		**(3 502 000)**	(4 036 000)
Benefit / cost relating to loan and derivative finance		**4 012**	(4 319)
Repayment of principal portion of lease liability	27	**(49 260)**	(39 661)
Proceeds from sale of treasury shares	32.7	**2 360**	2 370
Purchase of treasury shares for the settlement of long-term incentives[4]	32.7	**(16 030)**	(9 370)
Cash flows used in financing activities		**(439 070)**	(436 677)
Net (decrease) / increase in cash and cash equivalents		**(383 577)**	614 261
Cash and cash equivalents at the beginning of the year		**1 432 692**	762 877
Effect of exchange rate changes		**(115 503)**	55 554
Cash and cash equivalents at end of the year	32.8	**933 612**	1 432 692

1. *Refer to note 39 for further detail of reclassifications and prior period errors.*
2. *During the prior year Lucky Star Limited repurchased 288 400 treasury shares.*
3. *Proceeds on sale includes repurchased and subsequently cancelled treasury shares of 8 478 067 from the OET beneficiaries as part of the winding down of OET.*
4. *Acquisition of shares to settle employee equity-settled share based scheme on vesting.*

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. GENERAL INFORMATION

Oceana Group Limited is a company domiciled in South Africa. The consolidated annual financial statements as at and for the year ended 30 September 2021 comprise of “the Company”, its subsidiaries, joint operation and joint ventures (collectively referred to as “the Group”).

The principal accounting policies adopted in the preparation of these consolidated annual financial statements are set out below and have been applied consistently in all material respects to all periods presented in the consolidated annual financial statements except for prior period errors and restatements set out in note 39, and the adoption of new standards effective during the current year.

1.1 BASIS OF PREPARATION

The consolidated annual financial statements are prepared in accordance with the going concern assumption and the historical cost basis, except where stated otherwise.

1.2 STATEMENT OF COMPLIANCE

The consolidated annual financial statements are prepared in accordance with the International Financial Reporting Standards (“IFRS”), including interpretations of such standards as issued by the Interpretations Committee, the requirements of the Companies Act of South Africa No. 71 of 2008, Johannesburg Stock Exchange (JSE) Listing Requirements and Namibian Stock Exchange (NSX) Listing Requirements.

1.3 INTEREST IN OTHER ENTITIES

BASIS OF CONSOLIDATION

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Inter-company transactions, balances and unrealised gains and losses (unless the transaction provides evidence of an impairment of the transferred asset) between Group companies are eliminated. The accounting policies and the year-ends of material subsidiaries are consistent throughout the Group, except for the Oceana Share Trust which has a February year end.

The acquisition method of accounting is used to account for business combinations by the Group.

INTERESTS IN JOINT ARRANGEMENTS

Under IFRS 11 - Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has both joint operations and joint ventures.

JOINT OPERATIONS

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Where the Group is contractually required to purchase 100% of output from the joint operation then the entity is required to proportionately consolidate at 100% and recognise an expense for the joint operator share of profits and a liability to the joint operator for their share in net assets. Westbank Fishing Limited Liability Company ("Westbank") has a December year end which is different to that of the Group. It's results are accounted for based on a rolling 12 month period ending September. Transactions between Group and joint operations are eliminated on consolidation.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

JOINT VENTURES

Interests in joint ventures are accounted for using the equity method.

EQUITY METHOD

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the Group’s share of movements in other comprehensive income of the investee in other comprehensive income ("OCI"). Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group’s interest in these entities. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. All joint ventures have the same financial year end except for Oceana Boa Pesca Limitada ("OBP") which has a December year end (refer to note 17) . Their results are accounted for based on a rolling 12 month period ending September.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 1.19.

1.3 INTEREST IN OTHER ENTITIES *continued*

CHANGES IN OWNERSHIP INTERESTS

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest, joint ventures or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate.

1.4 FOREIGN CURRENCY TRANSLATION

FUNCTIONAL AND PRESENTATION CURRENCY

The presentation currency of the consolidated annual financial statements is the South African Rand ("Rands") and all amounts are rounded to the nearest thousand, except where otherwise indicated.

All items in the financial statements of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency).

Certain individual entities in the Group have different functional currencies and are translated on consolidation.

TRANSACTIONS AND BALANCES

Transactions in foreign currencies are recognised at exchange rates prevailing on the date of the transactions. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined.

All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis as net foreign exchange gain/(loss).

TRANSLATION OF FOREIGN OPERATIONS

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency on consolidation as follows:

- Income and expenses for each item of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and all resulting exchange differences are recognised in OCI;
- Assets and liabilities are translated at the closing rate on the reporting date;
- Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in OCI. When a foreign operation is sold the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Refer to note 38 for closing exchange rates applied by the Group at year end.

1.5 REVENUE

Revenue comprises income arising in the ordinary course of the Group's activities. The Group recognises revenue when it transfers control of the product or services to a customer as the transfer of control coincides with the fulfilment of performance obligations. Revenue is measured at the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is stated excluding value added tax ("VAT"), net of related rebates and discounts granted, returns and after eliminating sales transactions within the Group.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The major categories of revenue from contracts with customers are recognised on the following basis:

SALE OF GOODS

Sale of goods relate to both local and export sales and comprise mainly the sales of caught and processed fish products as well as fish and canned goods purchased for resale. Revenue from the sale of goods is recognised at the point in time when the performance obligations have been satisfied. Performance obligations are met when control of goods is transferred to the customer, the associated costs and possible return of goods can be reliably estimated and measured and there is no continuing management involvement. The Group considers whether sales transactions include other promises that are separate performance obligations. The total transaction price in a customer contract is allocated to the performance obligations identified in the contract based on their standalone selling prices. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Goods sold locally generally includes delivery and the performance obligation is met when the Group has delivered the goods to the customer and the customer accepts delivery. In the case of export sales delivery and completion of performance obligations are referenced to the sales contract and applicable incoterms. The normal credit terms are defined within the individual sales contract and vary from upfront payment to 75 days after delivery.

SERVICES

Revenue from services relates to the storage, handling, transport of goods and other related logistical services on behalf of third parties and is recognised when the contracted service is rendered. Revenue from handling, transport of goods and other related logistic services are recognised as they are performed while revenue from storage is recognised over the period of time that the product is stored.

NON-TRADE REVENUE

Non-trade revenue relating to commission earned, quota fee income and factory processing and other minor recovery income is recognised as the performance conditions are met.

1.6 INVESTMENT INCOME

DIVIDEND INCOME

Dividend income is recognised when the shareholder's right to receive payment is established. In the consolidated annual financial statements dividend income earned from subsidiaries and joint operation are eliminated on consolidation.

INTEREST INCOME

Interest income is earned on positive bank balances and loans receivable. Interest income is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

1.7 GOVERNMENT GRANTS

Grants from the government are recognised at their fair value when there is a reasonable assurance that the grant will be received and the Group will comply with all the conditions attached to them. Government grants to compensate the Group for expenses incurred are recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

1.8 OTHER OPERATING ITEMS

Transactions outside the ordinary course of business that are substantially capital or non-recurring in nature are disclosed under other operating items in the statement of comprehensive income. These comprise profits or losses on disposal and scrapping of property, plant and equipment, intangible assets and non-current assets held for sale, impairments or reversal of impairments, profits or losses on disposal of investments, operations or subsidiaries and business combination related costs or gains.

1.9 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

The cost of all short-term employee benefits is recognised as an expense, in the statement of comprehensive income, during the period in which the employee renders the related service, except for non-accumulating benefits which are only recognised when the specific event occurs. Accruals for employee entitlements to wages, salaries, bonuses and annual leave represent the amount which the Group has a present obligation to pay as a result of employees' services provided up to the reporting date. The accruals have been calculated at undiscounted amounts based on current wage and salary rates, on the cost-to-company basis.

DEFINED-CONTRIBUTION PLANS

The Group contributions to defined-contribution funds are determined in terms of the rules governing those funds. Refer to note 34 for further details on the plans. The retirement schemes are funded by payments from employees and the relevant Group entity. Contributions to these funds are recognised as an expense in profit or loss as incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available. The Group's legal or constructive obligation for these plans is limited to the contributions.

POST-RETIREMENT MEDICAL OBLIGATIONS

The Group provides post-retirement healthcare benefits to certain of its retirees. Refer to note 34. This practice has been discontinued and this benefit is no longer offered to current or new employees. The Group's obligation to provide post-retirement medical aid benefits to certain employees is calculated by estimating the amount of future benefit that qualifying employees have earned in return for their service in the prior periods. This benefit is discounted to determine its present value using a discount rate based on the market yields at the reporting date on government bonds with maturity dates that most closely match the terms of maturity of the Group's obligation. The calculation is performed by a qualified actuary using the projected unit credit method. Past service costs are recognised in profit or loss at the earlier of the date of the plan amendment or curtailment, and the date that the Group recognises restructuring-related costs. Actuarial gains and losses are recognised immediately in profit or loss in the statement of comprehensive income.

1.10 SHARE-BASED PAYMENTS

EQUITY-SETTLED COMPENSATION BENEFITS

In terms of the Group's share schemes, certain employees, including executive directors of the Group, are granted rights to the Company's listed shares. Refer to note 33 for a detailed description of each of the schemes.

Qualifying black employees receive empowerment benefits in the form of equity-settled share-based payments through their participation in employee trusts. The Group founded a new employee trust for which rights to shares in the Group were awarded to qualifying employees on 30 September 2021.

The cost of equity-settled share-based payments is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the Black-Scholes model, further details of which are given in the note on share-based payment plans.

The cost of equity-settled share-based payments is expensed over the period in which the employees become unconditionally entitled to these rights, with a corresponding increase in equity in the share-based payment reserve. The cumulative expense recognised for share options granted at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit recognised in the statement of comprehensive income for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest.

The effect of outstanding options is reflected in the computation of diluted earnings per share in the note on earnings per share (refer to note 11).

CASH-SETTLED TRANSACTIONS

The cost of cash-settled transactions is measured initially at fair value at the grant date using the Black-Scholes model. This model takes into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The number of options that are expected to vest are revised at each reporting date and the liability is remeasured up to and including the settlement date with changes in fair value recognised in the statement of comprehensive income.

1.11 INTEREST EXPENSE

Interest expense is accrued and recognised in the statement of comprehensive income at the effective interest rate relating to the relevant financial liability, in the period in which it is incurred.

1.12 TAXATION

The income tax expense consists of current tax, deferred tax, foreign withholding taxes, securities transfer tax and capital gains tax. Income tax is recognised in profit or loss in the statement of comprehensive income, except to the extent that it relates to items recognised in OCI or equity in which case the tax is recognised in OCI or in equity, respectively.

CURRENT TAXATION

Current tax is the expected tax payable on the taxable profit for the current year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

DEFERRED TAXATION

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated annual financial statements. Deferred tax is the tax expected to be payable or recoverable on the differences between the tax value of an asset or liability and the carrying amount for financial reporting purposes, except for the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities, to the extent that they will probably not reverse in the foreseeable future.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to off-set current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for all deductible temporary differences and tax losses to the extent that it is reasonably certain that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer reasonably certain that the related tax benefit will be realised.

FOREIGN WITHHOLDING TAXES

The withholding tax is recognised when the dividend is declared and when directors fees are receivable.

CAPITAL GAINS TAX

Capital gains tax is recognised on capital gains realised on the disposal of specific assets as defined.

UNCERTAINTY OVER INCOME TAX TREATMENTS

The tax and deferred tax liabilities and assets are calculated using considered interpretations of the tax laws of the jurisdictions in which the Group operates.

The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

1.13 DIVIDENDS PAYABLE

Dividends payable and the related taxation thereon are recognised as liabilities in the period in which the dividends are declared. Dividends tax is levied on non-exempt shareholders. The Group is responsible for the collection of the dividends tax and payment of the amounts collected to the South African Revenue Services ("SARS"), Inland Revenue Namibia and United States Internal Revenue Service. As this tax is levied on the shareholders and not the company, it does not form part of the tax expense recognised in profit or loss or in OCI. Dividends are reflected gross of tax.

1.14 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost to the Group, less accumulated depreciation and impairment losses. The cost of assets includes the costs of materials, direct labour, the initial estimate, where relevant, of the cost of dismantling and removing the items and restoring the site on which they are located, borrowing costs capitalised and an appropriate proportion of production overheads that is directly attributable to bringing the asset in use. Capitalisation of costs ceases when the assets are substantially ready for their intended use or sale and in their intended location.

RECOGNITION

Land is shown at cost less impairment and is not depreciated.

Improvements to leasehold property are capitalised and depreciated to expected residual value over the remaining useful life implicit in the lease.

When plant and equipment comprise major components with different useful lives, these components are depreciated as separate items. In the case of fishing vessel refits, these costs are depreciated over the period between each vessel refit.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is reasonably certain 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 expenditures are charged to the statement of comprehensive income during the financial period in which they are incurred. Expenditure incurred to replace or modify a significant component of plant or equipment is capitalised if it is reasonably certain that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. Any remaining book value of the component replaced is written off in the statement of comprehensive income.

VESSEL REFITS AND MAJOR OVERHAULS (INCLUDED IN AIRCRAFTS, FISHING VESSELS AND NETS)

Approximately every 18 months to 36 months, depending on the nature of work and external requirements, trawl vessels are required to undergo planned dry-docking for replacement of certain components and major repairs and maintenance of other components, which cannot be carried out while the vessels are operating. These dry-docking costs are capitalised where the recognition criteria are satisfied and depreciated on a straight-line basis over the estimated period until the next dry-docking. The residual value of such components is estimated at Rnil. The useful life of the dry-docking is reviewed at least at each financial year-end based on vessel usage, market conditions, regulatory requirements and business plans.

Dry-docking costs may include the cost of hiring crews to carry out replacements and repairs, the cost of parts and materials used, cost of travel, lodging and supervision of Group personnel as well as the cost of hiring third-party personnel to oversee dry-docking. Dry-dock activities include, but are not limited to, the inspection, service, replacement of engine, electronic, navigational and safety components, applying of antifouling and hull paint, steel repairs and refurbishment and replacement of other parts of the vessel.

DEPRECIATION

Items of property, plant and equipment are depreciated to their estimated residual values on the straight-line basis over their expected useful lives. Leasehold property, plant and equipment are depreciated over the shorter of their lease period and their expected useful lives. The depreciation methods, estimated remaining useful lives and residual values are reviewed at each reporting date. A change resulting from the review is treated as a change in accounting estimate which is accounted for on a prospective basis.

Depreciation commences when an asset is available for use and ceases at the earlier of the date that the asset is classified as held-for-sale and the date that the asset is derecognised.

Depreciation ceases temporarily when the residual value exceeds the carrying value. The following years of depreciation apply:

	Depreciation period (years)
Buildings – freehold	50
Buildings – leasehold	10 – 50
Plant and equipment	5 – 25
Office equipment and computer equipment	2 – 10
Air conditioner	15
Servers	3 – 12
Motor vehicles	4 – 5
Aircrafts	7
Fishing vessels	10 – 50
Vessel refit and overhaul	2
Fishing nets	2

1.14 PROPERTY, PLANT AND EQUIPMENT *continued*

DERECOGNITION

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected through its continued use. Gains or losses which arise on derecognition are included in the statement of comprehensive income in the period of derecognition. The gain or loss is calculated as the difference between the net disposal proceeds and the carrying amount of the item at the date of disposal.

IMPAIRMENT

The carrying value of the Group’s property, plant and equipment is reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value-in-use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. A previously recognised impairment loss is reversed only if there has been a change in the estimated recoverable amount of the asset. That recoverable amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods.

1.15 LEASES

THE GROUP AS LESSEE

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12-months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

LEASE LIABILITY

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate which considers the Group's borrowing rate applicable to that jurisdiction, the duration of the lease term and the credit spread for the legal entity entering the lease contract.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured at amortised cost.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

1.15 LEASES *continued*

RIGHT-OF-USE ASSET

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies the policy described in note 1.20 to determine whether a right-of-use asset is impaired.

Variable rentals that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the statement of comprehensive income.

For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

1.16 ASSETS HELD FOR SALE

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is reasonably certain and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. These assets may be a component of an entity, a disposal group or an individual non-current asset. Upon initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell. Remeasurements from carrying amount to the lower of fair value less costs are recognised in profit or loss, in the statement of comprehensive income, upon initial classification as held for sale.

1.17 GOODWILL

Goodwill is classified as an intangible asset with an indefinite useful life.

INITIAL RECOGNITION AND MEASUREMENT

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group’s attributable share of the fair value of the net identifiable assets at the date of acquisition. If the Group’s interest in the net fair value of the acquiree’s net identifiable assets exceeds the cost of the business combination, the excess is recognised immediately in profit or loss on the statement of comprehensive income, as a bargain purchase gain.

SUBSEQUENT MEASUREMENT

After initial recognition goodwill arising on an acquisition of a business is reflected at cost as established at the date of acquisition less any accumulated impairment.

If the initial accounting for business combinations has been determined provisionally, then adjustments to these values resulting from the emergence of new information within the measurement period are made against goodwill. In addition, goodwill is adjusted for changes in the fair value of contingent considerations that qualify as measurement period adjustments.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of 12 months.

IMPAIRMENT

Goodwill is not amortised but is tested for impairment in accordance with the policy described in note 1.20.

DERECOGNITION

Goodwill associated with a business which is disposed of is included in the carrying amount of the business when determining the gain or loss on disposal.

1.18 INTANGIBLE ASSETS

Intangible assets consist of intellectual property, trademarks, computer software, customer relations, non-competes and fishing rights.

INITIAL RECOGNITION AND MEASUREMENT

Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired as part of a business combination are recognised at fair value at the date of acquisition.

Costs associated with maintaining software are recognised as an expense when incurred. Costs that are directly associated with the development of identifiable and unique software controlled by the Group, and that will probably generate future economic benefits beyond one year, are recognised as intangible assets.

SUBSEQUENT MEASUREMENT

Other than intellectual property and trademarks, all of the Group's intangible assets are assessed as having finite useful lives.

Intangible assets which have finite useful lives are amortised on a straight-line basis over their expected useful lives. The expected useful life and amortisation methods are reviewed annually with the effect of any change being treated as a change in accounting estimate.

Those with indefinite useful lives are not amortised. The useful lives of the intangible assets are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The following expected useful lives are used in the determination of the amortisation charge on initial recognition:

	Amortisation period (years)
Customer relations	6
Non-competes	5 – 10
Computer software	2 – 12

Fishing rights are amortised over two rights allocation cycles.

IMPAIRMENT

Impairment on intangible assets is recognised in accordance with the policy described in note 1.20.

DERECOGNITION

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their continued use. The gain or loss is calculated as the difference between the net disposal proceeds and the carrying amount of the item at the date of its disposal and is recognised in profit or loss when the asset is derecognised.

1.19 FINANCIAL INSTRUMENTS

Note 38 Financial risk management describes the financial instruments held by the Group based on their specific classifications. The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

FINANCIAL ASSETS

Financial assets recognised in the statement of financial position include investments and loans, cash and cash equivalents, trade and other receivables and derivative financial assets. At initial recognition, the Group measures all financial assets at fair value. In the case of a financial asset not carried at fair value through profit or loss, transaction costs are included. However transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets are subsequently measured at amortised cost or fair value through profit or loss, based on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In the periods presented, the company does not have any financial assets at fair value through OCI.

FINANCIAL ASSETS AT AMORTISED COST

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 Group'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.

1.19 FINANCIAL INSTRUMENTS *continued*

Financial assets held at amortised cost are subsequently measured at amortised cost. The amortised cost is the amount recognised on the financial asset initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Cash and cash equivalents comprise cash on hand and on-demand deposits, net of bank overdrafts.

Financial assets at amortised cost include trade and other receivables (excluding VAT and prepayments), cash and cash equivalents and loans. Loans include third party loans and amounts owing from related parties.

FINANCIAL ASSETS AT FAIR VALUE

Financial assets that do not meet the criteria for amortised cost or fair value through OCI are measured at fair value through profit or loss. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Derivative financial assets include forward exchange contracts ("FECs") and interest rate swaps. Derivative financial assets are initially recognised at cost which approximates its fair value and are remeasured to fair value at subsequent reporting dates. Gains and losses that are part of a hedging relationship are recognised in OCI. The ineffective portion is recognised in profit or loss under overheads.

DERECOGNITION

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

IMPAIRMENT

The Group recognises an allowance for expected credit losses ("ECLs") for all financial assets not held at fair value through profit and loss (local and foreign trade and other receivables and loans). ECLs are based on the difference between the contractual cash flows in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the approximation of the original effective interest rate.

For local and foreign loans, the Group applies the general approach in calculating ECLs. 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 (12-month ECL). For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (Lifetime ECL). Refer to note 22 for further details.

For local and foreign trade and other receivables, the Group applies the simplified approach in calculating ECLs. The Group recognises a loss allowance based on lifetime ECLs at each reporting date. Trade receivables are assessed collectively in groups that share similar credit risk characteristics. The Group has established a provision matrix based on its historical credit loss experienced, adjusted for factors specific to the customer and geography where the customer is based, along with general economic conditions and an assessment of the current and forecast direction of conditions at the reporting date. The Group deposits short-term cash surpluses only with major financial institutions of high-quality credit standing and therefore no ECL has been provided as it is immaterial. Refer to note 22 for further details.

All credit losses are recognised in profit or loss.

WRITE-OFF

The Group writes off financial assets when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

FINANCIAL LIABILITIES

Financial liabilities recognised in the statement of financial position include borrowings, trade and other payables (excluding VAT and amounts received in advance), amounts owing to related parties, and derivative financial liabilities. All financial liabilities are classified as subsequently measured at amortised cost except for derivative financial liabilities, which is classified as subsequently measured at fair value through profit or loss.

Financial liabilities are recognised initially at fair value. Financial liabilities not at fair value through profit or loss are recognised net of directly attributable transaction costs.

Financial liabilities are initially recognised when the Group becomes party to the contractual provisions of the instrument.

1.19 FINANCIAL INSTRUMENTS *continued*

FINANCIAL LIABILITIES AT AMORTISED COST

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with any difference between cost and redemption value being recognised in profit or loss over the period of the liability.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial liabilities carried at fair value through profit or loss include derivative instruments. Derivative instruments include FECs and interest rate swaps. Derivative financial liabilities are initially recorded at cost and approximates its fair value and are remeasured to fair value at subsequent reporting dates. Gains or losses arising from a change in fair value of financial instruments that are not part of a hedging relationship are recognised in profit or loss in the period in which the change arises. Gains and losses that are part of a hedging relationship are recognised in OCI. Derivative instruments are presented as part of trade and other payables on the statement of financial position.

DERECOGNITION

Financial liabilities are derecognised when the obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position, when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

1.20 IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units - "CGU").

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.21 HEDGE ACCOUNTING

The Group has elected to hedge account under IFRS 9 and uses derivative financial instruments, such as FECs and interest rate swaps, to hedge its foreign currency risks and interest rate risk. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction, or the foreign currency risk in an unrecognised firm commitment.

FAIR VALUE HEDGES

The change in the fair value of a hedging instrument is recognised in profit and loss. The change in fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in profit and loss. Fair value hedges held by the Group consists of FECs and interest rate swaps.

CASH FLOW HEDGES

The effective part of any gain or loss arising on the derivative instrument is recognised in OCI and reported as a hedging reserve in the statement of changes in equity which is recycled to profit or loss when the hedged cash flows impact profit or loss. The ineffective part of any gain or loss is immediately recognised in profit or loss. Cash flow hedges held by the Group consists of interest rate swaps.

1.22 INVENTORIES

Inventories are stated at the lower of cost and net realisable value using the specific cost to value goods purchased for resale while the weighted average methods are used to value finished goods and consumable stores. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The cost of inventories comprises the cost of raw materials, direct labour and other direct cost and related production overheads that have been incurred in bringing the inventories to their present location and condition. Indirect cost allocated to inventories includes depreciation and certain other operating expenses. In the case of manufactured inventories and work in progress, costs include an appropriate share of overheads based on normal operating capacity.

1.23 SHARE CAPITAL

Ordinary share capital represents the ordinary shares issued and the share premium which represents excess consideration received by the company over the par value of ordinary shares issued and the accumulated IFRS 2 share-based payment expense relating to the employee share incentive schemes as disclosed in note 33 and is classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from share premium, net of any tax effect.

1.24 TREASURY SHARES

Own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Ordinary shares in Oceana Group Limited which have been acquired by the Group in terms of an approved share repurchase programme, held by the subsidiaries of Oceana Group Limited, employee share trusts and stakeholder trusts, are classified as treasury shares as detailed in note 23. The cost of these shares is deducted from equity and the number of shares is deducted from the weighted average number of shares. Dividends received on treasury shares are eliminated on consolidation. When treasury shares are sold or re-acquired and cancelled the amount received is recognised as an increase in equity and the resulting surplus or deficit over the cost of these shares on the transaction is transferred to or from distributable reserves. Upon settlement (take-up) of the share options by employees the difference between the proceeds received from the employees and the cost price of shares is accounted for directly in equity.

Fair value gains or losses recognised by a subsidiary of the Group in their own accounts, that pertain to the remeasurement of their investments in Oceanas shares, are eliminated in full from the consolidated profit or loss and OCI.

1.25 PROVISIONS

Provisions are recognised when:

- The Group has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the Group settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

CUSTOMER CLAIMS

Customer claims provisions are raised when a customer has lodged a claim pertaining to potential losses suffered. The value of the provision is based on the potential liability in the event of the claim proving successful. The claim is usually short term and is settled within 12 and 24 months.

1.25 PROVISIONS *continued*

EX GRATIA RETIREMENT PROVISION

The *ex gratia* retirement provision is calculated in respect of employees who were not members of the Oceana Pension or Provident funds before 1 January 1993.

The provision is estimated based on employee's current annual salary and the number of years' service prior to 1 January 1993 and unwinds as employees claim their retirement benefits on death or retirement.

NON-QUALIFIED DEFERRED COMPENSATION BENEFITS

Daybrook, maintains a non-qualified deferred compensation plan to provide supplemental executive compensation benefits to key employees who are selected by management to participate in the plan. The annual contribution, which vests in full after 3 years or earlier, is determined solely by the Remuneration Committee and the plan is compliant with section 409(a) of the USA Internal Revenue Code.

Refer to note 29 for the Daybrook deferred compensation liability. Daybrook has matching plan assets to fund these obligations as they become due.

CREW BONUSES

The provision for crew bonuses relates to discretionary bonuses paid to vessel crew and is estimated based on targeted catch volumes per vessel. Outflows of economic benefits will arise on payment of the bonus.

1.26 CONTINGENT ASSETS AND LIABILITIES

In terms of IAS 37 contingent assets and liabilities are not recognised within the statement of financial position or comprehensive income but require disclosure in the notes to the AFS, except where they result from contractual terms within the scope of IFRS 15 or IFRS 9 and should be recognised under the criteria specified in these standards.

Contingent assets and contingent liabilities not part of a business combination, are not recognised, but are separately noted.

CONTINGENT ASSET

Contingent assets usually arise from unplanned or other unexpected past events that give rise to the possibility of an inflow of economic benefits to the entity that will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

- Contingent assets are not disclosed when the possibility of inflow of economic benefit is remote;
- If the probability of inflow of benefit is greater than 50% then a contingent asset is disclosed in the notes to financial statements;
- When it is virtually certain that the inflow of economic benefit will take place, an asset is recognised in the statement of financial position. Virtually certain implies only a minute degree of doubt.

CONTINGENT LIABILITY

A contingent liability arises when there is a possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent liabilities should be disclosed unless the possibility of outflow of resources is remote.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- The amount that would be recognised as a provision; and
- The amount initially recognised less cumulative amortisation.

1.27 RELATED PARTIES

Individuals, as well as their close family members, or entities are related parties if one party has the ability directly or indirectly, to control or jointly control the other partner or exercise significant influence over the other party in making financial and/or operating decisions or if the parties are jointly controlled in a joint venture.

GROUP HOLDING COMPANY

Oceana Group Limited, the Company, is the ultimate holding company of the Group.

DIRECTORS AND KEY MANAGEMENT

Certain non-executive directors are also directors of other companies which may transact with the group. Executive directors' employment contracts do not provide for a defined period of employment, but specify a notice period for the executive directors. During this notice period, all standard benefits accrue to the directors in question. Contracts do not provide for predetermined compensation on termination other than that accorded to employees in terms of the Group's remuneration policies.

Employee benefits paid to directors and key management personnel are detailed in note 41. Key management personnel comprise of the top tier of the organisation and the managing executives of the individual divisions.

1.28 SEGMENT REPORTING

The segmental information has been prepared in accordance with IFRS 8 – Operating Segments ('IFRS 8'), which defines requirements for the disclosure of financial information of an entity's operating segments. The standard requires segmentation based on the Group's internal organisation and reporting of revenue and operating income based upon internal accounting methods.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. All transactions between Group entities are entered into on an arm's length basis.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM has been identified as the Group's executive committee ("Exco") which is responsible for allocating resources and assessing performance of the operating segments.

The CODM examines the Group's performance from both a product and a geographic perspective and has identified four operating segments:

- Canned fish and fishmeal (Africa): catches, procures and processes small pelagic species, and markets and sells canned fish, mainly pilchard, across South Africa and several other African markets and fishmeal and fish oil in South Africa and internationally.
- Fishmeal and fish oil (USA): catches and processes the Gulf menhaden species, and markets and sells the derived fishmeal and fish oil products in the United States and internationally.
- Horse mackerel, hake, lobster and squid: catches and processes horse mackerel at sea and on land and markets and sells the derived products to targeted markets in Southern, Central and Western Africa markets. Additionally this segment harvests and processes hake, lobster and squid and markets and sells frozen and fresh products in South Africa and to international markets.
- Commercial cold storage and logistics: stores and handles mainly perishable products and provides logistical support services on behalf of major manufacturers, exporters and importers across South Africa.

2. USE OF JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the consolidated annual financial statements in conformity with IFRS, management is required to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of income, expenses, assets and liabilities. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ to these estimates. Significant judgements and estimates underlying the preparation of the consolidated annual financial statements include:

2.1 USEFUL LIVES AND RESIDUAL VALUES OF PROPERTY, PLANT AND EQUIPMENT

The estimated useful lives and residual values are reviewed annually, taking cognisance of forecast commercial and economic realities, historical usage of similar assets and input from original equipment manufacturers on plant and machinery. The estimated useful life of property plant and equipment is detailed in note 1.14.

2.2 SHARE-BASED PAYMENTS

The value attached to share-based payments is estimated through the use of option pricing valuation models which requires inputs such as share price volatility, dividend yield, risk-free interest rate and expected option life. Some of the inputs used are based on estimates derived from available data. Management classifies its share-based payment scheme as either a cash-settled or equity-settled scheme based on the assessment of its role and the nature of the obligation and that of the employees in the transaction. In applying its judgement, management consulted external expert advisors in the accounting and share-based payment advisory industry. The classification of the schemes and the critical assumptions used in the valuation model are detailed in note 33.

2.3 FAIR VALUE MEASUREMENTS

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. Refer to note 38. In estimating the fair value of assets and liabilities, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Where there is no active market, fair value is determined using applicable valuation techniques. Valuation techniques include discounted cash flow models, pricing models and recent arm's length transactions for similar instruments.

2.4 LEASES

LEASE TERM

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. Factors considered include how far in the future an option occurs, value of lease payment in renewal period, future plans of the use of leased assets as well as historic past practice of renewing leases. The lease of land and buildings which house significant Group operations in the canned fish and fishmeal (Africa) segment was extended in the 2020 financial year for a further 20 years, based on management judgement of renewal of the lease.

DISCOUNT RATE

Lease payments are discounted using a rate applied to a portfolio of leases pertaining to land and buildings within a particular jurisdiction, where funding is sourced centrally. Judgement has been applied to determine the discount rate where the rate implicit in the lease cannot be determined. The incremental borrowing rates are detailed in note 27.

The Group uses judgements when determining the borrowing rate (at and post the transition date) by taking the following assumptions into account such as duration, country and currency at inception of the lease.

Management has applied their judgement regarding a contract for the supply of material handling equipment ("MHE") and have determined that the MHE falls outside the scope of IFRS 16 – Leases ("IFRS 16") due to the supplier having a substantive right of substitution in terms of the contract. The following factors have been taken into consideration in arriving at this determination:

- The supplier has a large pool of similar type equipment which for all practical reasons are substitutable and interchangeable;
- The supplier monitors fleet profitability and optimisation on a regular basis and based on this assessment has the substantive right and discretion to replace the equipment; and
- The supplier benefits economically from substituting the equipment.

Accordingly, the expenditure relating to this contract has been expensed in the statement of comprehensive income as incurred.

2.5 INTANGIBLE ASSETS

USEFUL LIFE OF FISHING RIGHTS

In South Africa, fishing rights are allocated to industry participants over a long-term allocation period (typically 10 to 15 years) by the Department of Environment, Forestry and Fisheries. Accordingly, the useful life of fishing rights acquired are determined from the date of transfer until date of expiration of the right. The right to small pelagic, hake deep sea trawl and south coast lobster fisheries expired on 31 December 2021. Refer to note 44 for current status. Management assessed the useful life of these rights to be extended beyond the expiration dates based on historic outcomes and legal precedents on similar rights renewal proceedings. Refer to note 16 for further details.

IMPAIRMENT OF INTANGIBLE ASSETS

Judgements and estimates are made by management in determining the future cash flows of cash-generating units and the discount rate used to determine the present values of those future cash flows used to test impairment. Note 16 sets out the significant judgements and estimates applied when assessing whether the carrying value of goodwill, intellectual property, customer relations, non-competes, trademarks and fishing rights are impaired.

2.6 IMPAIRMENT OF FINANCIAL ASSETS

ECLs are based on assumptions about risk of default, expected realisable value of collateral securing debt, significant changes in credit risk, credit risk exposure, country risk based on the location of customer, and expected loss on default. The Group uses judgement in making these assumptions and selecting the inputs, which is based on qualitative and quantitative forward-looking information in relation to each risk category of customer. Detail regarding the method and assumptions used to calculate the ECLs are detailed in notes 20 and 22.

2.7 CONTROL AND JOINT CONTROL

Management assesses whether it controls or jointly controls an entity based on whether the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group controls an investee if and only if the Group has all the following: i) power over the investee; ii) exposure, or rights, to variable returns from its involvement with the investee; and iii) the ability to use its power over the investee to affect the amount of the investor’s returns.

The Group has power over an investee when it has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the investee’s returns.

When assessing control, management considers the nature of the Group’s with other parties and whether those other parties are acting on the Group’s behalf (i.e. they are “de facto agents”). The determination of whether other parties are acting as de facto agents requires judgement, considering not only the nature of the relationship but also how those parties interact with each other and the Group.

CONTROL

The entities that are considered to meet the requirements for control are reflected in note 35 and supporting schedule on page 118. Judgement has been applied by management with respect to the Group’s shareholding in Erongo Seafoods Proprietary Limited and Compass Trawling Proprietary Limited, to determine that the Group controls the investee despite the non-controlling interests holding the majority shareholding in each entity. The Group is deemed to exert control over these entities due to its active and unilateral management of day to day operations, financing and investing decisions to affect their returns and is subject to exposure in the variability in those returns. In light of this the entities have been consolidated.

JOINT CONTROL

Significant judgement has been applied in determining the appropriate accounting treatment of the Group's 25% investment in Westbank, which was acquired in 2015 via the acquisition of 100% of the shares in Daybrook, a US subsidiary of the Group. Westbank is a US fishing business that has an agreement to supply Daybrook with its entire catch, which Daybrook processes for fishmeal and fish oil products. In order to fish in US waters, Westbank is required to have at least 75% of its shares held by US citizens. By shareholder agreement, certain decisions over the activities of Westbank, for example setting the operating expenditure and capital budgets, are subject to super majority voting clauses, which necessitate unanimous consent between the Group and Makimry (the 75% US citizen shareholder). Previously it was considered that these veto rights were minority protection clauses, resulting in the Group concluding that it had significant influence over Westbank, and thus treating Westbank as an equity accounted associate.

In applying judgement consideration was given to terms of the Daybrook warrant and Makimry put options that were in place since 2018.

- Under the terms of the Daybrook acquisition in 2015 and its subsequent amendment in 2018, Westbank had issued a warrant in favour of Daybrook valid to 31 December 2045 (or the later date of expiry of the fish supply agreement, as extended) under which Daybrook or its nominated transferee could elect to purchase the remaining 75% membership interest in Westbank for USD 0.01 per membership interest unit upon the occurrence of significant key events as defined within the terms of the warrant.
- In terms of the 2018 amended Westbank operating agreement, Makimry (the 75% US Citizen shareholder of Westbank) has a put option to require Daybrook (or its assignee) to purchase all, but not less than all, of its Westbank interest upon the occurrence of the Daybrook warrant being exercised by Daybrook or the occurrence of other significant key events as defined within the put option agreement.

2.7 CONTROL AND JOINT CONTROL *continued*

After extensive debate and assessment in the current year between management, the Audit Committee and the Board's accounting advisors it was concluded that the decisions subject to the super majority voting clauses were not merely minority protection rights but gave the Group the ability to exercise joint control over Westbank. Judgement was applied in determining whether this ability was substantive or not. This is because, should the Group vote against the current 75% shareholder and should this result in a deadlock, the 75% shareholder has the right to sell its shares in Westbank to Daybrook or its nominee. Without at least a 75% US citizen shareholding, Westbank would not be able to operate its fishing vessels and would not be able to supply Daybrook. Thus, it was considered whether, because of the resultant economic risk to the Group of exercising its veto rights, the Group practically only had significant influence over Westbank. This assessment was very subjective, and it was finally concluded that more weight needed to be given to the contractual rights that the Group has, resulting in Westbank being reclassified as a joint arrangement (refer to note 39.1 for more information).

As Daybrook is required to buy 100% of Westbank's output, it is considered to have, in substance, rights to the underlying assets of, and obligations for the underlying liabilities of, Westbank, resulting in Westbank being classified as a joint operation. Joint operations are accounted for by the entity recognising its share of the assets and its share of the liabilities on a line-by-line basis, akin to proportionate consolidation. Although the Group only owns 25% of the shares of Westbank, it was decided that it would be appropriate to recognise 100% of the assets and liabilities on a line-by-line basis because Daybrook takes 100% of Westbank's output. This accounting approach results in the recognition of a liability to the 75% shareholder for its share of the net assets to which the Group is not entitled. This liability has been called 'liability to joint operator' and all changes (except for dividends paid by Westbank) are recognised in cost of sales in order to appropriately reflect the Group's cost of fish acquired from Westbank.

3. NEW STANDARDS AND INTERPRETATIONS

During the current year, the Group adopted all the new and revised standards issued by the International Accounting Standards Board (“IASB”) that are relevant to its operations and effective for annual reporting periods beginning on 1 October 2020.

3.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, the following new standards and amendments became effective 1 January 2020 that are relevant to the Group's operations but did not have a material impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods:

Standard / Interpretation:	Effective date: Financial years beginning on or after:
• Amendments to IFRS 9, IAS 39 and IFRS 7: IBOR reform Phase 1	1 January 2020
• Amendments to references to the Conceptual Framework and new Materiality definition: IAS 1 Presentation of Financial Statement	1 January 2020
• Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	1 January 2020

3.2 STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

A number of amendments to standards are effective for annual periods beginning on or after 1 January 2021 and earlier application is permitted. However, the Group has not early adopted the amended standards in preparing these consolidated annual financial statements. The following amended standards are not expected to have a material impact on the consolidated annual financial statements due to the nature of the Group’s business:

Standard / Interpretation:	Effective date: Financial years beginning on or after:
• IBOR reform Phase 2: Amendments to IFRS 9, IAS 39 and IFRS 7	1 January 2021
• IAS 37 – Provision and Contingencies – Amendments to onerous contracts	1 January 2022
• Reference to Conceptual Framework – Amendments to IFRS 3	1 January 2022
• IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
• IAS 1 – Presentation of Financial Statements: Disclosure initiative	1 January 2023
• IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	1 January 2023
• IFRS 9 – Financial Instruments: Annual Improvements to IFRS Standards 2018–2020	1 January 2022
• IAS 1 – Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
• IAS 1 – Presentation of Financial Statements: Disclosure of Accounting Policies	1 January 2023
• IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

4. REVENUE

	2021 R'000	2020 R'000
The main categories of revenue and the segment to which they relate are set out below:		
Sale of goods		
Canned fish and fishmeal (Africa)	**4 099 203**	4 468 561
Fishmeal and fish oil (USA)	**1 533 381**	1 905 553
Horse mackerel, hake, lobster and squid	**1 626 114**	1 519 159
Rendering of services		
Commercial cold storage and logistics	**336 837**	383 704
Other non-trade revenue		
Canned fish and fishmeal (Africa)	**2 281**	3 275
Horse mackerel, hake, lobster and squid	**34 908**	26 830
Commercial cold storage and logistics	**692**	1 259
	7 633 416	8 308 341

Refer to accounting policy note 1.5 revenue recognition outlining revenue streams and performance obligations.

Revenue from the sale of goods is recognised at a point in time except for the freight and insurance component which is recognised over time. Freight and insurance component included in Canned fish and fishmeal (Africa), horse mackerel, hake, lobster and squid of R60.7 million (2020: R100.2 million) is recognised over time.

Revenue from rendering of services is recognised over time except for handling, other minor services and income from transportation which is recognised at a point in time of R2.8 million (2020: R21.4 million).

Other non-trade revenue includes quota fees R25.1 million (2020: R19.3 million); commission R2.7 million (2020: R2.8 million) and factory processing and other minor recoveries R10.1 million (2020: R9.3 million).

5. OPERATING PROFIT BEFORE JOINT VENTURES LOSS

	Reference	2021 R'000	Restated 2020 R'000
Operating profit before joint ventures loss is calculated after taking into account the following items:			
Income			
Profit on fair value movements arising from derivative instruments		**–**	(6 167)
Insurance proceeds	5.1, 5.4	**(159 592)**	(4 371)
Foreign exchange profit	5.5	**(144 565)**	(153 332)
Other comprehensive income recycled to profit		**(2 717)**	–
Expenditure			
Other comprehensive loss recycled to loss		**–**	4 048
Foreign exchange loss	5.5	**123 808**	156 478
Administrative, technical and secretarial fees	5.3	**59 051**	53 673
Amortisation of intangible assets		**21 005**	38 956
Fishing rights	5.1	**3 580**	3 580
Computer software	5.3	**8 130**	8 114
Non-competes	5.3	**2 243**	17 361
Customer relations	5.3	**7 052**	9 901
Auditors' remuneration		**10 776**	17 244
Fees for audit – current year	5.3	**10 826**	13 644
Fees for audit – prior year (overprovision) / under provision	5.3	**(1 417)**	153
Expenses	5.3	**324**	506
Other services	5.3	**1 043**	2 941

5. OPERATING PROFIT BEFORE JOINT VENTURE LOSS continued

	Reference	2021 R'000	Restated 2020 R'000
Depreciation of property, plant and equipment		**247 057**	259 056
Buildings	5.1, 5.2, 5.3	**20 723**	22 223
Plant, equipment, vehicles and furniture and fittings	5.1, 5.2, 5.3	**94 961**	97 439
Fishing vessels and nets	5.1	**131 373**	139 394
Distribution expenses		**263 670**	328 758
Storage and warehousing	5.2	**72 545**	78 339
Freight, transport and logistics	5.2	**191 125**	250 419
Employment related expenditure		**1 383 413**	1 551 860
Employment costs[1]	5.1, 5.2, 5.3	**1 266 848**	1 448 770
Retirement costs	5.1, 5.2, 5.3	**79 378**	82 597
Share-based payments - cash-settled compensation scheme	5.3	**6 455**	1 884
Share-based payments - equity-settled compensation scheme	5.3	**30 732**	18 609
Fuel and energy costs	5.1, 5.2, 5.3	**394 920**	393 571
Lease expenditure		**70 867**	79 716
Depreciation of right-of-use assets	5.1, 5.2, 5.3	**42 864**	35 055
Low value lease expenses	5.1, 5.2, 5.3	**4 782**	5 098
Short-term lease expenses	5.1, 5.2, 5.3	**23 171**	39 600
Lease modification	5.3	**50**	(37)
Impairment of intangible assets	5.3	**2 369**	–
Information technology	5.3	**56 722**	64 025
Inventory written-off		**113 003**	16 141
Loss arising as a result of civil unrest	5.1	**86 104**	–
Damages and other obsolete stock[2]	5.1, 5.3	**26 899**	16 141
Inventory purchased for resale	5.1	**1 366 366**	1 351 692
Net movement in inventory	5.1,5.3	**576 501**	(181 404)
Joint operator share of joint operations profit/(loss)	5.1	**(32 289)**	25 645
Materials and packaging used in production	5.1	**934 637**	1 337 132
Repairs and maintenance	5.1, 5.2, 5.3	**320 880**	326 487
Risk and loss		**257 255**	251 611
Insurance premiums paid	5.1, 5.3	**231 055**	225 945
Security and other risk and loss	5.1, 5.3	**26 200**	25 666
Staff training	5.1, 5.3	**17 438**	17 156

1. *Employment costs are reflected net of R27.1 million (2020: R81.2 million) for government grants received in the USA by Daybrook and Westbank relating to The Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. No grants were received by Daybrook in the current financial year. At prior year end all performance conditions were met for the full value of the grant to be recognised as an income.*
2. *A provision of R17.1 million raised in previous years in respect of damaged and obsolete stock was released at the time of write-off as in SENS.*

The major expenses by nature are disclosed in note 5 with a reference number that indicates the expense by function as listed below:

5.1 Cost of sales
5.2 Selling and distribution expenses
5.3 Overhead expenditure
5.4 Other income
5.5 Net foreign exchange gain / (loss)

6. SEGMENTAL RESULTS

The segmental information was prepared in accordance with IFRS 8 - Operating Segments (IFRS 8), which defines requirements for the disclosure of financial information of an entity's operating segments. IFRS 8 requires operating segments to be identified on the basis of internal reporting of Group components that are regularly reviewed by the CODM to allocate resources to segments and to assess their performance. The Group's Exco has been identified as the CODM.

The segments have been classified based on both the geographic region of the primary Group operations as well as where the different products are sold and services are rendered by the Group.

For geographic segmental reporting South Africa and Namibia have been aggregated as the primary operations have similar economic characteristics with regards to the nature of the products and services, production process, methods used to distribute products or render services, and are managed as a single segment.

Revenue per geographic region is classified based on the region in which product is sold and services are rendered, irrespective of where produced. Non-current assets per geographic region are allocated based on where the subsidiary is located and includes property, plant and equipment, right-of-use assets, goodwill and intangible assets and excludes assets held for sale.

Revenue per geographic region excludes inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation as follows: Horse mackerel, hake, lobster and squid R87.1 million (2020: R77.6 million) and Commercial cold storage and logistics R20.9 million (2020: R18.9 million).

Inter-segmental revenue is eliminated on consolidation between revenue and the corresponding expense line to which it relates.

The statement of financial position is reflected after eliminating inter-segmental assets and liabilities. Total assets for Commercial cold storage and logistics of R280.2 million (2020: R314.6 million) and Horse mackerel, hake, lobster and squid of R471.8 million (2020: R575.6 million) were eliminated against Canned fish and fishmeal (Africa) of R752.0 million (2020: R890.0 million). Total liabilities for Commercial cold storage and logistics of R7.5 million (2020: R2.5 million) and Horse mackerel, hake, lobster and squid of R36.6 million (2020: R70.6 million) were eliminated against Canned fish and fishmeal (Africa) of R44.1 million (2020: R73.0 million).

The Group does not have a customer who individually contributes 10% or more of the Group's revenue.

2021	Canned fish and fishmeal (Africa)	Fishmeal and fish oil (USA)	Horse mackerel, hake, lobster and squid	Commercial cold storage and logistics	Total
	R'000	R'000	R'000	R'000	R'000
Statement of comprehensive income					
Gross revenue	4 294 021	1 533 381	1 681 705	416 168	7 925 275
Inter-segmental revenue	(192 538)	–	(20 683)	(78 638)	(291 859)
Revenue	4 101 483	1 533 381	1 661 022	337 530	7 633 416
Operating profit before other operating items	478 609	236 900	387 236	82 437	1 185 182
Other operating items	(15 132)	(118)	4 282	27 274	16 306
Operating profit	463 477	236 782	391 518	109 711	1 201 488
Interest income	14 399	18 185	2 761	975	36 320
Interest expense	(125 001)	(89 953)	(3 555)	(10 264)	(228 773)
Profit before taxation	352 875	165 014	390 724	100 422	1 009 035
Taxation expense	(111 830)	(27 940)	(120 719)	(30 046)	(290 535)
Profit after taxation	241 045	137 074	270 005	70 376	718 500
The above profit after taxation for the year includes the following:					
Joint ventures loss	332	–	–	–	332
Depreciation, amortisation and impairment	49 922	167 826	64 100	31 447	313 295
Statement of financial position					
Total assets	2 292 312	7 810 153	848 002	385 907	11 336 374
Total liabilities	2 229 651	2 890 528	487 010	226 070	5 833 259
The above amounts of assets and liabilities include the following:					
Additions to property, plant and equipment and intangible assets	148 375	146 599	95 937	72 731	463 642
Interest in joint ventures	70 918	–	1	–	70 919

6. SEGMENTAL RESULTS continued

The Group's revenue and non-current assets by geographic segment are detailed below:

2021 Region	South Africa and Namibia	Other Africa	North America	Europe	Far East	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	**4 327 874**	**848 180**	**1 162 695**	**1 061 881**	**197 267**	**35 519**	**7 633 416**
Non-current assets	**1 431 076**	**–**	**6 442 089**	**–**	**–**	**–**	**7 873 165**

Restated - 2020	Canned fish and fishmeal (Africa)	Fishmeal and fish oil (USA)[1]	Horse mackerel, hake, lobster and squid	Commercial cold storage and logistics	Total
	R'000	R'000	R'000	R'000	R'000
Restated statement of comprehensive income					
Gross revenue	4 628 440	1 905 553	1 568 305	483 457	8 585 755
Inter-segmental revenue[2]	(156 604)	–	(22 316)	(98 494)	(277 414)
Revenue	4 471 836	1 905 553	1 545 989	384 963	8 308 341
Operating profit before other operating items	522 077	425 170	353 749	81 657	1 382 653
Other operating items	14 053	–	3 135	–	17 188
Operating profit	536 130	425 170	356 884	81 657	1 399 841
Interest income	11 107	26 287	3 781	131	41 306
Interest expense	(170 086)	(109 376)	(4 720)	(11 074)	(295 256)
Profit before taxation	377 151	342 081	355 945	70 714	1 145 891
Taxation expense	(129 868)	(69 897)	(103 473)	(26 502)	(329 740)
Profit after taxation	247 283	272 184	252 472	44 212	816 151
The above profit after taxation for the year include the following:					
Joint ventures loss	874	–	–	–	874
Depreciation, amortisation and impairment	43 566	186 993	75 694	26 814	333 067
Restated statement of financial position					
Total assets[2]	2 800 014	8 866 828	683 054	288 675	12 638 571
Total liabilities[2]	2 664 010	3 401 392	432 302	194 872	6 692 576
The above amounts of assets and liabilities include the following:					
Additions to property, plant and equipment and intangible assets	82 769	176 405	63 365	22 570	345 109
Interest in joint ventures	72 228	–	1	–	72 229

The Group's revenue and non-current assets by geographic segment are detailed below:

Restated - 2020 Region	South Africa and Namibia	Other Africa	North America[1]	Europe	Far East	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	4 232 729	884 869	1 597 974	1 304 953	262 941	24 875	8 308 341
Non-current assets	1 208 822	–	7 174 066	–	–	–	8 382 888

1. *Restated Fishmeal and fish oil (USA) and North America balances and transactions. Refer to note 39.1 and 39.4.*
2. *Restated inter-segmental elimination. Refer to note 39.7.*

7. OTHER OPERATING ITEMS

	2021 R'000	2020 R'000
(Loss) / profit on disposal of land and buildings	**(439)**	11 799
Profit on disposal of property, plant and equipment	**3 645**	750
Impairment of computer software	**(2 369)**	–
Impairment of long-term interests in joint venture[1]	**–**	(9 716)
Foreign exchange loss on translation of impaired long-term interests in Angolan joint venture[1]	**–**	(10 160)
Impairment of property, plant and equipment	**–**	(1 006)
Profit on disposal of intangible assets (Glenryck UK trademark)	**–**	22 107
Gain on deregistration of foreign subsidiary[2]	**–**	3 414
Profit on disposal of non-current asset held for sale (Bayhead cold store)	**27 684**	–
Once-off transaction costs pertaining to new BBBEE trusts[3]	**(11 349)**	–
Trademark written-off (note 16)	**(866)**	–
	16 306	17 188

1. *Loans impaired pertains to the translated foreign long-term interest in the Group's African fishmeal and fish oil joint ventures Oceana Boa Pesca Limitada and Oceana Peche International. The loans exhibited increased credit risk and were deemed to be credit impaired following management's decision in the prior year to terminate the operations on the back of the decline in the sardinella resource in Angola.*
2. *During the prior year, the gain on deregistration of the Interpesca International group of companies relates largely to a release of the foreign currency translation reserve.*
3. *Once-off transaction costs were incurred in relation to the specific repurchase of shares from the OET and the establishment of Saam-Sonke Trust and Oceana Stakeholder Empowerment Trust ("OSET").*

8. INTEREST INCOME

	2021 R'000	Restated 2020 R'000
Bank and short-term deposits	**9 781**	8 221
Loans to joint ventures and supply partners	**24 821**	32 139
Loans	**472**	448
Other[1]	**1 246**	498
	36 320	41 306

1. *Other interest income comprises interest received from debtors and Revenue Services.*

9. INTEREST EXPENSE

	2021 R'000	Restated 2020 R'000
Bank and short-term banking facilities	**37 631**	33 389
Borrowings	**164 517**	234 600
Lease liabilities (note 27)	**24 030**	23 538
Other[1]	**2 595**	3 729
	228 773	295 256

1. *Other interest expense comprises of interest paid to creditors and Revenue Services.*

10. TAXATION EXPENSE

	2021 R'000	2020 R'000
Current taxation		
South African current taxation		
Current year	**146 618**	181 620
Adjustments in respect of previous years	**2 102**	4 646
Capital gains tax[1]	**4 073**	5 763
Security transfer tax	**1 439**	775
Withholdings tax[2]	**1 602**	2 087
	155 834	194 891
Foreign current taxation		
Current year	**110 142**	109 233
Adjustments in respect of previous years	**(5 085)**	(1 977)
Withholdings tax[2]	**13 199**	19 551
	118 256	126 807
Total current taxation	**274 090**	321 698
Deferred taxation		
South African deferred taxation		
Current year	**30 937**	8 165
Adjustments in respect of previous years	**764**	(4 194)
	31 701	3 971
Foreign deferred taxation		
Current year	**(14 926)**	4 999
Adjustments in respect of previous years	**(330)**	(928)
	(15 256)	4 071
Total deferred taxation	**16 445**	8 042
Total taxation charge	**290 535**	329 740

1. *Capital gains tax relates to capital gains realised on the disposal of property, plant and equipment and assets held for sale and in the prior year to the disposal of intangible assets and property, plant and equipment.*
2. *Withholding tax is paid on intergroup interest and dividends received by South African subsidiaries from foreign subsidiaries in Namibia and the United States of America.*

The maximum potential future tax consequences of undistributed earnings from foreign subsidiaries amounts to R63.1 million (2020: R59.9 million).

10.1 THE RECONCILIATION OF THE EFFECTIVE RATE OF TAXATION CHARGE WITH THE SOUTH AFRICAN COMPANY INCOME TAX RATE IS AS FOLLOWS:

	2021 %	Restated 2020 %
Effective rate of taxation	**28.8**	28.8
Adjustment to rate due to:		
Adjustment in respect of previous years	**0.3**	0.2
Foreign taxation rate differentials and withholding taxes	**(1.7)**	(0.7)
Joint ventures income	**–**	(0.3)
Exempt income arising from capital profits and foreign exchange gains	**1.0**	0.9
Capital gains tax	**(0.5)**	(0.5)
Impairment losses not allowable for taxation	**0.2**	(0.2)
Foreign derived intangible income deduction[1]	**0.6**	0.5
Expenses not allowable for taxation[1]	**(0.7)**	(0.7)
South African company income tax rate	**28.0**	28.0

1. *"Foreign derived intangible income deduction" has been separately disclosed in this reconciliation to enhance disclosure. It was previously disclosed as part of "expenses not allowable for taxation".*

10. TAXATION EXPENSE continued

10.2 THE GROUP'S SHARE OF TAX LOSSES AVAILABLE AS A DEDUCTION FROM FUTURE TAXABLE INCOMES AMOUNTED TO:

	2021	Restated 2020
	R'000	R'000
South African	**45 540**	26 369
Foreign	**2 906**	11 650
Total	**48 446**	38 019
Deferred tax savings effect	**13 681**	11 111

The South African deferred tax asset, refer to note 19, predominantly relates to the Amawandle Pelagic Proprietary Limited subsidiary which is part of the canned fish and fishmeal (Africa) CGU. The tax losses giving rise to the deferred tax asset resulted from a combination of factors which included the declining pilchard total allowable catch ("TAC") and low production levels. Cost management measures together with the improving pilchard biomass are expected to contribute towards improving financial performance of this business.

Realisation of the deferred taxation assets is expected out of future taxable income, which is based on the assessment by management of future plans and forecasts, and is assessed and deemed to be reasonable.

10.3 DEFERRED TAX RECOGNISED THROUGH OTHER COMPREHENSIVE INCOME:

	2021	Restated 2020
	R'000	R'000
Fair value remeasurement of cashflow hedge and cost of hedging	**(7 542)**	11 813

11. EARNINGS AND HEADLINE EARNINGS PER SHARE

11.1 CALCULATION OF WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

	2021	2020
	Shares	Shares
Weighted average number of ordinary shares	**130 431 804**	130 431 804
Less: Weighted average of Treasury share held by:		
Oceana Empowerment Trust	**(7 091 490)**	(13 432 967)
Lucky Star Limited	**(288 400)**	(119 473)
Oceana Group Share Trust	**(16 500)**	(16 500)
Saam-Sonke Trust	**(4 180 965)**	–
Oceana Stakeholder Empowerment Trust	**(348 414)**	–
Weighted average number of ordinary shares used in the calculation of basic earnings and headline earnings per share	**118 506 035**	116 862 864
Shares deemed to be issued for no consideration in respect of unexercised share options	**8 704 893**	9 223 718
Weighted average number of ordinary shares used in the calculation of diluted earnings and diluted headline earnings per share	**127 210 928**	126 086 582

As part of the wind up process employees were afforded the opportunity to retain their shares or request the Trustees to facilitate the sale of the shares for their benefit. The lock-in period for the OET expired in January 2021 and the Trust's winding up process commenced in terms of the Trust deed. To facilitate the establishment of two new B-BBEE Trusts the Company repurchased 8 478 067 shares from the beneficiaries of the OET. These shares were subsequently delisted and cancelled.

The Saam-Sonke Trust subscribed for 7 825 908 shares in Oceana Group Limited in March 2021 at a cost of 1 cent per share. The participatory rights to acquire these shares were allocated to qualifying employees of the Group on 30 September 2021 at a grant price of R67.70. The rights vest in three tranches, one third after a period of eight years, one third over a period of nine years and a final third after ten years provided the employee remains in service. These equity settled rights are valued at fair value on grant date using a Black Scholes option pricing model taking into account terms and conditions upon which rights have been granted. An expense of fifty three thousand rand was recognised during the year.

11. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

11.1 CALCULATION OF WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES continued

The OSET was also established in March 2021 and subscribed for 652 159 shares in Oceana Group Limited at a cost of 1 cent per share. No allocations have been made to beneficiaries as at year end 30 September 2021. Once off transaction costs of R11.3 million were incurred in relation to the specific repurchase of shares from the OET and the establishment of Saam-Sonke Trust and OSET.

In the prior year a total of 288 400 shares was repurchased by Lucky Star Limited on the open market at an average price of R58.32 per share for the purposes of the Group's forfeitable share plan allocation.

11.2 DETERMINATION OF HEADLINE EARNINGS

	2021		2020	
	Gross of tax	Net of tax and non-controlling interests	Gross of tax	Net of tax and non-controlling interests
	R'000	R'000	R'000	R'000
Profit after taxation attributable to shareholders of Oceana Group Limited		**676 280**		760 635
Adjusted for:				
Impairment of capital contribution	–	–	4 047	4 047
Impairment reversal / (impairment) of property, plant and equipment and intangible assets	**(1 150)**	**(1 150)**	1 006	428
Joint venture loss / (profit) on disposal of vessels	**1 028**	**699**	(710)	(483)
Gain on deregistration of foreign subsidiary	–	–	(3 414)	(3 414)
Profit on disposal of intangible assets (Glenryck UK trademark)	–	–	(22 108)	(17 412)
Insurance proceeds on capital items	–	–	(2 576)	(1 361)
Net profit on disposal of non-current asset held for sale	**(27 684)**	**(21 808)**	–	–
Net profit on disposal of property, plant and equipment	**(3 323)**	**(2 206)**	(12 548)	(8 022)
Headline earnings for the year		**651 815**		734 418
Headline earnings per share (cents)				
– Basic		**550.0**		628.4
– Diluted		**512.3**		582.5

12. DIVIDENDS

	2021	2020
	R'000	R'000
Final dividend of 293 cents per share was declared on 3 December 2020 paid 4 January 2021 (January 2020: 240 cents)	**342 296**	280 710
Interim of 110 cents per share declared on 2 June 2021 paid 5 July 2021 (2020: 100 cents)	**131 710**	116 747
Dividends paid during the year	**474 006**	397 457
Dividend declared after reporting date and not accrued		
Dividends declared on 9 March 2022 (2020: 3 December 2020)	**302 833**	342 296
Dividends per share (cents)	**358**	393
– Interim paid	**110**	100
– Final declared after reporting date	**248**	293

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings R'000	Leasehold land and buildings R'000	Plant, equipment and vehicles R'000	Aircrafts, Fishing vessels and nets R'000	Total R'000
2020					
Cost	884 244	104 437	1 790 657	1 550 078	4 329 416
Accumulated depreciation and impairment losses	(288 284)	(66 114)	(1 001 329)	(627 848)	(1 983 575)
Restated net book value at 1 October 2019	**595 960**	**38 323**	**789 328**	**922 230**	**2 345 841**
Movements for the year					
Additions	14 107	23 513	134 014	175 681	347 315
Disposals – cost	829	(2 640)	(33 416)	(71 164)	(106 391)
Disposals – accumulated depreciation	(1 307)	2 082	31 070	65 280	97 125
Depreciation	(20 449)	(1 774)	(97 439)	(139 394)	(259 056)
Reclassified to assets held for sale at carrying amount (note 15)	–	(691)	(6 749)	–	(7 440)
Foreign exchange movement on translation	51 910	653	58 116	65 771	176 450
Restated balance at 30 September 2020	**641 050**	**59 466**	**874 924**	**1 018 404**	**2 593 844**
Made up as follows:					
Cost	977 968	103 674	1 960 640	1 736 158	4 778 440
Accumulated depreciation and impairment losses	(336 918)	(44 208)	(1 085 716)	(717 754)	(2 184 596)
Restated net book value at 30 September 2020	**641 050**	**59 466**	**874 924**	**1 018 404**	**2 593 844**
2021					
Movements for the year					
Additions	**91 690**	**13 613**	**142 202**	**212 385**	**459 890**
Disposals – cost	**(556)**	**(19 062)**	**(44 587)**	**(41 448)**	**(105 653)**
Disposals – accumulated depreciation	**(116)**	**1 597**	**37 650**	**39 503**	**78 634**
Depreciation	**(18 745)**	**(1 978)**	**(94 961)**	**(131 373)**	**(247 057)**
Foreign exchange movement on translation	**(52 091)**	**(611)**	**(60 824)**	**(75 925)**	**(189 451)**
Balance at 30 September 2021	**661 232**	**53 025**	**854 404**	**1 021 546**	**2 590 207**
Made up as follows:					
Cost	**987 353**	**97 409**	**1 936 522**	**1 800 824**	**4 822 108**
Accumulated depreciation and impairment losses	**(326 121)**	**(44 384)**	**(1 082 118)**	**(779 278)**	**(2 231 901)**
Net book value at 30 September 2021	**661 232**	**53 025**	**854 404**	**1 021 546**	**2 590 207**

Refer to note 6 for details of segmental assets.

The cost of fully depreciated assets still in use amounts to R577.7 million (2020: R451.6 million).

The insured value of the Group's property, plant and equipment at 30 September 2021 amounts to R7.4 billion (2020: R7.6 billion).

Details of land and buildings mentioned above are included in registers which are available on request for inspection at the registered office of the company. The Group does not hold any investment properties.

The Daybrook US Dollar-denominated term loan is secured by a first-priority perfected security interest in substantially all of the tangible and intangible assets of the Oceana US Holdings Inc., Daybrook Investors Inc., Daybrook Holdings Inc. and Daybrook Fisheries Inc.. The Westbank US dollar-denominated loans are secured by a first-priority perfected security interest in substantially all of the tangible and intangible assets of Westbank. Refer to note 6 for detail of segment assets and note 25 for loan details.

During the prior year assets with a cost price of R65.9 million and accumulated depreciation of R58.5 million were designated held for sale in relation to the Bayhead cold storage facility operated by the Commercial Cold Storage and Logistics division. Refer to note 15 for more details.

The Company acquired the Angolan based fishmeal plant equipment to the value of R21.6 million as part of winding down of the OBP joint venture.

14. RIGHT-OF-USE ASSETS

	2021	Restated 2020
	R'000	**R'000**
Cost	**210 667**	–
Accumulated depreciation and impairment losses	**(34 852)**	–
Opening balance at 1 October	**175 815**	–
IFRS 16 transition adjustment	**–**	186 686
Movements for the year		
New leases contracted into during the year[1]	**68 926**	24 082
Lease re-assessments/modifications[2]	**3 795**	–
Depreciation (note 5)	**(42 864)**	(35 055)
Disposal - Cost	**(1 166)**	–
Disposal - Accumulated depreciation	**1 166**	–
Foreign exchange movement on translation	**(2 760)**	102
Net book value at 30 September	**202 912**	175 815
Made up as follows:		
Cost	**278 718**	210 667
Accumulated depreciation and impairment losses	**(75 806)**	(34 852)
Net book value at 30 September	**202 912**	175 815

1. *New leases entered into in the current year relate to contracts negotiated for rental of premises used by Commercial Cold Storage (Namibia) Proprietary Limited and Daybrook Fisheries Inc. The prior year relate to contracts negotiated for rental of premises used by Daybrook Fisheries Inc., Blue Continent Products Proprietary Limited and Commercial Cold Storage (Ports) Proprietary Limited.*
2. *Lease amendments such as extension of lease terms were treated as lease modifications. The impact of the modifications were immaterial.*

Most lease contracts are concluded for fixed periods but in some instances, lease agreements include options to renew. When the exercise of renewal options are considered reasonably certain, usually where there is an economic incentive to exercise the option, the lease term will include the period of the option.

Lease obligations do not impose any covenants on the Group and the right-of-use assets are not provided as security for the Group's interest-bearing borrowings.

The Group was not given rent concessions as a result of the Covid-19 pandemic. No other significant changes were experienced by the Group as a result of the Covid-19 pandemic.

15. ASSETS HELD FOR SALE

The Bayhead cold storage facility operated by the commercial cold storage and logistics division had been designated as held for sale in the prior year following the conclusion of an agreement of sale for the business.

During the 2019 year, the Group's investment in Oceana Boa Pesca Limitada was impaired following a decision to mothball all operations following a decline in the Sardinella resource in Angola. During the prior financial year, the Group entered into an agreement to dispose of its interest in Oceana Boa Pesca Limitada to its joint venture partner. Accordingly the investment and related loans in Oceana Boa Pesca Limitada have been designated as held for sale.

The disposal of the Bayhead cold storage facility was concluded on 28 February 2021 and the disposal of assets of Oceana Boa Pesca Limitada was concluded on 31 January 2021.

	2021 **R'000**	2020 **R'000**
Assets reclassified as held for sale		
Bayhead cold store assets (Commercial cold storage and logistics CGU)		
Opening balance	**7 503**	–
Reclassified from plant and equipment and vehicles (note 13)	**–**	6 749
Reclassified from land and buildings (note 13)	**–**	691
Reclassified from intangible assets (note 16)	**–**	63
Disposal of asset	**(7 503)**	–
	–	7 503
Oceana Boa Pesca Limitada joint venture interests[1] (Canned fish and fishmeal (Africa) CGU)		
Opening balance	**11 917**	–
Reclassified from loans and investments with joint ventures (note 17)	**–**	11 917
Disposal of asset	**(11 917)**	–
	–	11 917
Carrying amount of assets held for sale at 30 September	**–**	19 420

1. *In the prior year the investment and long-term loan was designated held for sale and had been reclassified from loans and investments with joint ventures at a carrying amount of R11.9 million. Refer to note 17 for details relating to the impairment of the investment and loan (net interest in OBP).*

16. GOODWILL AND INTANGIBLE ASSETS

	Goodwill	Trademark	Intellectual property	Fishing rights	Customer relations	Non-competes	Computer software	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2020								
Cost	3 685 788	268 414	922 056	178 699	52 992	104 469	143 973	5 356 391
Accumulated amortisation	–	(58 172)	–	(115 043)	(37 022)	(78 062)	(51 581)	(339 880)
Accumulated impairment	(18 906)	–	–	–	–	–	–	(18 906)
Restated net book value 1 October 2019	3 666 882	210 242	922 056	63 656	15 970	26 407	92 392	4 997 605
Movements for the year								
Additions	–	–	–	-	–	–	(2 205)	(2 205)
Disposal – cost	(17 630)	(8 007)	–	(7 189)	–	–	(2 130)	(34 956)
Disposal – accumulated amortisation	–	–	–	5 173	–	–	2 130	7 303
Disposal – accumulated impairment	17 630	–	–	–	–	–	–	17 630
Amortisation for the year	–	–	–	(3 580)	(9 901)	(17 361)	(8 114)	(38 956)
Reclassified to held for sale at carrying amount (note 15)	–	–	–	–	–	–	(63)	(63)
Foreign exchange movement on translation	382 864	21 392	97 952	–	1 827	3 033	2	507 070
Restated balance at 30 September 2020	4 049 746	223 627	1 020 008	58 060	7 896	12 079	82 012	5 453 428
Made up as follows:								
Cost	4 051 022	281 799	1 020 008	171 510	58 621	115 567	138 662	5 837 189
Accumulated amortisation	–	(58 172)	–	(113 450)	(50 725)	(103 488)	(56 650)	(382 485)
Accumulated impairment	(1 276)	–	–	–	–	–	–	(1 276)
Restated net book value at 30 September 2020	4 049 746	223 627	1 020 008	58 060	7 896	12 079	82 012	5 453 428
Movements for the year								
Additions	**–**	**–**	**–**	**–**	**–**	**–**	**3 753**	**3 753**
Amortisation for the year	**–**	**–**	**–**	**(3 580)**	**(7 052)**	**(2 243)**	**(8 130)**	**(21 005)**
Trademark written-off	**–**	**(866)**	**–**	**–**	**–**	**–**	**–**	**(866)**
Impairment for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(2 369)**	**(2 369)**
Foreign exchange movement on translation	**(393 480)**	**(21 986)**	**(100 668)**	**–**	**(844)**	**(1 213)**	**–**	**(518 191)**
Balance at 30 September 2021	**3 656 266**	**200 775**	**919 340**	**54 480**	**–**	**8 623**	**75 266**	**4 914 750**
Made up as follows:								
Cost	**3 657 542**	**245 742**	**919 340**	**161 903**	**52 836**	**104 162**	**141 144**	**5 282 669**
Accumulated amortisation	**–**	**(44 967)**	**–**	**(107 423)**	**(52 836)**	**(95 539)**	**(63 509)**	**(364 274)**
Accumulated impairment	**(1 276)**	**–**	**–**	**–**	**–**	**–**	**(2 369)**	**(3 645)**
Net book value at 30 September 2021	**3 656 266**	**200 775**	**919 340**	**54 480**	**–**	**8 623**	**75 266**	**4 914 750**

Amortisation of intangible assets of R3.6 million (2020: R3.6 million) is included in cost of sales and R17.4 million (2020: R35.4 million) is included in overhead expenditure in the statement of comprehensive income.

The remaining amortisation period for significant intangible assets are as follows:

Hake, pelagic and lobster fishing rights	7.08 - 15.3 years
Customer relations	nil years
Non-competes	0.8 – 4.0 years
Computer software	1.0 – 8.0 years

16. GOODWILL AND INTANGIBLE ASSESTS continued

TRADEMARKS

The acquired Daybrook brand is an established trademark in the fishmeal and fish oil industry, both within the USA domestic market and internationally, and therefore management believes there is no foreseeable limit over which the group will continue to generate revenue from its continued use. In addition management has exercised their judgement and assumed the group will continue to renew legal rights to the Daybrook trademark without significant costs. The trademark has accordingly been assessed as having an indefinite useful life.

INTELLECTUAL PROPERTY

The Daybrook intellectual property acquired consists of developed know-how and expertise that allows incremental production efficiencies above the typical market participant. While not patented, these processes have taken years to develop and are closely held by the company in an industry which by its nature has stable technical requirements and market demands. Intellectual property has been assessed as having an indefinite life as it can reasonably be expected to generate revenues beyond the foreseeable future without significant maintenance costs.

The Daybrook US Dollar-denominated term loan is secured by a first-priority perfected security interest in substantially all of the tangible and intangible assets of the Oceana US Holdings Inc., Daybrook Investors Inc., Daybrook Holdings Inc. and Daybrook Fisheries Inc.. The Westbank US dollar-denominated loans are secured by a first-priority perfected security interest in substantially all of the tangible and intangible assets of Westbank. Refer to note 6 for detail of segment assets.

During the year computer software to the value of R2.3 million was impaired within the canned fish and fishmeal (Africa) CGU by the Group as it was no longer in use.

During the prior financial year, intangible assets with a cost of R1.0 million and accumulated amortisation of R0.9 million were designated as held for sale in relation to the Bayhead cold store facility operated by the commercial cold storage and logistics division. Refer to note 15 for more details.

ALLOCATION OF GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets arising from business combinations are allocated at acquisition to the Group's cash generating units (CGUs) that are expected to benefit from the business combination. The table below summarises how the carrying amounts of goodwill and intangibles assets attributable to the respective business combinations or asset acquisitions have been allocated to the Group's CGUs. The carrying amounts are reported net of impairment losses.

	Goodwill		Trademarks		Intellectual property	
	2021	Restated 2020	2021	Restated 2020	2021	Restated 2020
	R'000	R'000	R'000	R'000	R'000	R'000
Glenryck Brand						
Canned fish and fishmeal (Africa)	**–**	–	**–**	866	**–**	–
Foodcorp business combination						
Horse mackerel, hake, lobster and squid	**45 166**	45 166	**–**	–	**–**	–
Canned fish and fishmeal (Africa)	**17 669**	17 669	**–**	–	**–**	–
Daybrook business combination						
Fishmeal and fish oil (USA)	**3 593 431**	3 986 911	**200 775**	222 761	**919 340**	1 020 008
	3 656 266	4 049 746	**200 775**	223 627	**919 340**	1 020 008

	Fishing rights		Customer relations		Non-competes	
	2021	Restated 2020	2021	Restated 2020	2021	Restated 2020
	R'000	R'000	R'000	R'000	R'000	R'000
Foodcorp business combination						
Canned fish and fishmeal (Africa)	**29 783**	31 736	**–**	–	**–**	–
Horse mackerel, hake, lobster and squid	**276**	301	**–**	–	**–**	–
Daybrook business combination						
Fishmeal and fish oil (USA)	**–**	–	**–**	7 896	**8 623**	12 079
Other fishing rights acquired						
Horse mackerel, hake, lobster and squid	**24 421**	26 023	**–**	–	**–**	–
	54 480	58 060	**–**	7 896	**8 623**	12 079

16. GOODWILL AND INTANGIBLE ASSESTS continued

GLENRYCK BRAND

The Glenryck Brand is allocated entirely to the canned fish and fishmeal (Africa) CGU. During the prior financial year the Glenryck UK Brand, with a carrying amount of R8.0 million, was disposed for R30.1 million resulting in a profit on disposal of R22.1 million. During the current financial year, the remaining value of R0.9 million was written off.

FOODCORP BUSINESS COMBINATION

The goodwill arising on the acquisition of the Foodcorp fishing business has been allocated to two CGUs, namely horse mackerel, hake, lobster and squid and canned fish and fishmeal (Africa). The annual assessment of impairment of the intangible assets indicates that no adjustments are required to the current valuation.

The recoverable amount of each of these intangibles is determined based on a value-in-use calculation using approved cash flow forecasts, covering a period of three years followed by an extrapolation of expected cash flows for the years thereafter using assumptions determined by management. When determining the assumptions, consideration is given to the impact of external market factors such as, resource biomass, changes in market demand and pricing as well as internal factors relating to current operating conditions and production trends. The assessment also took into account the impact of the Covid-19 pandemic and the recovery of the SA pilchard resource.

The main areas of judgement applied relate to fish availability, future quota allocations, production yields and sales pricing.

The present value of the expected future cash flows is determined using pre-tax discount rates. The discount rates were derived from the weighted average cost of capital (WACC) for comparable entities, based on market data and include appropriate adjustments relating to market risk and specific risk factors for each CGU as required. Discount rates of between 11.5% and 12.6% (2020: 14.7% and 15.8%) were applied.

Long-term growth rates of 3% were used, based on the longer-term core inflation expectations of the SA economy.

AREAS OF JUDGEMENT

- Canned fish and fishmeal (Africa)

  Production input volumes for 2022 were rebased to normal historic average level and projected forward using a movement of -6% to 8% (2020: 0% and 11%) factoring in future expected biomass of the resource, the related SA TAC, the recovering pilchard resource and potential adjustments to future quota allocations. Yields have been based on historic averages adjusted for the expected impact of change in SA pilchard catches.

  Sales price increases of between 1.4% and 2.5% (2020: 1.5% and 4%) p.a. have been applied from 2023 onwards off a normalised 2022 base, except for an additional increase of 7% to fishmeal pricing in 2024 due to the impact of budgeted capital expenditure on increased product quality.

  Gross margins are based on the average forecast gross margin and are between 4.9% and 9.8% (2020: 8.1% and 9.2%) for the canned fish operation and between 23.6% and 34.4% (2020: 16.0% and 31.9%) for fishmeal operations.

  The Group estimates that an impairment would be triggered if the discount rate increased by 19.5% (2020: 24.5%) or the margins declined by more than 4.3% (2020: 3.0%).

- Horse mackerel, hake, lobster and squid

  Fish catch volumes and yields have been based on historical averages, with fishing days adjusted to factor in changes to periods when vessels are undergoing major maintenance and statutory dry-docks.

  Sales prices increase of between 5.0% and 10.0% (2020: 5.0%) is attributable to the recovery of both local and foreign pricing respectively, while the catch mix is in line with historical catches.

  Gross margins are based on the average forecast gross margin and were between 34.7% and 37.7% (2020: 45.7% and 47.9%) in line with historic averages.

  The Group estimates that an impairment would be triggered if the discount rate increased by 29.6% (2020: 45.7%) or the margins declined by more than 15.0% (2020: 17.9%).

DAYBROOK BUSINESS COMBINATION

The goodwill and intangible assets arising on the acquisition of Daybrook Fisheries Incorporation has been allocated entirely to the fishmeal and fish oil (USA) CGU. The annual assessment of impairment of the intangible assets indicates that no adjustments are required to the current carrying value.

The recoverable amount of the CGU is determined based on a value-in-use calculation using approved cash flow forecasts covering a period of three years followed by an extrapolation of expected future cash flows using assumptions determined by management. When determining the assumptions, consideration is given to the impact of external market factors, such as changes in market demand and pricing and changes in interest rates as well as internal factors relating to current operating conditions and production trends. The current and prior year assessment also took into account the Covid-19 pandemic.

The main areas of judgement applied in determining the recoverable amount of the CGU, relate to fish catch, production yields, sales pricing and their impact on margins along with the weighted average cost of capital. After considering the state of the biomass, stable fish catch volumes were assumed from 2022 onwards and production yields were based on historical averages.

16. GOODWILL AND INTANGIBLE ASSESTS continued

The present value of the expected future cash flows of the CGU was determined using pre-tax discount rate of 8.0% (2020: 8.4%). The discount rate was derived from the WACC for comparable entities, based on market data and includes appropriate adjustments relating to market risk and specific risk factors for the CGU.

A long-term growth rate of 2.4% (2020: 2.1%) has been used based on the 10-year forecast mean US CPI inflation rate per the June 2021 Livingston survey.

AREAS OF JUDGEMENT

Production input volumes have been based on the average of the last 6 years historic landings pattern ensuring cyclical fluctuations are taken into account. The base volumes used in 2022 were adjusted to exclude the impact of the poor 2021 fishing season and adjusted by 7.7% (2020: 0.0% and 5.0%) thereafter to factor in the impact of the additional vessel introduced during the current year and improvements in production efficiencies and kept constant thereafter. Production yields have been based on a conservative view of historic averages adjusted downwards by 0.1% and 1.4% (2020: 0.0% and 1.6%).

The sales price assumption for 2022 was adjusted by between 0.8% and 6.9% and there after increases have been based on conservative 5 year historic compound annual growth rates of between 0.5% and 1.5% (2020: 1.4% and 2.2%) p.a.

Gross margins are based on the average forecast gross margin for the forecast period, and are between 36.7% and 39.4% (2020: 37.6% and 37.8%) for fishmeal and fish oil (USA) business.

The Group estimates that an increase in the discount rate of 1.6% (2020: 1.1%) would result in the aggregate carrying value of the CGU exceeding the recoverable amount. It is further estimated that if the assumed margins decline by more than 3.7% (2020: 2.4%) the CGU carrying amount would exceed its recoverable amount.

Based on management's review of the assessment, no impairment is required to the carrying amount in the current year.

17. INTEREST IN JOINT VENTURES

	2021 R'000	Restated 2020 R'000
Investment in joint ventures		
Carrying amount of shares	**89 323**	89 323
Share of accumulated gains and losses and reserves since acquisition	**(18 404)**	(17 094)
Total investment	**70 919**	72 229
Amounts owing by joint ventures		
Long-term amounts owing by joint venture	**–**	54 959
Expected credit loss allowance	**–**	(43 042)
Reclassified to assets held for sale at carrying value (note 15)	**–**	(11 917)
Total amounts owing	**–**	–
Total interest in joint ventures	**70 919**	72 229

The prior year amounts owing by joint ventures relates to USD denominated loans receivable, net of impairment, of R11.9 million / USD0.7 million from Angolan joint ventures representing the Group's long-term interest in these businesses. These loans have exhibited increased credit risk and were impaired to its expected recoverable amount in line with the decision to exit the operations. Accordingly, the Group's investment in Oceana Boa Pesca Limitada and its long-term interests including the aforementioned loans were reclassified to assets held for sale. The value of the investment, net of impairment is Rnil (2020: Rnil).

The primary activities of each entity are as follows:

Canned fish and fishmeal (Africa) CGU:

- Etosha Fisheries Holding Company Proprietary Limited (joint venture) – Catching and processing of fish
- Oceana Peche International Limited (joint venture) – Dormant entity
- Oceana Boa Pesca Limitada (joint venture) – Dormant entity

Horse mackerel, hake, lobster and squid CGU:

- MFV Romano Paulo Vessel Company Proprietary Limited (joint venture) – Catching and processing of fish

17. INTEREST IN JOINT VENTURES continued

Summarised financial information in respect of the Group's joint ventures is set out below. The summarised financial information represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS (adjusted by the Group for equity-accounting purposes).

At 30 September 2021	Etosha Fisheries Holding Company Proprietary Limited	Oceana Peche International Limited	Oceana Boa Pesca Limitada	MFV Romano Paulo Vessel Company Proprietary Limited	Total
	R'000	R'000	R'000	R'000	R'000
Statement of comprehensive Income					
Group's ownership interest in the joint ventures	**44.9%**	**50.0%**	**50.0%**	**35.0%**	
Operating results (100%)					
Revenue	**196 281**	**–**	**–**	**46 348**	**242 629**
Operating (loss) / profit	**(9 645)**	**2 608**	**–**	**39**	**(6 998)**
Investment income	**659**	**–**	**–**	**–**	**659**
Interest expense	**(87)**	**–**	**–**	**(39)**	**(126)**
(Loss) / profit before taxation	**(9 073)**	**2 608**	**–**	**–**	**(6 465)**
Taxation expense	**5 428**	**–**	**–**	**–**	**5 428**
(Loss) / profit after taxation	**(3 645)**	**2 608**	**–**	**–**	**(1 037)**
Total comprehensive (loss) / income	**(3 645)**	**2 608**	**–**	**–**	**(1 037)**
Share of joint ventures (loss) / profit	**(1 636)**	**1 304**	**–**	**–**	**(332)**
Total share of joint ventures (loss) / profit	**(1 636)**	**1 304**	**–**	**–**	**(332)**
The above (loss) / profit for the year include the following:					
Depreciation (100%)	**3 269**	**–**	**–**	**–**	**3 269**
Statement of financial position (100%)					
Non-current assets	**72 475**	**–**	**22 807**	**323**	**95 605**
Current assets	**105 986**	**260**	**745**	**20 795**	**127 786**
Non-current liabilities	**(2 646)**	**–**	**(65 052)**	**(5 500)**	**(73 198)**
Current liabilities	**(17 869)**	**(157)**	**(20 794)**	**(15 615)**	**(54 435)**
Net assets / (liabilities)	**157 946**	**103**	**(62 294)**	**3**	**95 758**
Effect of hyperinflationary adjustments in prior years	**–**	**–**	**18 043**	**–**	**18 043**
Applied to other long-term interests joint ventures[1]	**–**	**–**	**13 104**	**–**	**13 104**
Change in ownership	**–**	**(103)**	**–**	**–**	**(103)**
Carrying amount of Group's interest in joint ventures	**70 918**	**–**	**–**	**1**	**70 919**
The above amounts includes the following:					
Cash and cash equivalents	**34 197**	**260**	**454**	**3 269**	**38 180**
Non-current liabilities	**(2 646)**	**–**	**(65 052)**	**–**	**(67 698)**
Current financial liabilities (excluding trade and other payables and provisions)	**(540)**	**–**	**(16 103)**	**–**	**(16 643)**

17. INTEREST IN JOINT VENTURES continued

At 30 September 2020	Etosha Fisheries Holding Company Proprietary Limited	Oceana Peche International Limited	Oceana Boa Pesca Limitada	MFV Romano Paulo Vessel Company Proprietary Limited	Total
	R'000	R'000	R'000	R'000	R'000
Restated Statement of comprehensive Income					
Group's ownership interest joint ventures	44.9%	50.0%	50.0%	35.0%	
Operating results (100%)					
Revenue	216 029	–	121	39 285	255 435
Operating profit / (loss)	2 215	(439)	(20 929)	20	(19 133)
Investment income	2 522	–	186	–	2 708
Interest expense	(5 558)	–	–	(20)	(5 578)
Loss before taxation	(821)	(439)	(20 743)	–	(22 003)
Taxation expense	(164)	–	–	–	(164)
Loss after taxation	(985)	(439)	(20 743)	–	(22 167)
Total comprehensive loss	(985)	(713)	(9 639)	–	(11 337)
Share of joint ventures loss	(442)	(220)	(10 372)	–	(11 034)
Reclassification to other operating items	–	–	10 160	–	10 160
Total share of joint venture loss	(442)	(220)	(212)	–	(874)
The above loss for the year include the following:					
Depreciation (100%)	27 816	–	1 009	–	28 825
Restated Statement of financial position (100%)					
Non-current assets	78 503	–	22 807	614	101 924
Current assets	220 621	747	745	18 352	240 465
Non-current liabilities	(5 131)	–	(65 052)	(5 500)	(75 683)
Current liabilities	(133 129)	(3 581)	(20 794)	(13 463)	(170 967)
Net assets / (liabilities)	160 864	(2 834)	(62 294)	3	95 739
Effect of hyperinflationary adjustments in prior years	–	–	18 043	–	18 043
Applied to other long-term interests due from joint ventures[1]	–	1 417	13 104	–	14 521
Carrying amount of Group's interest in joint ventures	72 228	–	–	1	72 229
The above amounts includes the following:					
Cash and cash equivalents	16 447	525	454	826	18 252
Bank overdraft	(112 033)	–	–	–	(112 033)
Non-current borrowings	(5)	–	(65 052)	–	(65 057)
Current financial liabilities (excluding trade and other payables and provisions)	(544)	(3 070)	(16 103)	–	(19 717)

The results of joint ventures listed above for the 12 months ended 30 September 2021 have been used in the preparation of these financial statements. These results represent the latest available financial information. With the exception of Oceana Boa Pesca Limitada with a 31 December financial year-end, all other joint ventures have financial year-ends of 30 September. The Oceana Boa Pesca Limitada year-end was determined based on statutory requirements in Angola which require financial year-ends to align with the tax year-end.

17. INTEREST IN JOINT VENTURES continued

The results of Oceana Peche International have been included for 5 months until February 2021 as an equity accounted joint venture. The Group increased their interest to 100% in February and subsequently accounted for it as a subsidiary. Refer to note 18 for further details.

During the prior year, continued losses sustained by Oceana Peche International and Oceana Boa Pesca Limitada resulted in the Group's share of losses exceeding the carrying amount of the investment in both joint venture entities. Accordingly, these equity accounted losses in excess of the investments carrying amount have been applied to long-term interests with these joint venture entities in accordance with IAS 28 - Investments in associates and joint ventures. The investment in Oceana Boa Pesca Limitada was designated as held for sale in the prior year, refer to note 15 for details and the Group no longer shares in the results of the operations.

Details of subsidiary, joint venture and joint operation companies are set out in separate schedules on page 118 of these consolidated annual financial statements. Details of material subsidiaries with non-controlling interests are set out in note 35.

[1] *Accumulated losses applied to long term interests for which settlement is neither planned nor likely.*

18. ACQUISITION OF SUBSIDIARIES

OCEANA PECHE INTERNATIONAL LIMITED

On 28 February 2021, Oceana Group Limited increased its shareholding to 100% in Oceana Peche International Limited by acquiring the remaining 50% issued share capital for no consideration. Oceana Peche International Limited was established for the marketing of Angolan fishmeal within the Group's existing fishmeal and fish oil (Africa) segment; and qualifies as a business combination as defined in IFRS 3. Oceana Peche International Limited, is dormant and in the process of being deregistered.

As per the Group's policy of business combinations achieved in stages, the previously held interests in the acquired company is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss.

The fair value of Oceana Peche International Limited as at the acquisition date of the additional 50% was the same as the investment value of Oceana Peche International Limited.

	2021 R'000
Assets	
Current assets	
Cash and cash equivalents	**260**
Total assets	**260**
Equity and liabilities	
Equity	
Share capital	**–**
Retained earnings and foreign currency translation reserve	**103**
Total equity	**103**
Current liabilities	
Accruals	**157**
Total liabilities	**157**
Total equity and liabilities	**260**

The acquired business contributed revenues of Rnil and net gain of R0.01 million to the Group for the period from 1 March 2021 to 30 September 2021.

19. DEFERRED TAXATION

	2021 R'000	Restated 2020 R'000
Deferred tax assets	**6 661**	20 793
Deferred tax liabilities	**(500 222)**	(534 029)
Net deferred tax liabilities	**(493 561)**	(513 236)
Net liabilities at the beginning of the year	**(513 236)**	(518 100)
IFRS 16 transition adjustment	**–**	21 840
Restated net liabilities at the beginning of the year	**(513 236)**	(496 260)
Income tax related to (profit) / loss recognised in equity	**(7 542)**	11 208
Foreign exchange movement on translation	**43 662**	(20 142)
(Credited) / debited to the statement of comprehensive income	**(16 445)**	(8 042)
Net liabilities at the end of the year	**(493 561)**	(513 236)
Comprising:		
Hurricane relief funds and insurance[1]	**(37 492)**	(46 339)
Deferred compensation	**7 553**	4 873
Property, plant and equipment	**(257 081)**	(253 249)
Right-of-use asset	**(51 812)**	(38 932)
Intangible assets	**(245 014)**	(276 327)
Estimated taxation loss	**13 533**	11 111
Provisions and other credit balances	**47 131**	68 942
Lease Liabilities	**70 787**	59 885
Fair value adjustments arising from business combination	**(23 248)**	(25 794)
Unutilised capital losses[2]	**18 290**	20 659
Allowances, prepayments and other	**(36 208)**	(38 065)
	(493 561)	(513 236)
The portion of the net deferred tax liability that will be realised within the next 12 months is as follows:		
Current portion	**(20 306)**	(55 456)

1. *Under the tax laws in the United States, a business casualty loss is treated as an "involuntary conversion". The proceeds are normally taxable, but under section 1033 of the Internal Revenue Code the company can elect to defer the tax on the proceeds if the insurance/relief proceeds are invested in similar property by the end of the second year following the year during which the recovery is paid. Deferred tax has therefore been raised on this temporary difference. Under this law Daybrook can reinvest the gain (proceeds less book value at time of property loss) made on the replaced property into a similar item of property or equipment. If the business is in a presidentially-declared disaster area then the proceeds can be reinvested in any tangible property to be used in the business.*
2. *USA federal capital losses from settlement of put option in USA, available for set-off against future taxable gains.*

Deferred tax has been calculated at the standard corporate tax rate as at the reporting date, as management expects to recover the carrying value of assets and settle the carrying value of liabilities through use.

Deferred tax assets are raised after due consideration of future taxable income based on approved budgets and forecasts. Realisation of the deferred taxation assets are expected out of future taxable income, which is based on the assessment by management of future plans and forecasts, and is assessed and deemed to be reasonable.

The South African deferred tax asset relates predominantly to the canned fish and fishmeal (Africa) CGU in terms of temporary timing differences that management has assessed will be recovered through future taxable profits.

20. INVESTMENTS AND LOANS

	2021 R'000	Restated 2020 R'000
Loans to supply partners	**93 667**	84 200
Other investments	**710**	710
Total investments and other receivables	**94 377**	84 910

Loans to supply partners includes amounts owing by related parties. Loans consist of secured and unsecured loans, and bear interest at rates ranging from interest-free to prime plus a margin (2020: interest-free to prime plus a margin). A loss allowance of R1.4 million was raised (2020: R1.4 million) in line with the expected credit loss (ECL).

EXPECTED CREDIT LOSS ALLOWANCE

The Group applies the general approach in calculating ECLs for loans. Loans receivable inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if counterparties fail to make payments as they fall due. Loans receivable were valued based on the risk of the counterparty on the comprehensive method.

If a loan is in stage 1, a 12-month ECL is applied. Where there has been a significant increase in credit risk, a loan is regarded as being in stage 2 and a lifetime ECL is applied. If there is insufficient basis to determine whether there has been a significant increase in credit risk management's assessment of the staging of the loan and would have been applied. If a loan is credit impaired, it is regarded as being stage 3 and a lifetime ECL is applied.

The ECL for loans held by the Group as at 30 September is as follows:

	2021 R'000	Restated 2020 R'000
ECL allowance as at 1 October	**1 358**	1 085
ECL recognised during the year	**64**	273
Closing ECL allowance as at 30 September	**1 422**	1 358
Movement in investments and other receivables		
Balance at the beginning of the year	**84 910**	107 682
Advances to supply partners	**2 850**	1 040
Interest capitalised	**8 205**	13 477
Loans repaid	**(6 632)**	(25 284)
Transferred from / (to) other receivables	**5 108**	(12 324)
Movement on provisions this year	**(64)**	68
Foreign exchange movement on translation	**–**	(34)
Increase in other investments	**–**	285
Balance at the end of the year	**94 377**	84 910
Maturity analysis of loans to supply partners		
Receivable within one year	**3 198**	12 324
Receivable within two years	**5 852**	13 098
Receivable within three years	**6 042**	12 373
Receivable within four years	**5 999**	11 793
Receivable within and later than five years	**77 195**	46 868
	98 286	96 456

The change in maturity profile is due to a revision in the projected repayment terms.

21. INVENTORIES

	2021 R'000	Restated 2020 R'000
Raw materials	**181 011**	115 917
Finished goods	**705 467**	1 375 663
Consumable stores and work-in-progress	**172 934**	247 702
Inventory obsolescence provision	**(9 426)**	(25 797)
Total	**1 049 986**	1 713 485

During the year, inventory valued at R113.0 million (2020: R16.1 million) was written-off and reflected in cost of sales excluding R9.7 million of inventory loss relating to hijackings, short deliveries and which were recovered from third party transporters. The amount includes R86.1 million written-off as a result of theft during the civil unrest in KwaZulu-Natal and Gauteng and R17.3 million relating to damaged and obsolete stock which had largely been provided for in prior years. A provision of R17.1 million was released at the time the inventory was written off.

Finished goods include inventory held at net realisable value of Rnil (2020: Rnil).

22. TRADE AND OTHER RECEIVABLES

	2021 R'000	Restated 2020 R'000
Net trade receivables	**968 388**	748 545
Gross trade receivables net of rebates and trade allowances	**974 255**	758 185
Less: allowance for credit notes	**(2 452)**	(2 298)
Less: expected credit losses on trade receivables	**(3 415)**	(7 342)
Net short-term loans and advances	**14 289**	17 321
Gross short-term loans and advances	**14 318**	19 681
Less: expected credit losses on loans and advances	**(29)**	(2 360)
Amount owing by foreign suppliers	**7 494**	53 785
Accrued income and other receivables	**50 741**	41 674
Insurance claims receivable	**146 291**	–
Forward exchange revaluation asset	**10 645**	8 169
Financial assets	**1 197 848**	869 494
Prepayments	**151 462**	119 030
Value added taxation	**74 958**	57 106
Non-financial assets	**226 420**	176 136
Total	**1 424 268**	1 045 630

EXPECTED CREDIT LOSS AND CONCENTRATION OF CREDIT

	2021 R'000	Restated 2020 R'000
Movement in expected credit loss allowance for irrecoverable trade receivables		
Balance at the beginning of the year	**7 342**	1 455
Expected credit loss allowance	**(479)**	(518)
Impairment losses (reversed) / recognised	**(3 448)**	6 405
Balance at the end of the year	**3 415**	7 342
Concentration of credit risk in trade receivables		
By geographical region		
South Africa and Namibia	**410 224**	307 717
Other Africa	**46 463**	29 275
Europe	**270 852**	202 515
America	**227 428**	173 558
Far East and other	**13 421**	35 480
Net trade receivables	**968 388**	748 545

22. TRADE AND OTHER RECEIVABLES continued

	2021 R'000	Restated 2020 R'000
By customer sector		
SA domestic FMCG, wholesale, retail (JSE-listed or insured)	**475 324**	426 608
USA Domestic FMCG, wholesale, retail	**374 779**	192 496
Cold storage (secured by lien)	**36 668**	41 438
Exports/ cash with documents	**74 709**	79 722
Open account	**6 908**	8 281
Net trade receivables	**968 388**	748 545
By segment		
Canned fish and fishmeal (Africa)	**411 666**	385 180
Fishmeal and fish oil (USA)	**379 303**	214 444
Horse mackerel, hake, lobster and squid	**140 751**	107 483
Commercial cold storage and logistics	**36 668**	41 438
Net trade receivables	**968 388**	748 545
Movement in provisions for irrecoverable loans and advances		
Balance at the beginning of the year	**2 360**	20
Impairment losses (reversed) / recognised	**(2 331)**	2 340
Balance at the end of the year	**29**	2 360

Short-term loans and advances are provided to joint venture partners and quota holders to assist in acquiring fishing vessels or to provide working capital. Interest is charged at rates which vary between the prime interest rate charged by banks and prime plus 2%.

Provisions are raised for all trade receivables and short-term loans and advances which are considered irrecoverable. The carrying value of accounts receivable approximates their fair value.

Trade accounts receivable consist of a large, widespread customer base with no concentration of credit risk. The Group monitors the financial position of customers on an ongoing basis. Creditworthiness of trade receivables is assessed when credit is first extended and is reviewed regularly thereafter. The granting of credit is controlled by the application of account limits. Where considered appropriate, use is made of credit guarantee insurance.

Management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which its customers operate.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management.

Outstanding receivables are regularly monitored and any shipments to export customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions or sold on a cash against documents basis (cash against documents is a type of transaction in which the title for purchased goods is released to the buyer after the total sale price is paid using cash).

There is no significant concentration of risk in respect of any particular customer or industry segment. There is no single customer whose balance exceeds 10% of the Group's total trade receivables in the current and prior year.

At 30 September 2021, the Group has assessed the expected credit losses for trade receivables, loans and advances, amounts owing by foreign suppliers and other receivables, factoring in the financial uncertainty arising from Covid-19 pandemic management have decreased the expected loss rates for trade receivables and loans and advances based on their assessment of the level of exposure. The Group has also determined that no credit impairment is required for amounts owing by foreign suppliers.

In addition, certain individual customers were identified as credit impaired which resulted in a specific expected credit allowance being recognised.

22. TRADE AND OTHER RECEIVABLES continued

22.1 CREDIT RISK ASSESSMENT

	2021			Restated 2020		
	Trade receivables[1]	**Expected credit loss**	**Expected credit loss rate**	Trade receivables[1]	Expected credit loss	Expected credit loss rate
	R'000	**R'000**	**%**	**R'000**	**R'000**	**%**
Ageing of trade receivables provided for:						
Within due date	**882 837**	**534**	**0.06%**	662 590	816	0.12%
30 days	**48 927**	**86**	**0.18%**	53 494	3 209	6.00%
60 days	**36 859**	**618**	**1.68%**	31 865	198	0.62%
90 days	**737**	**96**	**13.03%**	1 260	107	8.49%
120 days and over	**2 443**	**2 081**	**85.18%**	6 678	3 012	45.10%
	971 803	**3 415**	**0.35%**	755 887	7 342	0.97%

[1.] *Trade receivables comprise gross trade receivables net of rebates and trade allowances less credit note allowance.*

The Group applied the simplified approach in calculating ECLs on trade receivables. Trade receivables are assessed collectively in Groups that share similar credit risk characteristics. The Group has established a provision matrix based on its historical credit loss experienced, adjusted for forward-looking factors specific to the debtors and economic environment.

The granting of credit is controlled by application and credit-vetting procedures which are reviewed and updated on an ongoing basis. Credit risk is reduced by other measures depending on the nature of the customer and market. Credit exposure relating to the domestic fast-moving consumer goods (FMCG) and retail market, other than JSE-listed and USA domestic customers, is largely covered by credit guarantee insurance. Credit guarantee insurance cover (CGIC) will settle a percentage of the lower of the credit limit approved by CGIC or the amount outstanding at the bad debt date subject to certain criteria, including strict adherence to CGIC procedures in the event of a customer paying after payment due date. Cold storage trade receivables are covered by a lien over customers' product held in storage. Individual customer default risks as well as country risks are closely monitored and provisions adjusted accordingly.

Amounts owing by foreign suppliers arise from the sale of raw materials, sourced by the Group, to foreign suppliers for processing into finished goods. Individual customer/supplier default risks as well as country risks are closely monitored.

In determining the recoverability of trade receivables and amounts owing by foreign suppliers, management considers any change in the credit quality of the account from the date credit was initially granted up to the reporting date, taking into account credit guarantee cover, lien over customers' product or other collateral held. Based on management's assessment, amounts owing by foreign suppliers were considered recoverable.

22.2 ALLOWANCE FOR CREDIT NOTES

Allowance for credit notes refers to an estimate made by the Group, taking into account all known factors at year end, to determine the calculated estimated reduction in accounts receivable balances that will not be recoverable, due to an expected reduction in amounts invoiced because of facts and circumstances that had existed at year end. These include but are not limited to, customer returns due to unsatisfactory or damaged goods and services provided to customers and/or incorrect items/services being invoiced at incorrect price and quantities, or a cancellation in the sale or purchase agreement by either parties as permitted by contracts. This amount is recognised directly against the accounts receivable balance. Based on historical practice the amount to be refunded to customers, is offset against the amounts owing by the customers on other goods and services provided to them, by the Group.

The majority of the Group's customers are repeat customers and credit notes are insignificant in relation to the balance owing by suppliers. Customers settle their statements net of amounts refundable. The Group assesses amounts owing to and by customers periodically and will reclassify the credit note allowance to accounts payable on a customer basis.

22. TRADE AND OTHER RECEIVABLES continued

22.3 CLAIMS RECEIVABLE

Claims receivable pertain primarily to insurance claims outstanding at 30 September 2021 to the extent that the Group deems them to be receivable as settlement is considered to be virtually certain. The major claims receivable include settlements relating to the civil unrest and riots, Covid-19 cost recovery, and business interruption claims relating to a vessel breakdown. The impact of these events are detailed below. The amounts that were determined did not meet the threshold for recognition in terms of IAS 37 in total amounting to R82.9 million have not been accrued but have been recorded as contingent assets (refer to note 37).

Impact of civil unrest

The impact of civil unrest in KwaZulu-Natal, which resulted in the write-off of R86.1 million in canned fish inventory and R21.7 million in increased costs required to secure operations and replace lost and damaged product. A total of R88.0 million of the amount claimed has been recognised.

Business interruption due to vessel breakdown

The impact on the horse mackerel division as a result of engine damage to the MFV Desert Diamond which resulted in the vessel being non-operational for 49 days during the peak fishing period. A business interruption claim amounting to R28.1 million was lodged with insurers and been recognised.

Incremental costs incurred as a result of Infectious and Contagious Disease (Covid-19)

The increased cost of operating as a result of the enhanced safety protocols required to protect employees and ensure a safe working environment under the Covid-19 conditions. Claims to the value of R30.2 million have been submitted to insurers towards the costs incurred and have been recognised.

The major insurance claims have been accounted for in the financial statements as follows:

	2021 R'000
Insurance recovery within Statement of Comprehensive Income	
Cost of sales – recovery of inventory write-off as a result of civil unrest	**(86 104)**
Other income – business interruption and incremental costs as a result of civil unrest	**(1 896)**
Other income – business interruption following vessel breakdown	**(28 062)**
Other income – Covid-19 incremental cost of working	**(30 229)**
Statement of financial position – Insurance claims receivable	**(146 291)**

At the time of reporting all of the claims lodged have been settled.

23. SHARE CAPITAL

23.1 SHARE CAPITAL

	2021 Shares	2020 Shares
Authorised ordinary shares of no par value	**300 000 000**	300 000 000
Issued ordinary shares of no par value	**(130 431 804)**	(130 431 804)
Unissued shares	**169 568 196**	169 568 196

The unissued ordinary shares are under the control of the directors who may issue them on such terms and conditions as they deem fit until the company's next annual general meeting.

23.2 ISSUED SHARE CAPITAL

	2021 R'000	2020 R'000
Opening balance	**1 200 493**	1 193 473
Add: decrease in OET treasury shares held by share trust	**30 672**	1 105
Less: treasury shares purchased by Lucky Star Limited from the open market	**–**	(710)
Add: shortfall on vesting of equity settled share-based payments	**(8 777)**	–
Transfer from share-based payment reserve	**–**	6 625
Closing balance	**1 222 388**	1 200 493

23.3 TREASURY SHARES COMPRISE SHARES HELD BY:

	2021 Shares	2020 Shares
Oceana Empowerment Trust	**262 521**	13 380 306
Lucky Star Limited	**288 400**	288 400
Oceana Group Share Trust	**16 500**	16 500
Saam-Sonke Trust	**7 825 908**	–
Oceana Stakeholders Empowerment Trust	**652 159**	–
Closing balance	**9 045 488**	13 685 206
Opening balance	**13 685 206**	18 563 689
Treasury shares held by OET sold on behalf of death beneficiaries (note 33.1)	**(143 799)**	(72 533)
Treasury shares cancelled	**(8 478 067)**	(5 094 350)
Treasury shares repurchased by Lucky Star Limited in the open market	**–**	288 400
Treasury shares issued to Saam-Sonke Trust (note 33.7)	**7 825 908**	–
Treasury shares issued to OSET (note 33.7)	**652 159**	–
Treasury shares sold to the open market on behalf of OET beneficiaries (note 33.1)	**(4 292 214)**	–
Treasury shares transferred to employee beneficiaries (note 33.1)	**(203 705)**	–
Closing balance	**9 045 488**	13 685 206

The value of the treasury shares included in share capital is R2.6 million (2020: R89.1 million).

24. CASH FLOW HEDGING RESERVE

	2021 R'000	Restated 2020 R'000
Opening balance	**(76 223)**	(15 671)
Movement on the cash flow hedge reserve	**44 445**	(60 552)
Profit / (loss) recognised on cash flow hedges	**40 297**	(83 713)
Transferred from profit or loss	**14 248**	7 300
Transferred to initial carrying amount of hedged item	**(2 558)**	4 048
Income tax related to (gain) / loss recognised in equity	**(4 379)**	12 935
Income tax related to amounts transferred to profit or loss	**(3 163)**	(1 122)
Closing balance	**(31 778)**	(76 223)

Gains or losses arising on changes in fair value of forward exchange contracts and interest rate swaps which have been designated as cash flow hedges, are transferred from equity into profit or loss in the same period that the hedge cash flows affect profit or loss. The gains or losses on forward exchange contracts are included in cost of sales in the statement of comprehensive income and cash flows associated with these hedges are expected to occur and affect profit or loss within one year. Gains and losses on interest rate swaps are included in interest expense.

25. BORROWINGS

	2021 R'000	Restated 2020 R'000
South African Rand-denominated loans	**1 248 682**	1 533 113
USA dollar-denominated term loan	**2 112 704**	2 379 419
Total borrowings	**3 361 386**	3 912 532
Reconciliation of total borrowings:		
Opening balance	**3 912 532**	4 075 546
Gross loans repaid – non-current portion[1]	**(4 518)**	(44 610)
Gross loans repaid – current portion	**(397 327)**	(386 600)
Loans raised	**88 371**	37 759
Interest paid	**(138 692)**	(222 267)
Interest capitalised	**142 636**	223 713
Transaction costs capitalised	**(1 006)**	(4 704)
Foreign exchange movement on translation	**(240 610)**	233 695
Closing balance	**3 361 386**	3 912 532
Categorised between non-current and current portions		
Non-current portion of liabilities	**2 663 792**	3 502 425
Current portion of liabilities	**697 594**	410 107
Total borrowings	**3 361 386**	3 912 532
Maturity analysis long-term and current portion		
Due within one year	**697 594**	410 107
Due within two years	**1 640 097**	1 166 827
Due within three years	**148 210**	273 130
Due within four years	**75 484**	2 062 468
Due within and later than five years	**800 000**	–
Total borrowings	**3 361 386**	3 912 532

[1] *Net loan settled during the prior year, was settled through a right of set-off.*

25. BORROWINGS continued

The South African rand-denominated loans includes term loans of R1 237.7 million (2020: R1 518.3 million) which bear interest at a rate of JIBAR plus average margin of 1.68% (2020: 1.77%) and are repayable through a combination of semi-annual instalments and bullet instalments. The loans were refinanced in the 2021 financial year with the final principal payment due on 15 October 2026. R437.8 million was structured as an amortisation payment facility maturing on 31 December 2024, R250.0 million was structured as a bullet payment facility maturing on 15 October 2025 and R550.0 million as a bullet payment facility maturing on 15 October 2026. The loans are secured by intercompany, cross guarantees and indemnities provided by Oceana Group Limited, Lucky Star Limited, Blue Continent Products Proprietary Limited, Commercial Cold Storage Proprietary Limited, Erongo Marine Enterprises Proprietary Limited, Amawandle Pelagic Proprietary Limited and Amawandle Hake Proprietary Limited.

The USA dollar-denominated borrowings include R1 614.9 million / USD 107.0 million (2020: R1 889.7 million / USD 112.8 million) owing by Daybrook and R497.7 million / USD 33.0 million (2020: R490.7 million / USD 29.3 million) being the 100% proportionately consolidated amount owing by Westbank. The Daybrook borrowings bears interest at a rate of LIBOR plus applicable margin of 3.0% (2020: 3.0%) which varies with the total leverage ratio at the pricing date. The facility is structured as an amortisation payment facility repayable in quarterly instalments with the final payment due on 30 September 2024. The loan is secured by a first-priority perfected security interest in substantially all of the tangible and intangible assets of the Oceana US Holdings Inc., Daybrook Investors Inc., Daybrook Holdings Inc. and Daybrook Fisheries Inc..

The Westbank borrowing includes a term loan facility and a delayed draw-down facility owing by Westbank. Both facilities bear interest at the 30-day LIBOR rate plus an applicable margin of 1.50% to 2.10% depending on Westbank's total funded debt ratio. The Westbank US dollar-denominated loans are secured by a first-priority perfected security interest in substantially all of the tangible and intangible assets of Westbank, a pledge by Makimry of 75% interest in Westbank and 100% membership in Makimry and a guarantee by Makimry, limited to the initial term loan.

The balance outstanding on the delayed drawdown term facility on 30 September 2021 was R111.4 million / USD 7.4 million (2020 R33.9 million / USD 2.0 million) payable in minimum quarterly instalments, with no payments due through December 2020, and R1.7 million / USD 0.1 million to December 2021 with increasing minimum quarterly payments thereafter through December 2024, with all outstanding principle and interest being due by March 2025.

The balance outstanding on the term loan at 30 September 2021 amounts to R386.3 million / USD 25.6 million (2020: R456.7 million / USD 27.3 million) payable in minimum quarterly instalments R5.0 million / USD 0.3 million to December 2020 and R6.0 million / USD 0.4 million to December 2021 with increasing minimum quarterly payments thereafter through December 2024, with all outstanding principal and interest being due by March 2025.

In addition, Westbank has a revolving credit facility of R19.6 million / USD 1.3 million which bears interest at the same rate as the term loan. The revolving credit loans may be repaid and the principal amount re-borrowed until March 2025.

OCEANA US HOLDING CORPORATION CALL OPTION

Oceana US Holdings Corporation ("OUSHC") has entered into a "call" agreement with the lenders, which includes call rights in favour of OUSHC, in the event of an uncured payment default by Westbank, requiring or allowing the loan made to Westbank by the lender and the related security to be assigned to and assumed by OUSHC or its designee.

25. BORROWINGS continued

COVENANTS

The SA and USA loans provided by the lenders, are subject to covenant conditions using specific bank defined formulae as set out in the loan agreements and are regularly monitored by management to ensure these are complied with. In the event that an entity is at risk of breaching their covenants, negotiations are entered into with lenders to remediate.

	2021		2020	
	Required covenant	**Achieved**	**Required covenant**	**Achieved**
Covenants regarding term loans and revolving credit facilities				
South African Rand-denominated term loans				
Net debt: EBITDA cover	**2.50**	**Yes**	2.50	Yes
Interest cover	**3.75**	**Yes**	3.75	Yes
Debt service cover	**1.30**	**Yes**	1.20	Yes
Daybrook USA dollar-denominated term loan				
Net debt: EBITDA cover	**4.00**	**Yes**	3.75	Yes
Fixed cover	**1.25**	**Yes**	1.25	Yes
Westbank USA dollar-denominated term loan				
Funded debt to cap ratio max[1]	**0.5**	**Yes**	N/A	N/A
Net debt: EBITDA cover	**N/A**	**N/A**	4.25	Yes
Fixed cover	**1:1**	**No**	1.1	Yes
Maximum operating lease rentals[2]	**R7.5 million/ USD0.5 million**	**N/A[2]**	R7.5 million/ USD0.5 million	N/A[2]
Maximum capital expenditure	**R57.3 million/ USD3.8 million**	**Yes**	R68.7 million/ USD4.1 million	Yes

1. *Leverage ratio was replaced with funded debt to capital ratio*
2. *Westbank has no significant operating leases currently*

The SA loan covenants have been achieved and management is comfortable with the level of available headroom.

Westbank fishing operations were negatively impacted post Hurricane Ida due to poor fishing conditions contributing to an overall reduction in landings. As a result, Westbank fell short of its bank loan compliance on its fixed cover ratio for the quarter ended 30 September 2021 and accordingly, Westbank entered into negotiations with the lender to waive this covenant requirement. In terms of the loan agreement the lender has the right to provide written notice to call on the loan but did not execute this right. In December 2021, Westbank successfully concluded negotiations with the lender to grant the waiver.

In addition as a result of reduced input volumes, Daybrook was at risk of breaching its leverage ratio covenant, at 30 September 2021, and had entered negotiations with lenders to revise the terms of its loan agreement including revising its covenant levels. Daybrook successfully concluded an amendment to its credit agreement with its lenders on 1 November 2021, within the 45 days equity cure grace period as allowed in the agreement, whereby its leverage ratio was increased to 4.0 times with retrospective effect as of 30 September 2021 resulting in Daybrook no longer breaching this covenant.

In terms of IAS 1, should a debt covenant be breached, and the lender have the contractual right to demand immediate repayment of the loan within 12 months after the reporting period, then the full loan value must be classified as a current liability. In compliance with the requirements of IFRS, the Group has accordingly recognised the long-term portion of the Westbank term loan and draw-down facility amounting to R459.1 million / USD30.4 million as current borrowings. These amounts will be classified as long-term with effect from 1 October 2021 based on the waiver obtained from the lender.

26. DERIVATIVE LIABILITIES

	2021 R'000	Restated 2020 R'000
Opening balance	**113 490**	26 851
(Profit) / loss recognised in other comprehensive income	**(63 514)**	91 209
Transferred to profit and loss	**–**	(6 167)
Foreign exchange movement on translation	**(8 476)**	1 597
Total derivatives	**41 500**	113 490
Categorised between non-current and current portions		
Non-current portion of liabilities	**34 306**	113 490
Current portion of liabilities	**7 194**	–
Total derivatives	**41 500**	113 490

In May 2019, interest rate swaps on South African debt were executed with a maturity date of 20 July 2021 and 20 July 2022. This currently relates to term debt of R300 million (2020: R482 million) at a swap rate of between 7.090% and 7.094%.

Interest rate swaps were executed to hedge interest payable under USA debt facilities on the 4 October 2019 and 29 April 2020 respectively with a maturity date of 27 September 2024. This comprises term debt of R1 919 million at a swap rate of between 0.349% and 1.437%.

The interest rate swaps were designated cash flow hedges and executed to hedge interest payable under SA and USA debt facilities.

Gains and losses on the interest rate swaps held as a hedging instrument in a designated and effective hedging relationship are recognised in other comprehensive income and are reclassified in the same period that the hedged cash flows affect profit or loss.

27. LEASE LIABILITIES

	2021 R'000	Restated 2020 R'000
Opening balance	**251 944**	–
IFRS 16 transition adjustment	**–**	268 904
Current year movement		
New leases contracted into during the year	**68 211**	24 082
Interest	**24 030**	23 804
Lease payments	**(73 290)**	(63 465)
Lease liability amendments/modifications	**4 326**	(1 457)
Foreign exchange movement on translation	**(3 154)**	76
Closing balance	**272 067**	251 944
Lease liabilities maturity analysis		
Due within one year	**68 697**	70 257
Due within two years	**69 010**	59 224
Due within three years	**55 970**	58 373
Due within four years	**35 490**	45 860
Due within and later than five years	**246 790**	208 945
Total minimum lease payments	**475 957**	442 659
Less: unearned interest	**(203 890)**	(190 715)
Present value of lease liability	**272 067**	251 944
Categorised between non-current and current portions		
Non-current liabilities	**225 539**	206 232
Current liabilities	**46 528**	45 712
	272 067	251 944

Lease liabilities relate to leasehold land and buildings. Refer to note 13.

27. LEASE LIABILITIES continued

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. Factors considered include how far in the future an option occurs, value of lease payment in renewal period, future plans of the use of leased assets as well as historic past practice of renewing leases. The lease of land and buildings which house significant Group operations in the canned fish and fishmeal (Africa) segment was extended in the prior financial year for a further 20 years, based on management judgement of renewal of the lease.

	2021 Terms	Restated 2020 Terms
Lease terms		
The term varies for each lease entered into the Group with lease periods falling into the following range:		
Weighted average lease term at inception of lease contracts in years	**17**	19
Weighted average lease term remaining at 30 September in years	**12**	11
Incremental borrowing rate based on where funding is sourced[1]:		
South Africa and Namibia	**8.9%**	9.0%
USA	**4.3%**	4.7%

Balances denominated in currencies other than South African Rand were converted at the closing rates of exchange ruling at 30 September 2021. The leases are generally subject to escalation clauses and also have renewal options. Lease agreements have been negotiated at market-related terms and rates with numerous suppliers.

1. *In the prior year the incremental borrowing rate based on where funding is sourced at transition date for South Africa was 9.0% and USA was 5.5% and new leases post transition date for South Africa was 9.0% and USA was 4.7%.*

28. PROVISIONS

	2021 R'000	Restated 2020 R'000
Customer claims		
Opening balance	**4 202**	2 889
(Reversal) / charge to operating profit before other operating items	**(684)**	2 435
Utilised during the year	**(1 861)**	(1 122)
Closing balance	**1 657**	4 202
Ex gratia and post medical aid retirement provision		
Opening balance	**2 818**	2 272
Charge to operating profit before other operating items	**172**	819
Transferred to accruals	**–**	(242)
Utilised during the year	**(262)**	(31)
Closing balance	**2 728**	2 818
Non-qualified deferred compensation benefits		
Opening balance	**24 808**	27 106
Charge to operating profit before other operating items	**10 451**	2 544
Utilised during the year	**(2 535)**	(7 845)
Transferred from accruals	**6 487**	–
Foreign exchange movement on translation	**(2 014)**	3 003
Closing balance	**37 197**	24 808

28. PROVISIONS continued

	2021 R'000	Restated 2020 R'000
Crew bonuses		
Opening balance	**7 178**	6 719
Charge to operating profit before other operating items	**7 048**	9 033
Utilised during the year	**(8 107)**	(8 574)
Closing balance	**6 119**	7 178
Provision for penalties		
Opening balance	**712**	–
(Reversal) / charge to operating profit before other operating items	**(712)**	712
Closing balance	**–**	712
Total provisions		
Opening balance	**39 718**	38 986
Charged to operating profit before other operating items	**16 275**	15 543
Transferred from / (to) accruals	**6 487**	(242)
Utilised during the year	**(12 765)**	(17 572)
Foreign exchange movement on translation	**(2 014)**	3 003
Closing balance	**47 701**	39 718
Categorised between non-current and current portions		
Non-current provisions	**39 925**	27 626
Current provisions	**7 776**	12 092
	47 701	39 718

29. TRADE AND OTHER PAYABLES

	2021 R'000	Restated 2020 R'000
Trade payables	**904 478**	927 061
Accrued expenses	**102 911**	156 596
Audit fee accrued	**6 218**	8 888
Credit balances in debtors	**7 398**	16 578
Agency disbursements	**3 724**	8 180
Agterskot and quota fee accrual	**42 892**	65 298
Short-term loans and advances	**8 081**	13 418
Other payables	**7 804**	9 334
Financial liabilities	**1 083 506**	1 205 353
Payroll-related accruals	**106 658**	100 072
Leave pay accrual	**34 981**	35 911
Bonus accrual	**115 482**	227 649
Value added taxation	**2 993**	4 161
Non-financial liabilities	**260 114**	367 793
Total trade & other payables	**1 343 620**	1 573 146

29. TRADE AND OTHER PAYABLES continued

No interest is charged on trade payables. The Group has financial risk management processes to ensure that all payables are paid within the credit time-frame. The carrying value of current accounts payable approximates their fair value.

Short-term loans and advances consist of secured and unsecured loans, and bear interest ranging from 5.2% to 5.5% (2020: 7.0% to 10.0%), which are repayable within one year.

Daybrook received USD1.2 million (net of legal costs) in the prior year, following a Federal Court settlement in relation to Daybrook's 2006 Deepwater Horizon oil spill law suit. In terms of the 2015 stock purchase agreement entered into with the selling Daybrook stockholders, all risks and rewards relating to the Deepwater Horizon oil spill law suit were excluded from the transaction and the purchase consideration. The settlement proceeds received from Transocean, net of any taxation and legal costs, was accordingly due and payable to the Stockholder Representative on behalf of the selling shareholders. At 30 September 2020, these restricted funds (R20.4 million) were held in cash and cash equivalents with a corresponding liability in accounts payable as the funds had not yet been remitted to the Stockholder Representative. The funds were settled in full to the Stockholder Representative on 12 November 2020.

30. LIABILITY TO JOINT OPERATOR

	2021 R'000	Restated 2020 R'000
Loan owing by joint operator		
Opening balance	**(460 603)**	(434 310)
Interest settled	**17 048**	22 922
Interest capitalised	**(17 048)**	(22 922)
Gross loan repayment	**26 731**	22 075
Foreign exchange movement on translation	**44 009**	(48 368)
Closing balance	**(389 863)**	(460 603)
Net asset value at 75%		
Opening balance	**683 806**	634 515
Profit for the year	**(32 289)**	25 645
Dividend	**(48 409)**	(40 992)
Foreign exchange movement on translation	**(71 590)**	64 638
Closing balance	**531 518**	683 806
Total Liability to joint operator	**141 655**	223 203

Westbank is classified as a joint operation in terms of IFRS 11, with the investment proportionately consolidated into the Group's financial statements. Refer to notes 1.3 and 2.7.

As Daybrook is contractually required to purchase the entire Westbank catch their investment in Westbank is proportionately consolidated at 100% rather than based on Daybrook's shareholding in Westbank and the Group is required to raise a liability to reflect the 75% shareholder's ("joint operator") share of the Westbank net assets to which the Group is not entitled.

In addition, pursuant to an agreement dated 13 April 2018, Westbank provided an interest-bearing loan to the joint operator.

The total liability to joint operator is reflected on a net basis, taking into account the above, and is adjusted to account for the movement in net asset value arising from the joint operators share of profit or losses and dividends distributed as well as the movements on the loan provided to the joint operator.

The loan to the joint operator bears interest at the same interest rate applicable to the Westbank term loan facility (refer note 25) until the Westbank term loan is paid in full. Payment of the principal and interest are due in quarterly instalments, provided that if distributions from Westbank to the joint operator are not sufficient to make these payments, the payment will be limited to the distribution received, if any, and the due date for the remainder of such payment shall be postponed until the joint operator receives sufficient distributions to make such payment.

The agreement provides, among other things, the joint operator will not (a) incur a lien on any property other than liens under the agreement related the term loan, (b) make any loans to others, and (c) invest or acquire all or substantial part of the assets of another business.

31. CAPITAL COMMITMENTS

	2021 R'000	Restated 2020 R'000
Capital commitments		
Budgeted capital expenditure is as follows:		
Contracted	**68 748**	185 965
Not contracted	**351 153**	385 369
Total	**419 901**	571 334

Capital commitments relates to acquisition of property, plant and equipment and intangible assets and will be financed from the Group's cash resources and short-term banking facilities. Capital expenditure as approved by management for the 2022 financial year includes R0.2 million (2020: R105.2 million) for Group expansion projects.

32. CASH FLOW INFORMATION

32.1 CASH GENERATED FROM OPERATIONS

	2021 R'000	Restated 2020 R'000
Operating profit before joint ventures loss and other-operating items	**1 185 514**	1 383 527
Adjustment for non-cash and other items	**397 937**	389 569
Depreciation, amortisation and impairment	**309 001**	333 066
Share-based payment expense (equity settled)	**33 099**	18 609
Share based payment expense (cash settled)	**6 410**	8 507
Once-off transaction costs pertaining to new BBBEE trusts	**(11 348)**	–
Net loss on disposal of property, plant and equipment	**2 723**	2 276
Net loss on disposal of intangible assets	**–**	2 450
Cash-settled deferred compensation payments	**6 487**	(5 835)
Other comprehensive income recycled to profit or loss	**(3 698)**	1 950
Unrealised profit in stock	**–**	(8 061)
Unrealised foreign exchange (gains) and losses	**(4 814)**	2 784
(Decrease)/increase in liability to joint operator	**(43 466)**	33 823
Inventory written off net of provision	**96 000**	–
Impairment reversal on financial assets	**(6 259)**	–
Reduction of non-cash provision movements	**13 739**	–
Reduction in long-term loan receivable provision	**63**	–
Total cash operating profit	**1 583 451**	1 773 096
Working capital changes		
Decrease in inventories	**523 924**	223 207
(Increase) / decrease in trade and other receivables	**(409 984)**	77 890
(Decrease) / increase in trade and other payables	**(248 220)**	185 739
Decrease in hedging reserve	**(2 558)**	(8 085)
Total working capital changes	**(136 838)**	478 751
Total cash operating profit	**1 583 451**	1 773 096
Total working capital changes	**(136 838)**	478 751
Total cash generated from operations	**1 446 613**	2 251 847

32. CASH FLOW INFORMATION continued

	2021	Restated 2020
	R'000	**R'000**
32.2 INVESTMENT INCOME RECEIVED		
Interest accrual (note 8)	**36 320**	41 306
Interest receivable	**(6 299)**	–
Investment income received	**30 021**	41 306
32.3 INTEREST PAID		
Interest capitalised (note 9)	**(228 773)**	(295 256)
Less: release of transaction costs capitalised	**3 944**	8 323
Interest paid	**(224 829)**	(286 933)
32.4 TAXATION PAID		
Net amount (unpaid) / overpaid at the beginning of the year	**(12 933)**	66 954
Charged to profit or loss (note 10)	**(274 090)**	(321 698)
Foreign currency translation reserve	**1 495**	7 060
Net amount (overpaid) / unpaid at the end of the year	**(28 900)**	12 933
Taxation paid	**(314 428)**	(234 751)
32.5 DIVIDEND PAID		
Distribution to OET beneficiaries	**(19 608)**	(21 312)
Dividends	**(474 006)**	(397 457)
Dividends paid to non-controlling interests	**(29 353)**	(23 664)
Dividends paid	**(522 967)**	(442 433)

32.6 PROFIT ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT, NON-CURRENT ASSETS HELD FOR SALE AND INTANGIBLE ASSETS

	2021 R'000	Restated 2020 R'000
Profit on sale of property, plant and equipment		
Proceeds on disposal of property, plant and equipment[1]	**44**	18 497
Insurance proceeds on disposal of property, plant and equipment	**6 196**	–
Net book value of property, plant and equipment disposed	**(2 798)**	(9 266)
Profit on disposal of property, plant and equipment	**3 442**	9 231

1. *Included in the Group profit on sale of property, plant and equipment in the prior year is an amount for the sale of land and buildings surplus to the Group's operating requirements relating to the Houtbay fishmeal plant for the value of R11.5 million.*

	2021 R'000	Restated 2020 R'000
Profit on sale of non-current assets held for sale		
Net proceeds on disposal of non-current assets held for sale[2]	**32 129**	–
Net book value of non-current assets held for sale[2]	**(8 725)**	–
Proceeds not yet received	**4 280**	–
Profit on disposal of non-current assets held for sale	**27 684**	**–**

2. *The profit on disposal of assets held for sale is attributable to the disposal for the Bayhead cold store.*

	2021 R'000	Restated 2020 R'000
Profit on disposal of intangible assets		
Proceeds on disposal of intangible assets[3]	**–**	30 114
Net book value of intangible assets disposed[3]	**–**	(8 007)
Profit on disposal of intangible assets	**–**	22 107

3. *Included in the Group profit on sale of intangible assets in the prior year is an amount for the sale of the Glenryck UK trademark.*

32. CASH FLOW INFORMATION continued

32.7 FINANCING ACTIVITY RECONCILIATION

	2021 R'000	Restated 2020 R'000
Proceeds from sale of treasury shares		
Decrease in treasury shares held by share trusts	–	1 105
Gain on disposal of shares distributed to deceased employee beneficiaries of OET	**2 360**	1 265
	2 360	2 370
Equity-settled share-based payment		
Performance shares compensation scheme (note 33.2) – exercised – Grant 4	–	4 964
Performance shares compensation scheme (note 33.2) – exercised – Grant 5	**15 689**	142
Performance shares compensation scheme – Grant 6	**100**	–
Restricted shares compensation scheme (note 33.3) – exercised – Grant 4	–	4 264
Restricted shares compensation scheme – Grant 5	**169**	–
Restricted shares compensation scheme – Grant 6	**72**	–
	16 030	9 370

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Opening balance R'000	Non-cash movements: IFRS 16 Transition adjustment R'000	Lease liability Additions and amendments/ modifications R'000	Transaction costs R'000	Net Interest R'000	Loan settled through set-off R'000	Foreign exchange movement on translation R'000	Cash movement R'000	Closing balance R'000
2021									
Leases	**251 944**	–	**72 537**	–	–	–	**(3 154)**	**(49 260)**	**272 067**
Borrowings	**3 912 532**	–	–	–	**2 938**	–	**(240 610)**	**(313 474)**	**3 361 386**
2020									
Leases	–	268 904	22 625	–	–	–	76	(39 661)	251 944
Borrowings	4 075 546	–	–	(4 704)	1 446	(44 610)	233 695	(348 841)	3 912 532
Notes		27	27	25	25	25	25; 27		

32.8 CASH AND CASH EQUIVALENTS

	2021 R'000	2020 R'000
Cash and cash equivalents per statement of cash flows	**933 612**	1 432 692

Included in restricted cash of Rnil (2020: R27.9 million / (USD1.6 million)) is included in cash and cash equivalents relating to the Transocean settlement proceeds received and R39.8 million / USD2.6 million (2020: R31.5 million / USD1.9 million) is held in order to settle US deferred compensation.

33. SHARE-BASED PAYMENT PLANS

	2021 R'000	2020 R'000
Equity-settled compensation schemes		
Black economic empowerment (BEE) scheme (notes 33.1 and 33.7)	**955**	68 722
Performance shares compensation scheme (note 33.2)	**19 377**	13 856
Restricted shares compensation scheme (note 33.3)	**40 847**	16 488
Share-based payment reserve	**61 179**	**99 066**
Cash-settled compensation schemes		
Share appreciation rights compensation scheme (note 33.6)	**14 329**	7 919
Liability for share-based payments	**14 329**	**7 919**

33. SHARE-BASED PAYMENT PLANS continued

33.1 BLACK ECONOMIC EMPOWERMENT (BEE) SCHEME – OCEANA EMPOWERMENT TRUST

Oceana Empowerment Trust acquired 14 380 465 Oceana shares at a cost of R15.21 per share in 2006 as part of the Group's BEE transaction. Rights to acquire these shares were allocated to qualifying black employees by the trustees of the trust. Provided the employee remained in service, the rights vested in three tranches, one third after a period of three years from the date of allocation, a further third after four years and the final third after five years. After vesting the employee acquired a right to take up the share, but transfer of the share took place after a lock-in period of 14 years from the date of the initial allocation. The lock-in period was extended in 2014 by a further four years as a result of a once-off cash distribution of R20.50 per right held by employee beneficiaries, which was funded by the corporate beneficiaries. Earlier vesting and transfer of benefits was allowed in the event of the death of the employee. Rights not exercised were available for future allocation to other qualifying employees.

The first allocation of rights was made on 15 January 2007, followed by a second allocation on 1 May 2010 and a third allocation on 1 September 2013. All allocations were at a grant date price of R15.21 per share. The second allocation was made to new eligible employees, who had joined the Group since 15 January 2007, and as a top-up to employees who received rights in the first allocation. The third allocation was made to new eligible employees who had not participated in the first or second allocations and as a top-up to certain employees who had been promoted since the second allocation was made. The number of allocated rights has reduced in terms of the scheme rules due to retrenchments, resignations and dismissals.

During the year 143 799 rights (2020: 72 533 rights) were realised on behalf of beneficiaries of deceased employees.

The fair value of equity-settled share rights is estimated using the Black-Scholes Option Pricing Model, at grant date, taking into account the terms and conditions upon which the rights were granted.

During the current year no expense was raised due to the full amount being provided for in prior periods.

The Oceana Empowerment Trust lock-in period expired in January 2021 and the trust commenced with its winding up process in line with the trust deed. Based on elections made by the beneficiaries, up to 30 September 2021 a total of 4 902 239 shares had been sold to the open market for the benefit of the beneficiaries. 203 705 shares were transferred to beneficiaries and the Group acquired and subsequently cancelled 8 478 067 shares, leaving 262 521 shares still awaiting beneficiary elections.

33.2 EQUITY-SETTLED (PERFORMANCE SHARES) COMPENSATION SCHEME

Performance shares are granted to executive and senior managers by the board on the recommendation of the Remuneration and Nominations Committee in terms of the Oceana share incentive plan which was implemented in 2014. The exercise price of the options is equal to the 30-day volume weighted average prices ("VWAP") of the shares prior to the date of grant. Performance shares will vest on the third anniversary of their grant, to the extent that the Group has met specified performance criteria, linked to the Group's comparative total shareholder return in relation to a comparator group, over the intervening period. Options are settled in shares. Options that have not been exercised in accordance with the rules of the scheme are forfeited upon termination of employment, other than on death, retrenchment, retirement or other no fault terminations.

The fair value of equity-settled share options is estimated as at the grant date using the Monte Carlo Option Pricing Model, taking into account the dividend cover and terms and conditions upon which the options were granted.

The following table illustrates the number and VWAP and movements in share options during the year:

	2021		2020	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	**394 898**	**68.49**	287 000	83.28
Granted during the year	**190 235**	**67.94**	197 398	59.73
Forfeited during the year[1]	**(9 700)**	**65.37**	(56 818)	85.98
Exercised during the year[2]	**(226 300)**	**82.21**	(32 682)	115.01
Top-up on vesting during the year[3]	**148 600**	**82.27**	–	–
Outstanding at the end of the year	**497 733**	**66.22**	394 898	68.49

1. *Options forfeited during the year includes 9 700 (2020: 39 327) forfeited due to resignations and nil (2020: 17 581) forfeited due to performance conditions not having been achieved.*
2. *Grant 5A options vested on 14 February 2021 as the specified performance criteria over the intervening period were achieved. The weighted average share price on settlement was R69.70 (2020: R62.21) per share.*
3. *A TSR multiplier of 300% (2020: 62.5% Grant 4A) was applied for Grant 5A options settled due to Oceana being placed in the highest quartile of the comparable group. TSR is defined as the increase in the market value of a portfolio of shares on the assumption that dividends are reinvested.*

The weighted average remaining contractual life for the share options outstanding as at 30 September 2021 is 1.5 years (2020: 1.7 years).

33. SHARE-BASED PAYMENT PLANS continued

33.2 EQUITY-SETTLED (PERFORMANCE SHARES) COMPENSATION SCHEME continued

The range of exercise prices for the options outstanding at the end of the year is as follows:

		2021	2020
	Grant number	Number of share options	Number of share options
R82.27 per share exercisable after 14 February 2021	5A	–	76 100
R73.79 per share exercisable after 12 February 2022	6A	**120 900**	124 100
R59.78 per share exercisable after 01 March 2023	7A	**181 300**	185 500
R58.71 per share exercisable after 30 June 2023	7B	**9 198**	9 198
R67.87 per share exercisable after 31 October 2023	8A	**11 935**	–
R67.94 per share exercisable after 4 March 2024	8B	**174 400**	–
		497 733	394 898

33.3 EQUITY-SETTLED (RESTRICTED SHARES) COMPENSATION SCHEME

Restricted shares are granted to executive and senior managers by the board on the recommendation of the Remuneration and Nominations Committee in terms of the Oceana share incentive plan which was implemented in 2014. Restricted shares granted will be linked to the annual cash bonus scheme, in one of, or a combination of, a bonus match or a deferred bonus. The exercise price of the options is equal to the 30-day VWAP of the shares prior to the date of grant. Restricted shares will vest on the third anniversary of their grant. Options are settled in shares. Options that have not been exercised in accordance with the rules of the scheme are forfeited upon termination of employment, other than on death, retrenchment, retirement or other no fault terminations.

The fair value of equity-settled share options is estimated as at the grant date using the Black-Scholes Option Pricing Model, taking into account the dividend cover and terms and conditions upon which the options were granted.

The following table illustrates the number and VWAP and movements in share options during the year:

	2021		2020	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	**586 451**	**75.06**	548 014	77.46
Granted during the year	**202 819**	**61.93**	116 843	67.72
Forfeited during the year[1]	**(7 633)**	**63.67**	(38 132)	73.45
Exercised during the year	**(3 788)**	**87.16**	(40 274)	111.77
Outstanding at the end of the year	**777 849**	**71.69**	586 451	75.06

1. *7 633 options (2020: 38 132 options) were forfeited due to employee resignations*

The weighted average remaining contractual life for the share options outstanding as at 30 September 2021 is 1 year (2020: 1.6 years).

The range of exercise prices for the options outstanding at the end of the year is as follows:

		2021	2020
	Grant number	Number of share options	Number of share options
R88.18 per share exercisable after 15 November 2020	5A	–	2 488
R85,20 per share exercisable after 13 November 2021	6A	**80 700**	82 000
R75.00 per share exercisable after 7 May 2022	6B	**386 987**	387 720
R68.26 per share exercisable after 12 November 2022	7A	**106 100**	107 600
R58.71 per share exercisable after 30 June 2023	7B	**6 643**	6 643
R86.71 per share exercisable after 31 October 2023	8A	**8 619**	–
R60.85 per share exercisable after 11 November 2023	8B	**188 800**	–
		777 849	586 451

33. SHARE-BASED PAYMENT PLANS continued

33.4 EQUITY-SETTLED (RESTRICTED SHARES ELECTIVE DEFERRAL) COMPENSATION SCHEME

The directors are offered on an annual basis the opportunity to elect to defer a portion of their potential short-term incentive pay (25%, 33% or 50%) to acquire additional restricted shares at the 30-day VWAP of the shares prior to the date of grant. A matching award (consisting of an equal number of Oceana Group Limited shares) will be made to the participant after a three-year period on condition that the participant remains in the employment of the Group.

	2021		2020	
	Number of share options	**Weighted average grant price at award (Rand)**	**Number of share options**	**Weighted average grant price at award (Rand)**
Outstanding at the beginning of the year	–	–	31 748	111.77
Exercised during the year[1]	–	–	31 748	111.77
Granted during the year	**163 973**	**60.85**	–	–
Outstanding at the end of the year	**163 973**	**60.85**	–	–

1. *Grant 4A options vested in the prior year on 15 November 2019 and the weighted average share price on settlement was R63.55 per share.*

The weighted average remaining contractual life for the share options outstanding as at 30 September 2021 is 2.1 years (2020: Nil years).

33.5 CASH-SETTLED (PHANTOM) COMPENSATION SCHEME

Phantom share options were granted to executive directors and senior managers by the board on the recommendation of the Remuneration and Nominations Committee in terms of the phantom share scheme which was implemented in 2006. The last grant of options in terms of the scheme was on 1 July 2013 and it is not intended to grant any further options.

In the prior year, 137 000 options were forfeited due not being exercised prior to the expiry date of 1 January 2020.

33.6 CASH-SETTLED (SHARE APPRECIATION RIGHTS) COMPENSATION SCHEME

Share appreciation rights are granted to executive directors and senior managers by the board on the recommendation of the Remuneration and Nominations Committee in terms of the Oceana share incentive plan which was implemented in 2014. The exercise price and vesting rights of the share appreciation rights are the same as for the share scheme described in note 33.5, but the contractual life of the options is seven years and gains on options are settled in cash. Share appreciation rights allocated have a performance criteria, linked to growth in headline earnings per share, which reduces when the Group's financial performance targets are not met.

The fair value of the cash-settled options is measured at the grant date using the Binomial Option Pricing Model taking into account the terms and conditions upon which the instruments were granted. The services received and the liability to pay for those services are recognised over the expected vesting period. Until the liability is settled it is remeasured at each reporting date with changes in fair value recognised in the statement of comprehensive income.

The following table illustrates the number and VWAP and movements in share options during the year:

	2021		2020	
	Number of share options	**Weighted average grant price at award (Rand)**	**Number of share options**	**Weighted average grant price at award (Rand)**
Outstanding at the beginning of the year	**2 864 771**	**65.79**	1 170 765	82.73
Granted during the year	**2 383 789**	**67.94**	2 010 910	59.73
Forfeited during the year[1]	**(184 795)**	**70.81**	(316 904)	88.43
Outstanding at the end of the year	**5 063 765**	**66.70**	2 864 771	65.79
Exercisable at the end of the year	–	–	73 274	–

1. *2021: Grant 1A (73 274 options) was forfeited due to HEPS performance criteria not being achieved. 111 521 options were forfeited due to employee resignations. 2020: Grant 3 (tranche 3) and Grant 4 (tranche 2) totaling 118 244 options were forfeited due to the 2020 HEPS performance criteria not being achieved. 198 660 options were forfeited due to employee resignations.*

The weighted average remaining contractual life for the share options outstanding as at 30 September 2021 is 5.6 years (2020: 6.8 years).

33. SHARE-BASED PAYMENT PLANS continued

33.6 CASH-SETTLED (SHARE APPRECIATION RIGHTS) COMPENSATION SCHEME continued

The range of exercise prices for the options outstanding at the end of the year is as follows:

	Grant number	2021 Number of share options	2020 Number of share options
R77.61 per share exercisable after 11 February 2021	1A	–	73 274
R116.81 per share exercisable after 14 February 2024	4A	**58 664**	59 875
R82.27 per share exercisable after 14 February 2025	5A	**291 100**	296 300
R73.79 per share exercisable after 14 February 2026	6A	**441 500**	454 700
R59.78 per share exercisable after 1 March 2027	7A	**1 841 257**	1 889 167
R58.71 per share exercisable after 30 June 2027	7B	**91 455**	91 455
R67,87 per share exercisable after 31 October 2027	8A	**118 667**	–
R67,94 per share exercisable after 4 March 2028	8B	**2 221 122**	–
		5 063 765	2 864 771

The significant inputs into the model used to value the liability for share-based payments were a 30-day volume weighted average share price of R65.63 (2020: R61.40), an expected option life of 7 years and expected dividend yield of 5,8% (2020: 4,2%). The interest rate yield used was the Standard Bank Closing Swap Curve. Risk-free rates ranged from 4,9% to 7,1% (2020: 3,3% to 7,9%). Expected volatility of 26,2% to 30,5% (2020: 32,0%) was based on historical share price volatility.

33.7 BLACK ECONOMIC EMPOWERMENT (BEE) SHARE SCHEME – SAAM-SONKE TRUST AND OCEANA STAKEHOLDER EMPOWERMENT TRUST

The Group established two new BEE trusts namely, Saam-Sonke trust and OSET following the expiration of the OET lock-in period referenced in note 33.1.

The Saam-Sonke Trust acquired 7 825 908 shares in the Company in March 2021 at a cost of 1 cent per share. The rights to acquire these shares were allocated to qualifying employees of the Company and direct and indirect subsidiaries on the 30th September 2021 at a grant price of R67.70. The rights vest in three tranches, one third after a period of eight years, one third over a period of nine years and a final third after ten years provide the employee remains in service. These equity settled rights are valued at fair value on grant date using a Black Scholes option pricing model taking into account terms and conditions upon which rights have been granted. An expense of R53 000 was recognised during the year.

The OSET was also established in March 2021 and subscribed for 652 159 shares in Oceana Group Limited at a cost of 1 cent per share. No allocations have been made to beneficiaries as at year end 30 September 2021.

34. RETIREMENT BENEFITS

34.1 DEFINED-CONTRIBUTION BENEFIT PLANS

The Group provides a total of five retirement plans that cover all employees. The plans consist of four defined-contribution provident funds and one defined-contribution pension fund. In 2015 with the acquisition of Daybrook the Group added a defined-contribution retirement pension fund to its portfolio which is governed by Internal Revenue Code in the United States. The assets of the funds in South Africa are held in independent funds, administered by their trustees in terms of the Pension Funds Act, 24 of 1956, as amended. In terms of the Pension Funds Act, the Group retirement fund are exempt from actuarial valuation. The amount expensed for defined contribution plans for the Group was R78.6 million (2020: R82.2 million). The only obligation the Group has with respect to the retirement benefit plans' funds is to make the specified contributions each month.

Westbank Fishing LLC has a defined contribution retirement plan covering all employees who have served sixty days of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) within the United States. The amount expensed for the plan was R7.2 million / USD 0.4 million (2020: R7.0 million / USD 0.4 million). The company makes a safe harbor matching contribution equal to 100% of the participants deferrals up to the first 3 percent of plan compensation plus 50% of the participants deferrals up to the next 2% of plan compensation. The company may also make a discretionary contribution as a uniform percentage of plan compensation to all employees employed with the company on the last day of the plan year.

34. RETIREMENT BENEFITS continued

34.2 POST-EMPLOYMENT MEDICAL OBLIGATIONS

The Group operates a post-employment medical benefit scheme that covers certain of its retirees. This benefit is no longer offered by the Group to current employees or new employees. The liabilities are valued annually using the projected unit credit method and have been funded by contributions to an independently administered insurance plan. The liability at reporting date is reflected within provisions, refer to note 28. The latest full actuarial valuation was performed at 30 September 2021.

	2021 R'000	2020 R'000
Present value of post-employment medical obligations	**5 057**	4 797
Less: Fair value of plan assets	**(3 502)**	(3 404)
Liability at the reporting date	**1 555**	1 393
The principal actuarial assumptions used for accounting purposes relating to post-employment medical obligations:		
Medical inflation p.a.	**7.40%**	6.01%
Discount rate p.a.	**8.97%**	8.63%

A 100 basis point increase or decrease in the rate of medical inflation would lead to an increase or decrease in the present value of obligations of 8.4% and 6.4% (2020: 6.8% and 6.1%) respectively.

A 100 basis point increase or decrease in the discount rate would lead to an increase or decrease in the present value of obligations of 9.9% and 7.9% (2020: 5.6% and 6.3%) respectively.

35. NON-CONTROLLING INTEREST

The carrying amount of the non-controlling interests can be analysed as follows:

	2021 R'000	2020 R'000
Material subsidiaries with non-controlling interests (refer to table on page 118)	**165 596**	155 252
Individually immaterial subsidiaries with non-controlling interests	**33 912**	27 544
Total	**199 508**	182 796

Listed below are the entities classified by Group as being subsidiaries and which have material non-controlling interests. The information is before inter-company eliminations with other Group companies.

Segment	Primary Activities	Holding Company Name	Subsidiary name	Ownership held by non-controlling interests
Horse mackerel, hake, lobster and squid	Vessel Owner	Erongo Marine Enterprises Proprietary Limited	Erongo Sea Products Proprietary Limited	41.97%
	Horse mackerel rights holder		Erongo Seafoods Proprietary Limited	51.00%
	Catching and processing of fish	Blue Continent Products Proprietary Limited	Desert Diamond Fishing Proprietary Limited	10.00%
			Compass Trawling Proprietary Limited	54.70%
	Rights holder, catching and processing of fish	Oceana Group Limited	Amawandle Hake Proprietary Limited	25.00%
Canned Fish and Fishmeal (Africa)			Amawandle Pelagic Proprietary Limited	25.00%
Commercial cold storage and logistics	Cold storage and logistical services	Commercial Cold Storage Group Limited	Commercial Cold Storage (Ports) Proprietary Limited	30.00%

The Group has assessed that it has control over its investees, Erongo Seafoods Proprietary Limited and Compass Trawling Proprietary Limited, due to it having sufficient power to direct the activities of the investee unilaterally.

Refer to schedule: Interest in principal subsidiaries and joint ventures on page 118.

35. NON-CONTROLLING INTEREST continued

2021 Subsidiary name	Erongo Sea Products Proprietary Limited	Erongo Seafoods Proprietary Limited	Desert Diamond Fishing Proprietary Limited	Compass Trawling Proprietary Limited	Amawandle Hake Proprietary Limited	Commercial Cold Storage (Ports) Proprietary Limited	Amawandle Pelagic Proprietary Limited
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	9 539	8 291	296 891	99 416	227 470	57 713	696 746
Profit / (loss) for the year	1 150	5 716	94 254	20 229	19 272	15 797	(206)
Profit / (loss) attributable non-controlling interest	483	2 915	9 425	11 065	4 818	4 739	(51)
Non-current assets	31 856	–	203 238	41 943	160 542	90 067	227 796
Current assets	4 171	7 623	77 118	26 841	66 520	16 776	207 394
Non-current liabilities	(4 818)	–	(37 131)	(9 066)	(33 580)	(1 487)	(67 807)
Current liabilities	(4 064)	(65)	(66 178)	(16 966)	(95 540)	(6 419)	(147 017)
Net assets	27 145	7 558	177 047	42 752	97 942	98 937	220 366
Net assets attributable to non-controlling interest	11 393	3 855	17 705	23 386	24 486	29 681	55 091
Net cash and cash equivalents	25	7 265	1 188	–	28	8	59
Dividends paid	–	8 000	80 000	20 000	–	–	–

2020 Subsidiary name	Erongo Sea Products Proprietary Limited	Erongo Seafoods Proprietary Limited	Desert Diamond Fishing Proprietary Limited	Compass Trawling Proprietary Limited	Amawandle Hake Proprietary Limited	Commercial Cold Storage (Ports) Proprietary Limited	Amawandle Pelagic Proprietary Limited
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	9 845	6 744	391 451	91 498	226 129	60 026	1 024 655
Profit for the year	597	4 824	96 606	18 794	29 371	19 805	47 307
Profit attributable non-controlling interest	250	2 460	9 661	10 280	7 343	5 941	11 827
Non-current assets	29 269	–	219 007	50 185	112 092	84 100	245 046
Current assets	10 295	9 954	36 647	16 802	67 735	13 615	182 692
Non-current liabilities	(4 276)	–	(34 178)	(9 437)	(49 708)	(1 543)	(21 498)
Current liabilities	(9 293)	(112)	(58 374)	(15 026)	(51 450)	(13 032)	(185 669)
Net assets	25 995	9 842	163 102	42 524	78 669	83 140	220 571
Net assets attributable to non-controlling interest	10 910	5 019	16 310	23 261	19 667	24 942	55 143
Net cash and cash equivalents	237	8 789	10 448	–	29	10	40
Dividends paid	–	3 730	36 000	–	6 000	–	–

36. CONTINGENT LIABILITIES AND GUARANTEES

CROSS GUARANTEE

The Company and its subsidiaries have given guarantees and cross suretyships in support of borrowings to the value of R1 237.7 million (2020: R1 518.3 million), short-term banking facilities to the value of R1 100 million (2020: R1 100 million) and a revolving credit facility of R500 million (2020: Rnil) available to the Group. The unutilised value of the short-term banking facilities and revolving credit facility amounts to R1 509 million (2020: R1 100 million).

In terms of the Fish Supply Agreement between Daybrook and Westbank, the catching fee payable by Daybrook to Westbank shall be increased during a contract year to the extent required for Westbank to comply with the financial and other covenants set forth in the credit agreement and related loan documents pertaining to the loan between Westbank and lender. The amount of such adjustment is recoverable by Daybrook as a catch fee recovery in the contract year that Westbank has surplus cash flows. At that point, the catching fee for the contract year will be decreased by an amount equal to the lesser of (i) such surplus cash flow or (ii) the previously unrecouped catching fee recovery amount.

As at 30 September 2021, Westbank fell short of its bank loan compliance on its fixed cover ratio by R73.0 million / USD4.8 million for the quarter ended 30 September 2021 and accordingly, Westbank entered into negotiations with BMO to waive the covenant requirement. Agreement was reached between Daybrook and Westbank that an adjustment to the catching fee would not be invoked subject to Westbank successfully obtaining the required covenant waiver from lender.

Based on discussions with the lender, Daybrook management assessed that it was possible that the lender would grant the waiver based on past practices and accordingly, that Westbank would not require an adjustment to the fish catch fee. As a result, Daybrook has not recognised the increased catch fee charge of R73.0 million/USD4.8 million as at year end. Subsequent to year-end, on 12 December 2021, Westbank successfully concluded negotiations with the lender for the granting of the waiver.

37. CONTINGENT ASSET

The Group's USA fishmeal and fish oil operations' ability to process fish was interrupted due to the disruption of the supply of power, fuel and water following Hurricane Ida which made landfall on 29 August 2021. In September 2021, the Group lodged a business interruption insurance claim to the value of R63.1 million relating to the operational impact of the disruption. Subsequent to the claim being approved by the insurer's, other income and overall operating profit will increase by R63.1 million. For the Group to recognise the amount within the current reporting period, the Group must have been virtually certain of settlement, however, as the review and approval of the claim had not been finalised by the assessor nor the insurer at 30 September 2021, the income and corresponding receivable was not recognised. The claim was assessed on 7 October, approved for settlement on 14 October and settled in full on 27 October 2021.

In July 2021 the Group suffered R107.8 million loss due to the civil unrest in KZN, which resulted in inventory write off of R86.1 million and R21.7 million in increased costs required to secure operations and replace lost and damaged product. The Group has adequate South African Special Risks Insurance Association (SASRIA) and general insurance cover for material damage to assets, inventory and business interruption, however, at 30 September 2021 only accounted for R88.0 million as accrued revenue based on initial interim settlements which have also subsequently been settled by insurers. The balance of R19.8 million has not been recognised as a receivable at 30 September 2021 as no agreements of loss had been received from the respective insurers.

38. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: capital risk, market risk (including currency and interest rate risk), liquidity risk and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

RISK MANAGEMENT

The executive team is responsible for implementing the risk management strategy to ensure that an appropriate risk management framework is operating effectively across the Group, embedding a risk management culture throughout the Group. The board, the audit and risk committee are provided with a consolidated view of the risk profile of the Group, and any major exposures and relevant mitigating actions are identified.

The Group operates a central treasury function that manages the funding and liquidity risks and requirements of the Group's operations. The divisional funding structures and divisional balance sheet structures are determined centrally, according to the requirements of each division. Cash management is controlled and reported centrally to ensure that it is managed effectively and provides daily visibility of all bank accounts in the Group. Currency volatility is closely managed by the treasury to mitigate foreign exchange risk.

38. FINANCIAL RISK MANAGEMENT continued

The system of risk management is designed so that the different business units are able to tailor and adapt their risk management processes to suit their specific circumstances.

The Group does not speculate in the trading of derivative or other financial instruments. It is Group policy to hedge exposure to cash and future contracted transactions. These instruments are designated as effective hedging instruments and therefore hedge accounting is applied.

MARKET RISK

Market risk is the risk of adverse financial impact resulting directly or indirectly, from fluctuations in equity prices, interest rates, credit spreads, foreign currency exchange rates and inflation as well as any changes in the implied volatility assumptions associated with these variables.

The key components of market risk are as follows:

- Currency risk: is the risk arising from a change in the value and/or future cash flows of an asset or liability as a result of changes in exchange rates. This can either be in the form of a mismatch between currencies of assets and liabilities, on assets supporting capital, or the functional currency of the local company being different to the reporting currency of the company;
- Interest rate risk: is the risk arising from a change in the value and or future cash flows of an asset or liability, as a result of interest rate changes; and
- Price risk: is the risk arising from a change in the value and/or future cash flows of an asset or liability, as a result of equity price and/or dividend changes.

The Group is exposed to foreign currency risk and interest rate risk as detailed below.

CURRENCY RISK

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies.

The Group is exposed to currency risk in its foreign trading operations, foreign subsidiary companies and foreign currency bank accounts held in South Africa, Namibia and the United States.

The objective of the Group's policies and processes in managing foreign currency risk is to hedge exposure to cash and future contracted transactions in foreign currencies for a range of forward periods, but not to hedge exposure for the translation of reported profits or reported assets and liabilities of translation of foreign operations.

Currency risks arising from foreign trading operations are partially hedged by means of forward exchange contracts denominated in the same currency and for the same period as the foreign transaction being hedged as well as through the set off effect of foreign currency denominated assets and liabilities. Derivatives are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period. These contracts are generally designated as cash flow hedges. The Group’s accounting policy for its cash flow hedges is set out in note 1.21. The Group does not enter into derivative contracts for speculative purposes.

Where the Group applies hedge accounting the Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparties’ and the Group’s own credit risk on the fair value of the forward foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- changes in the quantum and timing of the hedged transactions.

38. FINANCIAL RISK MANAGEMENT continued

EXPOSURE TO CURRENCY RISK

The Group had the following foreign currency denominated financial assets and liabilities at reporting date, excluding foreign operations.

	US Dollar	Euro	Sterling	Australian Dollar
	’000	’000	’000	’000
2021				
Trade receivables	**5 229**	**2 674**	**186**	**311**
Other trade receivables	**424**	**15**	**–**	**–**
Cash and cash equivalents	**2 602**	**1 370**	**–**	**–**
Trade payables	**(24 405)**	**(1 252)**	**–**	**–**
Total	**(16 150)**	**2 807**	**186**	**311**
Foreign currency forwards	**13 805**	**–**	**–**	**–**
Net exposure	**(2 345)**	**2 807**	**186**	**311**
Year-end exchange rate	**15.10**	**17.65**	**20.49**	**10.87**
2020				
Trade receivables	8 698	1 907	464	276
Other trade receivables	2 938	–	–	–
Cash and cash equivalents	6 900	454	–	–
Trade payables	(25 522)	(185)	–	–
Total	(6 986)	2 176	464	276
Foreign currency forwards	8 743	805	–	–
Net exposure	1 757	2 981	464	276
Year-end exchange rate	16.75	19.96	21.85	12.12

The Group holds FECs which have been marked to market valued in the statement of financial position. For FECs designated as cash flow hedges, the gains and losses transferred from equity into profit or loss are included in overheads. Those which relate to foreign currency commitments not yet due and assets not yet receivable (therefore not yet recognised in the statement of financial position) are shown in the following table. The contracts will be utilised for purposes of trade in the 2022 financial year.

	US Dollar	Euro
	’000	’000
2021		
Foreign currency sold	**2 000**	**–**
Average exchange rate	**15.06**	**–**
2020		
Foreign currency bought	–	475
Foreign currency sold	6 000	–
Average exchange rate	16.16	18.08

Currency sensitivity analysis

The following table shows the Group’s sensitivity to a 10% weakening in the South African Rand against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at financial year-end for a 10% weaker rand, with all other variables held constant. For a 10% stronger rand there would be an equal and opposite impact on profit after taxation. The table excludes foreign subsidiaries.

	2021	Restated 2020
	R’000	R’000
Increase / (decrease) in profit after taxation		
US Dollar	**(17 554)**	(8 425)
Euro	**3 567**	3 127
Sterling	**274**	730
Australian Dollar	**243**	241

38. FINANCIAL RISK MANAGEMENT continued

The following significant closing exchange rates applied at 30 September and were used in calculating sensitivities:

	2021	Restated 2020
South African Rand value per unit of foreign currency:		
US Dollar	**15.10**	16.75
Euro	**17.65**	19.96
Sterling	**20.49**	21.85
Australian Dollar	**10.87**	12.12

INTEREST RATE RISK

Financial assets and liabilities affected by interest rate fluctuations include cash, loans receivable and payable, short-term banking facilities and bank overdrafts. Interest rates applicable to these assets and liabilities are floating. Interest rates approximate prevailing market rates in respect of the financial instrument and country concerned. In order to hedge the Group's exposure to the cash flow interest rate risk, the Group uses derivative financial instruments such as interest rate swaps.

The Group has long-term debt with interest linked to various floating rates. The Group's long- term debt comprises of SA and USA debt subject to interest charges linked to JIBAR and LIBOR. The Group has taken out fixed rate JIBAR and LIBOR interest rate swaps covering approximately 71.8% (2020: 73.1%) of floating rate exposure in accordance with the Group's objective to optimise finance expenses and reduce volatility in earnings.

Swaps are executed with the same critical terms of the long-term debt to ensure that an economic relationship exists between the hedged item and hedging instrument. These hedges are classified as cash flow hedges. The critical terms include the reference rate, tenure, currency and notional amount. Hedging is applied to only a portion of the debt and not the full facility.

Hedging is applied to the variable portion of the interest rate applicable to a specific level of debt. Given that the hedged instrument and hedged item both move in tandem with any changes in JIBAR (SA debt) and LIBOR (US debt) they have a 1:1 hedge relationship. During the year, a decrease in value of the hedging instruments of R37.4 million (2020: increase of R83.0 million) was offset by a change in value of the hedged item to the same extent.

EXPOSURE TO INTEREST RATE RISK

The interest rate profile of the group's interest-bearing financial instruments is as follows:

	Notes	2021 R'000	Restated 2020 R'000
Fixed-rate instruments			
Borrowings	25	**3 361 386**	3 912 532
		3 361 386	3 912 532
Variable-rate instruments			
Cash and cash equivalents	32.8	**933 612**	1 432 692
Short-term banking facility		**(91 000)**	–
Loans receivable	20	**93 667**	84 200
		936 279	1 516 892

INTEREST RATE SENSITIVITY ANALYSIS

For the Group, based on the interest-bearing net assets and interest rates ruling at the reporting date, net interest paid would amount to R200.8 million (2020 restated: R260.4 million).

A reasonably possible change of 100 basis points in the interest rates at the reporting date would have decreased profit or loss by R5.2 million (2020 restated: R4.9 million). The interest rate sensitivity is calculated based on the rates at reporting date and taking into account any interest rate hedges applicable. The USA cash is not included in the sensitivity given the ruling US rates being well below 1%. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group manages its liquidity risk by monitoring and forecasting cash flows and by maintaining adequate borrowing facilities to meet short-term demands. In this regard, the Group has undrawn working capital facilities of R1 009 million (2020: R1 100 million) as at the reporting date. In terms of the Company's Memorandum of Incorporation, the Company's borrowing powers are unlimited.

38. FINANCIAL RISK MANAGEMENT continued

Cash flows are monitored on an ongoing basis to ensure that cash resources are adequate to meet the Group's funding requirements. Sufficient short term facilities have been negotiated to manage any short fall in these funding requirements. In addition to refinancing the Group's SA long-term borrowings, a R500.0million revolving credit facility was established. This facility is currently undrawn. Daybrook has a US revolving credit facility of R377.4 million / USD25 million which is currently undrawn.

The Group ensures that it complies with the liquidity and solvency requirements for any dividend payments per the Companies Act. Debt covenants, which exist on borrowings, are monitored by management on an ongoing basis. Where it is clear that there is a potential breach, management engages early on with the lenders.

EXPOSURE TO LIQUIDITY RISK

Below are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	Notes	Carrying amount	1 year or less	2-4 years	>5 years
		R'000	R'000	R'000	R'000
2021					
Non-derivatives					
Borrowings	25	**3 361 386**	**697 594**	**1 863 792**	**800 000**
Trade and other payables	29	**1 083 506**	**1 083 506**	**–**	**–**
Total non-derivatives		**4 444 892**	**1 781 100**	**1 863 792**	**800 000**
Derivatives					
Interest rate swaps	26	**41 500**	**7 194**	**34 306**	**–**
Total derivatives		**41 500**	**7 194**	**34 306**	**–**
2020					
Non-derivatives					
Borrowings	25	3 912 532	410 107	3 502 425	–
Trade and other payables	29	1 205 353	1 205 353	–	–
Total non-derivatives		5 117 885	1 615 460	3 502 425	–
Derivatives					
Interest rate swaps	26	113 490	–	113 490	–
Total derivatives		113 490	–	113 490	–

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities.

The Group is exposed to credit risk on trade and other receivables (including short-term loans and advances), cash and cash equivalents, loan receivable and financial guarantees.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Group only deals with reputable counterparties with consistent payment histories. Sufficient collateral, credit insurance or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available).

Counterparty credit limits are in place and are reviewed and approved by management. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

SECURITY

Borrowings are secured by cession of shares and fishing rights and bonds over assets as appropriate. Advances are short-term and usually recoverable within the fishing season to which they relate. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Management considers the above measures to be sufficient to control the credit risk exposure.

38. FINANCIAL RISK MANAGEMENT continued

IMPAIRMENT OF FINANCIAL ASSETS

Trade receivables

The Group applies the IFRS 9 simplified approach in measuring expected credit losses on trade receivables and other receivables, as these financial assets do not contain a significant financing component. This approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, the receivables have been Grouped based on shared credit risk characteristics and into common ageing buckets. Each ageing bucket has an expected credit loss rate calculated.

The calculation of expected credit loss rates, which is a forward-looking measure, is based on:

- The probability of default (PD) rate for each risk bucket; multiplied by
- The percentage of defaulted amounts that were irrecoverable (LGD); and
- Adjusted by a factor to convert historical loss experience to future credit loss expectations, using multiple macroeconomic scenarios.

A default is defined as occurring when amounts are 90 days past due. A PD rate is the proportion of balances in each age bucket that historically have passed this default point. Probability of default rates are calculated for each ageing bucket. To estimate how much is lost once an account defaults, a LGD rate is calculated. It is the proportion of defaulting balances that are never recovered and result in a loss. This amount includes both amounts that we are no longer pursuing for collection and a portion balance's at year-end that have been in default for more than 6 months. When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc.

Trade debtors of the Group consists of individual customers and corporate customers.

The carrying amount of financial assets represents the maximum credit exposure

	Notes	2021 R'000	2020 R'000
Long-term receivable	20	**93 667**	84 200
Trade and other receivables	22	**1 197 848**	869 494
Cash and cash equivalents	32.8	**933 612**	1 432 692
Total		**2 225 127**	2 386 386

Expected credit loss allowance are recognised on trade and other receivables are disclosed in note 22.

LOAN RECEIVABLES

The Group applies the IFRS 9 general approach in measuring expected credit losses on loan receivable.

Credit risk exposure on loans receivable refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group.

The Group considers a loan receivable to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

Expected credit loss allowance are recognised on loans receivable are disclosed in note 22.

CASH AND CASH EQUIVALENTS

Credit risk exposure arising on cash and cash equivalents is managed by the Group through dealing with well-established financial institutions with high credit ratings (banks within Group have a credit rating of BB- or higher). Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The identified impairment loss on cash and cash equivalents was immaterial.

FINANCIAL GUARANTEES

The Company and certain subsidiaries have given cross suretyships in support of short-term banking facilities available to the Group to the value of R1 100 million (2020: R1 100 million), which are assessed and renewed annually, and has guaranteed the borrowings of R1 237.7 million (2020: R 1 518.3 million) as disclosed in note 25 as well as a R500.0 million undrawn revolving credit facility (2020: Rnil).

Whilst the maximum credit risk to financial guarantees is the full extent of the above facilities and borrowings of R2 348.6 million (2020: R2 633.1 million), the extent of the exposure at year end is R1 328.7 million (2020: R1 518.3 million) taking undrawn bank overdraft facilities into consideration. The Group maintains flexibility of funding through the use of committed facility lines.

38. FINANCIAL RISK MANAGEMENT continued

CAPITAL RISK

The Group's objectives when managing capital, which consists of net debt (borrowings as detailed in note 26, offset by cash and bank balances as detailed in note 32.8) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed in the statement of changes in equity), are to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to ensure the operations continue as a going concern while taking advantage of expansion opportunities in order to grow shareholder value as they arise.

The Group manages its capital structure, taking into account changes in economic conditions, to ensure entities in the group will be able to continue on the going-concern basis, while maximising the return to stakeholders through the optimisation of the debt and equity balances. To maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or replace existing debt with different characteristics.

FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amount of these financial instruments approximate their fair values.

	Notes	2021	Restated 2020
		R'000	**R'000**
Classification of financial instruments			
Financial assets			
Derivative instruments at fair value through profit and loss		**–**	2 662
Cash and cash equivalents at amortised cost	33	**933 612**	1 432 692
Loans and receivables at amortised cost			
Loans	20	**93 667**	84 200
Trade and other receivables	22	**1 197 848**	869 494
Financial liabilities			
Derivative instruments at fair value through profit and loss	26	**41 500**	113 490
Loans and payables at amortised cost			
Loans	25	**3 361 386**	3 912 532
Trade and other payables	29	**1 343 620**	1 573 146

There were no transfers between levels 1,2 or 3 of the fair value hierarchy for the years ended 30 September 2021 and 30 September 2020.

FAIR VALUES

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation technique used. The different levels are identified as follows:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

For the current year and prior year, there are no level 1 & 3 financial instruments held by the Group.

The table below analyses the fair value measurement of applicable financial instrument assets by level:

	Notes	2021	Restated 2020
		R'000	**R'000**
Level 2			
Derivative instruments			
Interest rate swaps	26	**41 500**	113 490
Forward exchange contracts		**10 204**	4 354
Other investments	20	**710**	710

38. FINANCIAL RISK MANAGEMENT continued

Measurement of fair values

The following tables show the valuation techniques used in measuring Level 2 fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

Instrument	Level	Valuation basis/techniques	Significant unobservable inputs
Investment	2	The shareholding and value of the investment in Group Risk Holdings is based on the Company's proportionate share of premiums paid relative to total premiums paid by all other insured parties. There are no other significant inputs that are used in the valuation and any changes in these inputs would not result in a significant fair value change.	Not applicable
Derivative instruments – Interest rate swaps	2	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable
Derivative instruments – Foreign currency forwards	2	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable

39. PRIOR PERIOD ERRORS AND RESTATEMENTS

The Group has restated its previously reported consolidated financial statements and all related disclosures following a process which included both an internal review conducted as part of a continuous assessment of compliance with International Financial Reporting Standards ("IFRS") and the Johannesburg Stock Exchange ("JSE") regulations and a review by our auditors.

In particular this review process identified:

- That the exchange rate used in translating the USA statement of financial position did not fully comply with IAS 21. Refer to note 39.4 below.
- In addition significant judgement was applied in determining that the Group's 25% investment in Westbank should be classified as a proportionately consolidated joint operation in terms of IFRS 11 and not as an associate on the equity method. Refer to note 39.1.
- An amount was incorrectly reflected as a net receivable and should have been recorded on a gross basis against goodwill, liability for joint operations and distributable reserves. Refer to note 39.1.
- Items within the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows were incorrectly classified. Refer to note 39.

The errors noted above had no material impact on previously reported profits and headline earnings and have been corrected by restating each of the affected financial statement line items.

39. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

	2020				
Consolidated Statement of Comprehensive Income	**Previously reported**	**Effect of Exchange rate change**	**Effect of joint operation**	**Other effect**	**Restated**
(extract)	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Revenue	**8 308 341**	**–**	**–**	**–**	**8 308 341**
Cost of sales	**(5 338 068)**	**–**	**115 383**	**(37 565)**	**(5 260 250)**
Gross Profit	**2 970 273**	**–**	**115 383**	**(37 565)**	**3 048 091**
Sales and distribution expenditure	**(461 095)**	**–**	**–**	**36 210**	**(424 885)**
Marketing expenditure	**(59 993)**	**–**	**–**	**–**	**(59 993)**
Overhead expenditure	**(1 082 222)**	**–**	**(95 673)**	**7 712**	**(1 170 183)**
Other income	**–**	**–**	**–**	**1 871**	**1 871**
Net foreign exchange loss	**(3 146)**	**–**	**–**	**–**	**(3 146)**
Net impairment loss on financial assets	**–**	**–**	**–**	**(8 228)**	**(8 228)**
Operating profit before joint ventures loss	**1 363 817**	**–**	**19 710**	**–**	**1 383 527**
Joint ventures (loss) / profit	**18 462**	**–**	**(19 336)**	**–**	**(874)**
Operating profit before other operating items	**1 382 279**	**–**	**374**	**–**	**1 382 653**
Other operating items	**17 188**	**–**	**–**	**–**	**17 188**
Profit including other operating items	**1 399 467**	**–**	**374**	**–**	**1 399 841**
Interest income	**18 383**	**–**	**22 923**	**–**	**41 306**
Interest expense	**(271 959)**	**–**	**(23 297)**	**–**	**(295 256)**
Profit before taxation	**1 145 891**	**–**	**–**	**–**	**1 145 891**
Taxation expense	**(329 740)**	**–**	**–**	**–**	**(329 740)**
Profit after taxation	**816 151**	**–**	**–**	**–**	**816 151**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Movement on foreign currency translation reserve	**524 635**	**(61 055)**	**17 573**	**11 055**	**492 208**
Movement on foreign currency translation reserve from joint ventures	**31 643**	**(2 911)**	**(23 317)**	**–**	**5 415**
Movement on cash flow hedging reserve	**(69 609)**	**–**	**(2 725)**	**–**	**(72 334)**
Movement on cash flow hedging reserve from associate	**(2 120)**	**–**	**2 120**	**–**	**–**
Income tax related to loss recognised in equity	**11 208**	**–**	**605**	**–**	**11 813**
Other comprehensive income, net of taxation	**495 757**	**(63 966)**	**(5 744)**	**11 055**	**437 102**
Total comprehensive income	**1 311 908**	**(63 966)**	**(5 744)**	**11 055**	**1 253 253**
Profit after taxation attributable to:					
Shareholders of Oceana Group Limited	**760 635**	**–**	**–**	**–**	**760 635**
Non-controlling interests	**55 516**	**–**	**–**	**–**	**55 516**
	816 151	**–**	**–**	**–**	**816 151**
Total comprehensive income attributable to:					
Shareholders of Oceana Group Limited	**1 256 361**	**(63 966)**	**(5 744)**	**11 055**	**1 197 706**
Non-controlling interests	**55 547**	**–**	**–**	**–**	**55 547**
	1 311 908	**(63 966)**	**(5 744)**	**11 055**	**1 253 253**
Notes		*39*	*39*	*39*	

39. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

	2020				
Consolidated Statement of Financial Position	**Previously reported**	**Effect of Exchange rate change**	**Effect of joint operation**	**Other effect**	**Restated**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
ASSETS					
Non-current assets					
Property, plant and equipment	1 856 973	(21 500)	758 371	–	2 593 844
Right-of-use assets	173 507	2 308	–	–	175 815
Goodwill and intangible assets	5 388 881	(84 149)	15 134	133 562	5 453 428
Interest in joint ventures	322 664	(4 064)	(244 601)	(1 770)	72 229
Deferred taxation	20 793	–	–	–	20 793
Investments and loans	84 910	–	–	–	84 910
Derivative asset	–	–	2 662	–	2 662
Total non-current assets	**7 847 728**	**(107 405)**	**531 566**	**131 792**	**8 403 681**
Current assets					
Inventories	1 695 975	(6 232)	23 742	–	1 713 485
Trade and other receivables	1 271 898	(6 653)	36 234	(255 849)	1 045 630
Taxation receivable	23 663	–	–	–	23 663
Cash and cash equivalents	1 212 697	(12 129)	232 124	–	1 432 692
Total current assets	**4 204 233**	**(25 014)**	**292 100**	**(255 849)**	**4 215 470**
Assets held for sale	**19 420**	**–**	**–**	**–**	**19 420**
Total assets	**12 071 381**	**(132 419)**	**823 666**	**(124 057)**	**12 638 571**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	1 200 493	–	–	–	1 200 493
Foreign currency translation reserve	1 352 491	(89 248)	(5 744)	11 055	1 268 554
Cash flow hedging reserve	(76 223)	–	–	–	(76 223)
Share-based payment reserve	99 066	–	–	–	99 066
Distributable reserve	3 221 312	–	49 997	–	3 271 309
Interest of own shareholders	5 797 139	(89 248)	44 253	11 055	5 763 199
Non-controlling interests	182 796	–	–	–	182 796
Total capital and reserves	**5 979 935**	**(89 248)**	**44 253**	**11 055**	**5 945 995**
Non-current liabilities					
Deferred taxation	541 257	(7 228)	–	–	534 029
Borrowings	3 069 338	(29 528)	462 615	–	3 502 425
Derivative liabilities	85 721	(931)	28 700	–	113 490
Lease liabilities	204 457	(218)	1 993	–	206 232
Provisions	–	–	2 881	24 745	27 626
Liability for share-based payments	7 919	–	–	–	7 919
Total non-current liabilities	**3 908 692**	**(37 905)**	**496 189**	**24 745**	**4 391 721**
Current liabilities					
Borrowings	383 688	(1 631)	28 050	–	410 107
Lease Liabilities	45 006	(230)	936	–	45 712
Provisions	37 199	(362)	–	(24 745)	12 092
Trade and other payables	1 680 101	(2 878)	31 035	(135 112)	1 573 146
Liability to Joint operator	–	–	223 203	–	223 203
Taxation payable	36 760	(165)	–	–	36 595
Total current liabilities	**2 182 754**	**(5 266)**	**283 224**	**(159 857)**	**2 300 855**
Total liabilities	**6 091 446**	**(43 171)**	**779 413**	**(135 112)**	**6 692 576**
Total equity and liabilities	**12 071 381**	**(132 419)**	**823 666**	**(124 057)**	**12 638 571**
Notes		*39*	*39*	*39.5; 39.6*	

39. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

Consolidated Statement of Financial Position	2019 Previously reported	Effect of Exchange rate change	Effect of joint operation	Other effect	Restated
	R'000	R'000	R'000	R'000	R'000
ASSETS					
Non-current assets					
Property, plant and equipment	1 697 221	(5 253)	653 873	–	2 345 841
Goodwill and intangible assets	4 886 609	(23 421)	13 680	120 737	4 997 605
Interest in joint ventures	324 233	(1 154)	(228 171)	–	94 908
Deferred taxation	26 567	–	–	–	26 567
Investments and loans	107 682	–	–	–	107 682
Total non-current assets	**7 042 312**	**(29 828)**	**439 382**	**120 737**	**7 572 603**
Current assets					
Inventories	1 852 707	(2 561)	26 753	–	1 876 899
Trade and other receivables	1 243 324	(2 418)	47 490	(234 960)	1 053 436
Taxation receivable	73 820	(297)	–	–	73 523
Cash and cash equivalents	588 036	(2 250)	177 091	–	762 877
Total current assets	**3 757 887**	**(7 526)**	**251 334**	**(234 960)**	**3 766 735**
Total assets	**10 800 199**	**(37 354)**	**690 716**	**(114 223)**	**11 339 338**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	1 193 473	–	–	–	1 193 473
Foreign currency translation reserve	796 213	(25 282)	–	–	770 931
Cash flow hedging reserve	(15 671)	–	–	–	(15 671)
Share-based payment reserve	93 406	–	–	–	93 406
Distributable reserve	2 943 871	–	49 997	–	2 993 868
Interest of own shareholders	5 011 292	(25 282)	49 997	–	5 036 007
Non-controlling interests	110 435	–	–	–	110 435
Total capital and reserves	**5 121 727**	**(25 282)**	**49 997**	**–**	**5 146 442**
Non-current liabilities					
Deferred taxation	524 875	(2 048)	–	–	522 827
Borrowings	3 298 904	(8 610)	403 807	–	3 694 101
Derivative liabilities	10 320	(31)	16 562	–	26 851
Provisions	–	–	3 102	26 276	29 378
Liability for share-based payments	6 044	–	–	–	6 044
Total non-current liabilities	**3 840 143**	**(10 689)**	**423 471**	**26 276**	**4 279 201**
Current liabilities					
Borrowings	351 258	(316)	30 503	–	381 445
Provisions	36 005	(121)	–	(26 276)	9 608
Trade and other payables	1 444 497	(946)	(13 460)	(114 223)	1 315 868
Liability to Joint operator	–	–	200 205	–	200 205
Taxation payable	6 569	–	–	–	6 569
Total current liabilities	**1 838 329**	**(1 383)**	**217 248**	**(140 499)**	**1 913 695**
Total liabilities	**5 678 472**	**(12 072)**	**640 719**	**(114 223)**	**6 192 896**
Total equity and liabilities	**10 800 199**	**(37 354)**	**690 716**	**(114 223)**	**11 339 338**
Notes		*39*	*39*	*39.5; 39.6*	

39. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

Consolidated Statement of Cash Flows	2020 Previously reported	Effect of Exchange rate change	Effect of joint operation	Other effect	Restated
(extract)	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Cash generated from operations	**2 082 631**	**–**	**169 216**	**–**	**2 251 847**
Investment income received	**32 047**	**–**	**9 259**	**–**	**41 306**
Interest paid	**(269 456)**	**–**	**(17 477)**	**–**	**(286 933)**
Taxation paid	**(235 069)**	**–**	**318**	**–**	**(234 751)**
Dividends paid	**(442 433)**	**–**	**–**	**–**	**(442 433)**
Net cash inflow from operating activities	**1 167 720**	**–**	**161 316**	**–**	**1 329 036**
Purchases of property, plant and equipment	**(239 858)**	**–**	**(107 457)**	**–**	**(347 315)**
Proceeds on disposal of property, plant and equipment	**18 497**	**–**	**–**	**–**	**18 497**
Proceeds on disposal of fishing right	**2 016**	**–**	**–**	**–**	**2 016**
Proceeds on disposal of intangible assets	**30 114**	**–**	**–**	**–**	**30 114**
Decrease in loans receivable from business partners	**18 931**	**–**	**–**	**–**	**18 931**
Purchase of additional shareholding in other investment	**(341)**	**–**	**–**	**–**	**(341)**
Cash flows used in investing activities	**(170 641)**	**–**	**(107 457)**	**–**	**(278 098)**
Repurchase of treasury shares	**(16 879)**	**–**	**–**	**–**	**(16 879)**
Short-term banking facility raised	**–**	**–**	**–**	**4 036 000**	**4 036 000**
Short-term banking facility repaid	**–**	**–**	**–**	**(4 036 000)**	**(4 036 000)**
Short-term borrowings repaid	**(365 583)**	**–**	**15 684**	**–**	**(349 899)**
Payment of joint operator liability	**–**	**–**	**(18 919)**	**–**	**(18 919)**
Benefit / cost relating to loan and derivative finance	**–**	**–**	**(4 319)**	**–**	**(4 319)**
Repayment of principal portion of lease liability	**(38 816)**	**–**	**(845)**	**–**	**(39 661)**
Proceeds from sale of treasury shares	**2 370**	**–**	**–**	**–**	**2 370**
Purchase of treasury shares for the settlement of long-term incentives	**(9 370)**	**–**	**–**	**–**	**(9 370)**
Cash flows used in financing activities	**(428 278)**	**–**	**(8 399)**	**–**	**(436 677)**
Net increase in cash and cash equivalents	**568 801**	**–**	**45 460**	**–**	**614 261**
Cash and cash equivalents at the beginning of the year	**588 036**	**(2 249)**	**177 090**	**–**	**762 877**
Effect of exchange rate changes	**55 860**	**(9 879)**	**9 573**	**–**	**55 554**
Cash and cash equivalents at end of the year	**1 212 697**	**(12 128)**	**232 123**	**–**	**1 432 692**
Notes		*39.4*	*39.1*	*40*	

39.1 JOINT OPERATION

In terms of IFRS 11 – Joint Arrangements, a joint arrangement is defined as being an arrangement whereby two or more parties contractually agree to share control. Joint control exists only when the decisions about activities that significantly affect the returns of an arrangement require the unanimous consent of the parties sharing control.

The Group acquired a 25% shareholding in Westbank in 2015 and at the time of the acquisition concluded that it had significant influence over Westbank and accordingly classified it as an associate and applied the equity method of accounting (refer to note 2). Although certain decisions, for example setting the operating expenditure budget and the capital expenditure budget, require approval by at least 76% of the votes (a 'super majority vote'), it was considered that these were minority protection rights, and that the party with the 75% shareholding had control over Westbank.

During the current year the nature of the Westbank investment, under IFRS, in Westbank was revisited and extensively assessed. Since Daybrook is not at least 75%-owned by a US citizen, if it were to acquire the shares in Westbank, Westbank would not be permitted to operate its fishing vessels in US waters. Thus, it could be said that there is a significant economic disincentive for Daybrook to vote against the current 75% shareholder, effectively giving the 75% shareholder de facto control. However given Daybrook retains the contractual right to exercise joint control, effect should still be given to the contractual rights, resulting in Westbank being reclassified as a joint arrangement. Furthermore, Daybrook is unable to unilaterally remove the other shareholder from the Westbank structure in their managerial and ownership capacity, which suggests that Daybrook does not have the ability to unilaterally control Westbank.

39. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

39.1 JOINT OPERATION continued

During the process of revising the accounting treatment for the interest in Westbank, the accounting treatments of a payment made to Westbank Fishing Partners LLC ("WBFP") of R120.7 million / USD7.9 million and a special dividend received from Westbank of R66.7 million / USD4.4 million, both of which ultimately resulted in a net receivable of R52.8 million / USD3.5 million reflected on the balance sheet, were reconsidered.

In 2015 when the Group acquired 100% of the shares in Daybrook together with 25% of the shares in Westbank, the previous shareholders of Daybrook, namely WBFP, were granted a put option against Daybrook in respect of their 75% shareholding in Westbank. The put option was taken into account at the date of acquisition in determining the Group's purchase price of its investments in Daybrook and Westbank and the resultant goodwill. However, a portion of the amount payable under the put option, the value of which would depend on future profits of Daybrook and Westbank, was incorrectly excluded from this assessment. When this amount, which constituted R120.7 million / USD7.9 million, was paid by Daybrook during the 2019 financial year, it was recognised as a receivable from Westbank. Had this component of the put option been treated correctly from the date of acquisition, it would have resulted in an increase in the recognition of goodwill of R120.7 million / USD7.9 million and not as a receivable. This incorrect treatment has now been corrected. The impact of the correction is reflected as part of the effect of reclassifications and errors (refer to note 39.2.2). In 2019, Westbank paid a special dividend of R66.7 million / USD4.4 million only to Daybrook. At the time of receipt, the amount was reflected as a reduction against the aforementioned receivable that had been recognised of R120.7 million / USD7.9 million, resulting in a net receivable of R52.8 million/ USD3.5 million. Had this dividend received been accounted for correctly at the time, it should have been treated partly as a reduction of the investment in Westbank, to the extent of 25% (R16.6 million / USD1.1 million), and as a gain, to the extent of 75% (R50.0 million / USD3.3 million), since the 75% shareholder did not participate in the special dividend. Thus, the restatement of the accounting for Westbank reflects an increase of R50.0 million / USD3.3 million in distributable reserves.

39.2 RESTATEMENT OF GOODWILL AND INTANGIBLE ASSETS

39.2.1. In 2020, the classification of cost and accumulated impairment within the goodwill and intangible assets note was incorrectly disclosed, resulting in an overstatement of the cost of goodwill by R27.6 million and goodwill accumulated impairment by R27.6 million. The trademark cost was overstated by R13.2 million and trademark accumulated impairment by R13.2 million.

39.2.2. The amount of R120.7 million / USD7.9 million referred to in note 39.1 had been recognised incorrectly as a receivable as opposed to goodwill. The impact of correctly recording the value as goodwill has been included in the impact of the effect of reclassifications and errors on the consolidated statement of financial position as set out below.

Consolidated Statement of Financial Position	2020 Effect of change	2019 Effect of change
(extract)	R'000	R'000
ASSETS		
Non-current assets		
Goodwill and intangible assets	**133 562**	120 737
Interest in joint ventures	**(1 770)**	–
Total non-current assets	**131 792**	120 737
Current assets		
Trade and other receivables	**(120 737)**	(120 737)
Total current assets	**(120 737)**	(120 737)
Total assets	**11 055**	–
EQUITY AND LIABILITIES		
Capital and reserves		
Foreign currency translation reserve	**11 055**	–
Interest of own shareholders	**11 055**	–
Total capital and reserves	**11 055**	–

39.3 RECLASSIFICATION WITHIN THE STATEMENT OF COMPREHENSIVE INCOME

The Group identified expenses that were erroneously classified and reflected as part of the "Cost of Sales" as opposed to "Sales and distribution" and "Overhead expenditure" during the 30 September 2020 period. In addition, in terms of IAS 1 and IFRS 9, impairment loss on financial assets must be separately disclosed on the statement of comprehensive income reducing the "Overhead expenditure" and increasing "Net impairment loss on financial assets" with R8.2 million. Although the amount is not material the Group has restated their results to align with these requirements.

39.4 CORRECTION OF TRANSLATION RATE USED

The exchange rate used in translating a USA subsidiary's statement of financial position did not fully meet the requirements of IAS 21 – The Effects of Changes in Foreign Exchange Rates. This restatement had no impact on the profit after tax for the prior period and has been revised in each of the respective financial statement line items.

39. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

39.5 RECLASSIFICATION OF REBATES AND TRADE ALLOWANCES

Rebates and trade allowances balances owing to customers were reflected as part of the 'Trade and other payables' balance as opposed to offsetting these against the 'Trade and other receivables' as required by the accounting standard. The reclassification has affected the financial statement line items as follows:

Consolidated Statement of Financial Position (extract)	2020 Effect of change R'000	2019 Effect of change R'000
Current assets		
Trade and other receivables	**(135 112)**	(114 223)
Total current assets	**(135 112)**	(114 223)
Total assets	**(135 112)**	(114 223)
Current liabilities		
Trade and other payables	**(135 112)**	(114 223)
Total current liabilities	**(135 112)**	(114 223)
Total liabilities	**(135 112)**	(114 223)

39.6 RECLASSIFICATION OF LONG-TERM PROVISION TO NON-CURRENT LIABILITIES

As part of our review of disclosure against IAS 1 - Presentation of Financial Statements requirements we identified that provisions relating to the *ex*-gratia retirement provision and the non-qualified deferred compensation benefits would be settled in greater than 12 months and therefore, should be reflected as non-current liabilities. The prior year values were restated to align with the requirements of the standard.

Consolidated Statement of Financial Position (extract)	2020 Effect of change R'000	2019 Effect of change R'000
Liabilities		
Non-current liabilities		
Provisions	**24 745**	26 276
Total non-current liabilities	**24 745**	26 276
Current liabilities		
Provisions	**(24 745)**	(26 276)
Total current liabilities	**(24 745)**	(26 276)

39.7 RECLASSIFICATION WITHIN SEGMENTS

The separate classification and disclosure of the finance segment did not meet the requirements set out in IFRS 8 - Operating Segments. In light of this, the prior year segmental report has been restated to incorporate the finance segment within the other operating segments in line with how these values are managed. In addition, the Group identified that the consolidation of inter-segmental assets and liabilities was incorrectly reflected against the canned fish and fishmeal segment. Refer to note 6.

39.8 CHANGE IN DISCLOSURE OF RELATED PARTIES

The related party note did not include all transactions as required in terms of IAS 24 - Related Party Disclosures, with specific reference to disclosing the details of the parties transacted with and details of transactions with companies affiliated to our 25% shareholder, Brimstone Investment Corporation (Sea Harvest Group Limited, House of Monatic Proprietary Limited). The full amount of related party transactions relating to these affiliated companies amounts to R6.6 million (2020: R4.1 million). Refer to note 40.

39.9 RECLASSIFICATION WITHIN THE STATEMENT OF CASH FLOWS

In terms of IAS 7 - Statement of Cash Flows: the movements of short term banking facilities are required to separately reflect the total facilities raised and facilities repaid in the statement of cashflows. There was no short term banking facility balance as at 30 September 2020, however, the separate movement should have been disclosed on the face of the cashflow. The cashflow statement has been updated to reflect the gross movements.

39.10 CHANGE IN DISCLOSURE OF EXECUTIVE DIRECTORS' SHARE SCHEME DETAILS

OET participatory rights relating to executive directors were previously not included in the note disclosure and has now been included. Refer to note 41.2.

40. RELATED PARTIES

The Group entered into various transactions with related parties in the normal course of business. The nature of these related-party transactions is consistent with those reported previously, other than the purchase of the Oceana Boa Pesca Limitada fishmeal plant that was acquired as part of the exit from the Angolan operation in the prior year.

Related party relationships exist between shareholders, subsidiaries, joint venture companies within the Group. Details of the Group's subsidiaries and joint venture are set out in note 46.

Details of the Group's shareholders are set out on page 119.

These transactions are concluded in the normal course of business. All material intergroup transactions are eliminated on consolidation. The amounts outstanding are unsecured and will be settled in cash. The amounts outstanding are unsecured and will be settled in cash. Guarantees have been given or received as disclosed in note 36 between Group entities.

Transactions with joint operations are proportionately consolidated, however, where companies within the Group transact with the joint operations, the portion not consolidated in is effectively a transaction with a related party.

TRADING BALANCES AND TRANSACTIONS

The following is a summary of transactions with related parties during the year and the balances of receivables and payables at year-end.

	2021	Restated 2020	2020 Previously reported
	R'000	**R'000**	**R'000**
Transactions with outside shareholder in joint arrangements			
Administration fees received	**6 396**	2 607	534
Oceana Paragon joint venture	**31**	67	100
Oceana Pegasus joint venture	**21**	51	205
Oceana Concorde joint venture	**20**	220	229
Premier/BCP Hake joint venture	**6 324**	2 269	–
Net interest received from	**334**	360	381
Oceana Paragon joint venture	**(23)**	(7)	(11)
Oceana Pegasus joint venture	**(14)**	1	4
Oceana Concorde joint venture	**119**	193	201
Premier/BCP Hake joint venture	**252**	173	187
Goods and services sold	**(6 898)**	(11 723)	–
Oceana Paragon joint venture	**(3 961)**	(3 266)	–
Oceana Pegasus joint venture	**(943)**	(1 747)	–
Oceana Concorde joint venture	**(1 994)**	(6 710)	–
Goods and services procured	**40 557**	37 165	–
Oceana Paragon joint venture	**1 636**	3 236	–
Oceana Pegasus joint venture	**1 186**	1 839	–
Oceana Concorde joint venture	**1 314**	9 465	–
Premier/BCP Hake joint venture	**36 421**	22 625	–
Amount payable	**(7 278)**	(9 809)	–
Oceana Paragon joint venture	**1 306**	465	–
Oceana Pegasus joint venture	**521**	500	–
Oceana Concorde joint venture	**–**	(5 575)	–
Premier/BCP Hake joint venture	**(9 105)**	(5 199)	–
Transactions and balances with subsidiaries and joint ventures			
Administration fees received			
Etosha Fishing Corporation Limited	**565**	543	543
Goods and services sold to joint ventures			
Etosha Fishing Corporation Limited	**36 453**	135 363	–
Goods and services bought from joint ventures	**177 103**	152 447	781 150
Etosha Fishing Corporation Limited	**176 938**	152 289	98 055
MFV Romano Paulo Vessel	**165**	158	–
Westbank Fishing Limited Liability Company	**–**	–	683 095

40. RELATED PARTIES continued

	2021	Restated 2020	2020 Previously reported
	R'000	R'000	R'000
Interest paid to			
Etosha Fishing Corporation Limited	**1 120**	589	–
Amount (payable)/receivable from joint ventures	**(10 099)**	(40 962)	14 509
Etosha Fishing Corporation Limited	**(10 099)**	(52 863)	109
MFV Romano Paulo Vessel	**–**	(16)	–
Westbank Fishing Limited Liability Company	**–**	–	2 483
Oceana Boa Pesca Limitada	**–**	11 917	11 917
Transactions and balances with other related parties			
Good and services procured from other related parties[1]	**6 620**	4 108	–
Obsidian Health Proprietary Limited	**2 351**	–	–
Sea Harvest Group Limited	**2 343**	1 279	–
House of Monatic Proprietary Limited	**–**	529	–
Ulwandle Management Services Proprietary Limited	**1 479**	1 461	–
Ulwandle Fishing Proprietary Limited	**447**	839	–
Goods and services sold to other related parties[1]			
Sea Harvest Group Limited	**(16)**	–	–
Interest received from[1]			
Ulwandle Fishing Proprietary Limited	**(7 135)**	(6 891)	–
Amount payable from other related parties[1]	**(96)**	(10)	–
Sea Harvest Group Limited	**–**	82	–
Ulwandle Management Services Proprietary Limited	**(96)**	(92)	–
Loans receivable from shareholders of subsidiary companies			
Ulwandle Fishing Proprietary Limited	**90 783**	82 539	83 331
Loans payable to shareholders of subsidiary companies			
Ulwandle Fishing Proprietary Limited	**(14 768)**	(10 947)	–
Compensation of key management personnel	**90 537**	58 142	58 142
Short-term employee benefits	**54 175**	47 265	47 265
Post-employment benefits	**3 194**	2 295	2 295
Share-based payments – cash-settled compensation scheme	**2 521**	1 245	1 245
Share-based payments – equity-settled compensation scheme	**19 397**	2 980	2 980
Share-based payments – OET	**5 966**	104	104
Non-executive directors' emoluments	**5 284**	4 253	4 253

1. *Refer to note 39.8 for all restated balances, other than those referenced as relating to note 39.1.*

PRIOR YEAR RESTATEMENT

As part of the Group's continued assessment of the JSE proactive monitoring review and IFRS compliance, the prior year disclosure has been restated to enhance the disclosure in line with IAS 24 - Related party disclosure.

INTEREST OF DIRECTORS IN CONTRACTS

The directors of Oceana make declarations of interest in terms of section 75 of the Companies Act No. 71 of 2008. These declarations indicate that certain directors hold positions of influence in other entities which are shareholders, customers and/or competitors of the Group.

POST-RETIREMENT BENEFIT PLANS

The Group is a member of various defined-contribution plans as well as a defined-benefit plan. Further details are shown in note 34.

40. RELATED PARTIES continued

THE GROUP'S INTEREST IN SUBSIDIARIES AND JOINT VENTURES

The Group provides financing to subsidiary companies and joint ventures and invests surplus cash on their behalf. Loan accounts between wholly-owned Group companies in South Africa are interest-free with the exception of when the Company is required to fund subsidiary working capital requirements from available overdraft facilities in which event interest is charged at prevailing market rates. Other loan accounts bear interest at rates similar to rates levied by banks. Details of loan balances with, and interests in, subsidiary and joint venture companies are disclosed on page 118. Details of treasury shares held by share trusts are disclosed in note 23.3.

TRANSACTIONS WITH OTHER RELATED PARTIES

Transaction with other related parties includes arrangements and agreements with connected persons and other related companies as defined in IAS 24 - Related party disclosure. These related parties arose by virtue of their relationship with the Group's major shareholder as well as outside shareholders who have significant influence over subsidiaries. These transactions were made in the ordinary course of business and on substantially the same terms, including interest rates and security, as for comparable transactions with persons of a similar standing. The transactions did not involve more than the normal risk of repayment. None of these loans have been impaired.

ULWANDLE LOAN PLEDGE

On 2 February 2015, Blue Continent Products Proprietary Limited ("BCP") and Lucky Star Limited ("Lucky Star") each concluded loan agreements with Ulwandle Fishing Proprietary Limited ("Ulwandle") in terms of which BCP and Lucky Star (the "Lenders"), lent to Ulwandle (the "Borrower"), an aggregate amount not exceeding R115,6 million. In order to secure the rights of the Lenders, Ulwandle has pledged and ceded all of its rights, title and interest in and to the shares in Amawandle Hake and Amawandle Pelagic to the Lenders of the respective loan agreements. The loan is a full recourse loan and bears interest at the prime rate plus 3%, with fixed terms of repayment. The final instalment is due on 30 November 2025.

41. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

41.1 EXECUTIVE DIRECTORS' REMUNERATION

	Salary	Allowances and other[1]	Retirement fund contributions	Incentive bonuses[2]	Gain on exercise of cash-settled/ equity-settled share options[3]	Total emoluments
Name	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
2021						
I Soomra[6]	**6 437**	**110**	**350**	**–**	**4 201**	**11 098**
H Karrim[4]	**3 667**	**478**	**321**	**908**	**–**	**5 374**
T Giles[5]	**582**	**168**	**113**	**–**	**–**	**863**
Total	**10 686**	**756**	**784**	**908**	**4 201**	**17 335**
2020						
I Soomra	6 160	578	350	7 002	596	14 686
T Giles[5]	1 276	560	269	1 866	137	4 108
E Bosch	1 121	26	166	–	–	1 313
Total	**8 557**	**1 164**	**785**	**8 868**	**733**	**20 107**

1. *Allowances and other include monthly fuel and petrol. For H Karrim, a once-off relocation allowance and T Giles an acting allowance from October 2020 to December 2020.*
2. *Performance bonuses are accounted for on an accrued basis, to match the amount payable to the applicable financial year. For H Karrim, the bonus figure is a once off sign-on bonus.*
3. *Includes dividends and gross proceeds received from OET.*
4. *H Karrim was appointed as Chief Financial Officer effective 1 November 2020.*
5. *T Giles was appointed as acting Chief Financial Officer effective 11 February 2020 to 30 October 2020.*
6. *I Soomra resigned effective 14 February 2022.*

41. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

41.2 EXECUTIVE DIRECTORS' SHARE SCHEME DETAILS

I SOOMRA

			Options as at 30 Sep 2020		Options awarded during the year		Options forfeited during the year		Options exercised during the year			Options as at 30 Sep 2021			
2021 Scheme	Award date	Initial vesting date	Number	Price	Number	Price	Number	Price	Number	Price	Gain (R'000)	Vested	Unvested[4]	Option value[1] (R'000)	Expiry date
Share appreciation rights															
Grant 4	15 Feb 17	15 Feb 20	7 776	R116.81	–	–	7 776[5]	R116.81	–	–	–	–	–	–	14 Feb 24
Grant 5	15 Feb 18	15 Feb 21	34 700	R82.27	–	–	–	–	–	–	–	11 565	23 135	–	14 Feb 25
Grant 6	15 Feb 19	15 Feb 22	87 400	R73.79	–	–	–	–	–	–	–	–	87 400	–	14 Feb 26
Grant 7	02 Mar 20	02 Mar 23	313 346	R59.78	–	–	–	–	–	–	–	–	313 346	1 833	01 Mar 27
Grant 8	05 Mar 21	05 Mar 24	–	–	289 900	R67.94	–	–	–	–	–	–	289 900	–	05 Mar 28
			443 222		289 900		7 776		–		–	11 565	713 781	1 833	
Restricted shares															
Grant 6	14 Nov 18	14 Nov 21	10 100	–	–	–	–	–	–	–	–	–	10 100	663	13 Nov 21
Grant 6B	08 May 19	08 May 22	72 623	–	–	–	–	–	–	–	–	–	72 623	4 766	08 May 22
Grant 7	13 Nov 19	13 Nov 22	6 000	–	–	–	–	–	–	–	–	–	6 000	394	13 Nov 22
Grant 8	12 Nov 20	12 Nov 23	–	–	19 600	R60.85	–	–	–	–	–		19 600	1 286	12 Nov 23
			88 723		19 600		–		–		–	–	108 323	7 109	
Performance shares															
Grant 5	15 Feb 18	15 Feb 21	9 600	–	–	–	–	–	28 800[2]	R69.74	2 007	–	–	–	14 Feb 21
Grant 6	13 Feb 19	13 Feb 22	30 600	–	–	–	–	–	–	–	–	–	30 600	2 008	13 Feb 22
Grant 7	02 Mar 20	02 Mar 23	39 800	–	–	–	–	–	–	–	–	–	39 800	2 612	02 Mar 23
Grant 8	05 Mar 21	05 Mar 24	–	–	36 900	R67.94	–	–	–	–	–	–	36 900	2 422	05 Mar 24
			80 000		36 900		–		28 800		2 007	–	107 300	7 042	
Oceana Empowerment Trust[3]															
Participatory rights	01 Sep 13		32 000	–	–	–	–	–	32 000	–	1 148	–	–	–	
			32 000		–		–		32 000		1 148	–	–	–	
Total			643 945		346 400		7 776		60 800		3 155	11 565	929 404	15 984	

1. The option value for equity-settled schemes are calculated using the closing VWAP at 30 September 2021 of R65.63. Option value for cash- settled schemes are calculated using the closing VWAP at 30 September 2021 of R65.63 less the grant date price. Where the VWAP is less than the grant date price the option value is nil.

2. Settled using a TSR multiplier of 300%.

3. Oceana Empowerment Trust participatory rights vested at R67 per share with a loan amount of R32.59 per share.

4 Subsequent to 30 September 2021, all unvested share options were forfeited following the resignation of Mr I Soomra.

5 Forfeited due to HEPS performance target not being met.

41.2 EXECUTIVE DIRECTOR' SHARE SCHEME DETAILS

I SOOMRA

2020 Scheme	Award date	Initial vesting date	Options as at 30 Sep 2019 Number	Price	Options awarded during the year Number	Price	Options forfeited during the year Number	Price	Options exercised during the year Number	Price	Gain (R'000)	Options as at 30 Sep 2020 Vested	Unvested	Option value[1] (R'000)	Expiry date
Phantom share options															
Grant 8	1 Jul 13	1 Jul 16	120 000	R81.21	–	–	120 000	R81.21	–	–	–	–	–	–	01 Jan 20
			120 000		–		120 000		–		–	–	–	–	
Share appreciation rights															
Grant 1	12 Feb 14	12 Feb 17	11 893	R77.61	–	–	–	–	–	–	–	11 893	–	–	11 Feb 21
Grant 3	17 Feb 16	17 Feb 19	7 237	R111.10	–	–	7 237[3]	R111.10	–	–	–	–	–	–	16 Feb 23
Grant 4	15 Feb 17	15 Feb 20	15 533	R116.81	–	–	7 767[3]	R116.81	–	–	–	–	7 766	–	14 Feb 24
Grant 5	15 Feb 18	15 Feb 21	34 700	R82.27	–	–	–	–	–	–	–	–	34 700	–	14 Feb 25
Grant 6	15 Feb 19	15 Feb 22	87 400	R73.79	–	–	–	–	–	–	–	–	87 400	–	14 Feb 26
Grant 7	02 Mar 20	02 Mar 23	–	–	313 346	R59.78	–	–	–	–	–	–	313 346	508	01 Mar 27
			156 763		313 346		15 004		–		–	11 893	443 212	508	
Restricted shares															
Grant 4	16 Nov 16	16 Nov 19	4 837	–	–	–	–	–	4 837	R62.76	304	–	–	–	15 Nov 19
Grant 6	14 Nov 18	14 Nov 21	10 100	–	–	–	–	–	–	–	–	–	10 100	620	13 Nov 21
Grant 6B	08 May 19	08 May 22	72 623	–	–	–	–	–	–	–	–	–	72 623	4 459	07 May 22
Grant 7	13 Nov 19	13 Nov 22	–	–	6 000	R68.26	–	–	–	–	–	–	6 000	368	12 Nov 23
			87 560		6 000		–		4 837		304	–	88 723	5 447	
Performance shares															
Grant 4	15 Feb 17	15 Feb 20	6 400	–	–	–	2 400[4]	–	4 000[2]	R60.00	240	–	–	–	14 Feb 20
Grant 5	15 Feb 18	15 Feb 21	9 600	–	–	–	–	–	–	–	–	–	9 600	589	14 Feb 21
Grant 6	13 Feb 19	13 Feb 22	30 600	–	–	–	–	–	–	–	–	–	30 600	1 879	12 Feb 21
Grant 7	02 Mar 20	02 Mar 23	–	–	39 800	R59.78	–	–	–	–	–	–	39 800	2 444	01 Mar 23
			46 600		39 800		2 400		4 000		240	–	80 000	4 912	
Oceana Empowerment Trust[5]															
Participatory rights	01 Sep 13		32 000	–	–	–	–	–	–	–	–	–	32 000	941	
			32 000		–		–		–		–	–	32 000	941	
Total			442 923		359 146		137 404		8 837		544	11 893	643 935	11 808	

1. Option value for equity-settled schemes are calculated using the closing VWAP at 30 September 2020 of R61.40. Option value for cash-settled schemes are calculated using the closing VWAP at 30 September 2020 of R61.40 less the grant date price.

2. Settled using a TSR multiplier of 62.50%.

3. Forfeited due to 2020 HEPS performance target not achieved.

4. Forfeited due to TSR position being below the lower quartile.

5. Disclosure in this schedule was restated due to non disclosure of OET trust in the prior year 2020 reported schedule

41. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

H KARRIM

2021 Scheme	Award date	Initial vesting date	Options as at 30 Sep 2020 Number	Options as at 30 Sep 2020 Price	Options awarded during the year Number	Options awarded during the year Price	Options forfeited during the year Number	Options forfeited during the year Price	Options exercised during the year Number	Options exercised during the year Price	Options exercised during the year Gain (R'000)	Options as at 30 Sep 2021 Vested	Options as at 30 Sep 2021 Unvested	Options as at 30 Sep 2021 Option value (R'000)	Expiry date
Share appreciation rights															
Grant 8A	01 Nov 20	01 Nov 23	–	–	118 667	R67.87	–	–	–	–	–	–	118 667	–	01 Nov 27
Grant 8B	12 Nov 20	12 Nov 23	–	–	118 700	R67.94	–	–	–	–	–	–	118 700	–	12 Nov 23
			–		237 367		–		–		–	–	237 367	–	
Restricted shares															
Grant 8A	01 Nov 20	01 Nov 23	–	–	8 619	R67.87	–	–	–	–	–	–	8 619	566	01 Nov 23
Grant 8B	12 Nov 20	12 Nov 23	–	–	9 600	R60.85	–	–	–	–	–	–	9 600	630	12 Nov 23
			–		18 219		–		–		–	–	18 219	1 196	
Performance shares															
Grant 8A	01 Nov 20	01 Nov 23	–	–	11 935	R67.87	–	–	–	–	–	–	11 935	783	01 Nov 23
Grant 8B	12 Nov 20	12 Nov 23	–	–	11 900	R60.85	–	–	–	–	–	–	11 900	781	12 Nov 23
			–		23 835		–		–		–	–	23 835	1 564	
Total			–		279 421		–		–		–	–	279 421	2 760	

1. Option value for equity-settled schemes are calculated using the closing VWAP at 30 September 2021 of R65.63. Option value for cash- settled schemes are calculated using the closing VWAP at 30 September 2021 of R65.63 less the grant date price. Where the VWAP is less than the grant date price the option value is nil.
2. Settled using a TSR multiplier of 300%.

E BOSCH

2020 Scheme	Award date	Initial vesting date	Options as at 30 Sep 2019 Number	Options as at 30 Sep 2019 Price	Options awarded during the year Number	Options awarded during the year Price	Options forfeited during the year[1] Number	Options forfeited during the year[1] Price	Options exercised during the year Number	Options exercised during the year Price	Options exercised during the year Gain (R'000)	Options as at 30 Sep 2020 Vested	Options as at 30 Sep 2020 Unvested	Options as at 30 Sep 2020 Option value (R'000)	Expiry date
Share appreciation rights															
Grant 6B	21 Jun 19	21 Jun 22	132 500	R72.11	–	–	132 500	R72.11	–	–	–	–	–	–	20 Jun 26
			132 500		–		132 500		–			–			
Restricted shares															
Grant 6	21 Jun 19	21 Jun 22	22 500	–	–	–	22 500	R72.11	–	–	–	–	–	–	20 Jun 22
			22 500		–		22 500		–			–			
Performance shares															
Grant 6	21 Jun 19	21 Jun 22	32 500	–	–	–	32 500	–	–	–	–	–	–	–	20 Jun 22
			32 500		–		32 500		–		–	–	–	–	
Total			187 500		–		187 500		–		–	–	–	–	

1. Options forfeited due to resignation effective 31 January 2020.

41. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

41.2 EXECUTIVE DIRECTOR' SHARE SCHEME DETAILS

T GILES

2021 Scheme	Award date	Initial vesting date	Options as at 30 Sep 2020 Number	Options as at 30 Sep 2020 Price	Options awarded during the year Number	Options awarded during the year Price	Options forfeited during the year Number	Options forfeited during the year Price	Options exercised during the year Number	Options exercised during the year Price	Options exercised during the year Gain (R'000)	Options as at 30 Sep 2021 Vested	Options as at 30 Sep 2021 Unvested	Options as at 30 Sep 2021 Option value[1] (R'000)	Expiry date
Share appreciation rights															
Grant 4	15 Feb 17	15 Feb 20	2 334	R116.81	–	–	2334[3]	R116.81	–	–	–	–	–	–	14 Feb 24
Grant 5	15 Feb 18	15 Feb 21	10 700	R82.27	–	–	–	–	–	–	–	3 567	7 133	–	14 Feb 25
Grant 6	15 Feb 19	15 Feb 22	22 000	R73.79	–	–	–	–	–	–	–	–	22 000	–	14 Feb 26
Grant 7	02 Mar 20	02 Mar 23	81 228	R59.78	–	–	–	–	–	–	–	–	81 228	475	01 Mar 27
Grant 8	05 Mar 21	05 Mar 24	–	–	75 200	R67.94	–	–	–	–	–	–	75 200	–	05 Mar 28
			116 262		75 200		2 334		–		–	3 567	185 561	475	
Restricted shares															
Grant 6	14 Nov 18	14 Nov 21	6 400	–	–	–	–	–	–	–	–	–	6 400	420	13 Nov 21
Grant 6B	08 May 19	08 May 22	16 358	–	–	–	–	–	–	–	–	–	16 358	1 074	07 May 22
Grant 7	13 Nov 19	13 Nov 22	3 200	–	–	–	–	–	–	–	–	–	3 200	210	12 Nov 22
Grant 8	12 Nov 20	12 Nov 23	–	–	8 300	R60.85	–	–	–	–	–	–	8 300	545	12 Nov 23
			25 958		8 300		–		–		–	–	34 258	2 249	
Performance shares															
Grant 5	15 Feb 18	15 Feb 21	2 600	–	–	–	–	–	7800[2]	R69.74	544	–	–	–	14 Feb 21
Grant 6	13 Feb 19	13 Feb 22	6 100	–	–	–	–	–	–	–	–	–	6 100	400	12 Feb 22
Grant 7	02 Mar 20	02 Mar 23	8 200	–	–	–	–	–	–	–	–	–	8 200	538	01 Mar 23
Grant 8	05 Mar 21	05 Mar 24	–	–	7 600	R67.94	–	–	–	–	–	–	7 600	499	05 Mar 24
			16 900		7 600		–		7 800		544	–	21 900	1 437	
Total			159 120		91 100		2 334		7 800		544	3 567	241 719	4 161	

1. *Option value for equity-settled schemes are calculated using the closing VWAP at 30 September 2021 of R65.63. Option value for cash- settled schemes are calculated using the closing VWAP at 30 September 2021 of R65.63 less the grant date price. Where the VWAP is less than the grant date price the option value is nil.*
2. *Settled using a TSR multiplier of 300%.*
3. *Forfeited due to HEPS performance target not being met.*

The above details are indicated for the full financial year although Mr T Giles was only a prescribed officer during October 2020.

41. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

41.2 EXECUTIVE DIRECTOR' SHARE SCHEME DETAILS

T GILES

2020 Scheme	Award date	Initial vesting date	Options as at 30 Sep 2019 Number	Options as at 30 Sep 2019 Price	Options awarded during the year Number	Options awarded during the year Price	Options forfeited during the year Number	Options forfeited during the year Price	Options exercised during the year Number	Options exercised during the year Price	Options exercised during the year Gain (R'000)	Options as at 30 Sep 2020 Vested	Options as at 30 Sep 2020 Unvested	Options as at 30 Sep 2020 Option value[1] (R'000)	Expiry date
Share appreciation rights															
Grant 1	12 Feb 14	12 Feb 17	4 160	R77.61	–	–	–	–	–	–	–	4 160	–	–	11 Feb 21
Grant 3	17 Feb 16	17 Feb 19	2 266	R111.10	–	–	2 266[3]	R111.10	–	–	–	–	–	–	16 Feb 23
Grant 4	15 Feb 17	15 Feb 20	4 667	R116.81	–	–	2 333[3]	R116.81	–	–	–	–	2 334	–	14 Feb 24
Grant 5	15 Feb 18	15 Feb 21	10 700	R82.27	–	–	–	–	–	–	–	–	10 700	–	14 Feb 25
Grant 6	15 Feb 19	15 Feb 22	22 000	R73.79	–	–	–	–	–	–	–	–	22 000	–	14 Feb 26
Grant 7	02 Mar 20	02 Mar 23	–	–	81 228	R59.78	–	–	–	–	–	–	81 228	132	01 Mar 27
			43 793		81 228		4 599		–		–	4 160	116 262	132	
Restricted shares															
Grant 4	16 Nov 16	16 Nov 19	1 842	–	–	–	–	–	1 842	R63.55	117	–	–	–	15 Nov 19
Grant 6	14 Nov 18	14 Nov 21	6 400	–	–	–	–	–	–	–	–	–	6 400	393	13 Nov 21
Grant 6B	08 May 19	08 May 22	16 358	–	–	–	–	–	–	–	–	–	16 358	1 004	07 May 22
Grant 7	13 Nov 19	13 Nov 22	–	–	3 200	R68.26	–	–	–	–	–	–	3 200	196	12 Nov 23
			24 600		3 200		–		1 842		117	–	25 958	1 593	
Performance shares															
Grant 4	15 Feb 17	15 Feb 20	1 700	–	–	–	637[4]	–	1 063[2]	R60.00	64	–	–	–	14 Feb 20
Grant 5	15 Feb 18	15 Feb 21	2 600	–	–	–	–	–	–	–	–	–	2 600	160	14 Feb 21
Grant 6	13 Feb 19	13 Feb 22	6 100	–	–	–	–	–	–	–	–	–	6 100	375	12 Feb 22
Grant 7	02 Mar 20	02 Mar 23	–	–	8 200	R59.78	–	–	–	–	–	–	8 200	503	01 Mar 23
			10 400		8 200		637		1 063		64	–	16 900	1 038	
Total			78 793		92 628		5 236		2 905		181	4 160	159 120	2 763	

1. *Option value for equity-settled schemes are calculated using the closing VWAP at 30 September 2020 of R61.40. Option value for cash- settled schemes are calculated using the closing VWAP at 30 September 2020 of R61.40 less the grant date price.*
2. *Settled using a TSR multiplier of 62.50%.*
3. *Forfeited due to 2020 HEPS criteria not being met.*
4. *Forfeited due to TSR position being below the lower quartile.*

41. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

41.3 NON-EXECUTIVE DIRECTORS' REMUNERATION

	2021			2020		
	Board fees	Committee fees	Total	Board fees	Committee fees	Total
	R'000	R'000	R'000	R'000	R'000	R'000
ZBM Bassa	**319**	**308**	**627**	257	268	525
MA Brey	**823**	**106**	**929**	711	102	813
PG de Beyer	**319**	**280**	**599**	258	262	520
P Golesworthy[1]	**159**	**69**	**228**	–	–	–
A Jakoet	**319**	**199**	**518**	226	183	409
TM Mokgosi-Mwantembe[1]	**159**	**90**	**249**	–	–	–
NA Pangarker[3]	**319**	**180**	**499**	264	172	436
S Pather[2]	**292**	**231**	**523**	315	302	617
L Sennelo[3]	**319**	**220**	**539**	264	182	446
NV Simamane	**319**	**255**	**574**	259	228	487
Total	**3 347**	**1 938**	**5 285**	**2 554**	**1 699**	**4 253**

1. *P Golesworthy and TM Mokgosi-Mwantembe were appointed to the board of directors on 15 July 2021.*
2. *S Pather served on the board until his unexpected passing on 5 July 2021.*
3. *NA Pangarker fees were paid to Brimstone Investment Corporation Limited and L Sennelo fees were paid to Gosele Advisory Services.*

42. GROUP ENTITIES

The Group's principal subsidiaries, joint operation and joint ventures, including applicable ownership interests, are detailed on page 118 and material non-controlling interests are disclosed in note 35. There are no significant restrictions on the ability of the Group to realise assets or settle liabilities of any of its subsidiaries. There are no contractual obligations on the company or any of its subsidiaries to provide financial support other than what is disclosed in note 36.

43. REPORTABLE IRREGULARITIES

Subsequent to the financial year end, five Reportable Irregularities (RI's) were lodged by our external auditors, PwC, with the Independent Regulatory Board for Auditors ("IRBA") as required by the Auditing Profession Act (APA).

These are summarised below:

1. Non-disclosure of a conflict of interest by a senior member of management relating to a relationship conflict with a staff member, for whom an *ex gratia* payment was approved and paid ("RI 1").
2. Behavioural matters that contributed towards a culture of dominance and bullying involving a senior member of management ("RI 2").
3. The obstruction and / or interference with the forensic investigation by deletion of certain information from their electronic devices by two senior members of management in contravention of a 'hold notice' that was issued to the management team to hold and preserve all email and electronic records during the investigation ("RI 3").
4. Suspected irregularities by management in the submission of an insurance claim relating to the backdating of an internal approval document submitted with the final claim to the date of the initial claim notification to the insurer ("RI 4").
5. Two members of management implicated in RI 4 were found to have contravened a confidentiality instruction from the forensic investigators ("RI 5") to not discuss the investigation. The forensic investigation took appropriate steps to ensure that the integrity of the investigation was not compromised by this contravention.

RI 1, RI 2 and RI 3, pertain to behavioural and conduct matters where disciplinary action is in process or the individuals are no longer with the Company. The contraventions are in respect of non-financial matters and no financial loss has been caused to the Company, nor has there been any impact on the financial statements.

43. REPORTABLE IRREGULARITIES continued

The forensic investigation in respect of RI 4 and RI 5 did not identify any deliberate attempt to misrepresent through the backdating of the insurance claim or any intent to mislead the investigation through the confidentiality breach. The proceeds of the claim have been recorded in the 2022 financial year following a review in terms of IFRS recognition requirements, and no loss has been suffered by the Group. Remedial actions in respect of RI 4 and RI 5 are in the process of being initiated.

PwC have reviewed the responses by management and are satisfied that the reportable irregularities described above are no longer taking place (classified as “not ongoing” from a regulatory reporting perspective) and where appropriate, the Company has or is in the process of taking disciplinary action in accordance with the Company’s disciplinary code and procedures and with due cognisance of applicable labour legislation. PwC have notified the IRBA accordingly that the reportable irregularities listed above are not ongoing.

44. EVENTS AFTER THE REPORTING DATE

INVESTIGATIONS

During October 2021, the Group was made aware of concerns raised by a whistle-blower relating predominantly to the accounting treatment of a United States subsidiary of the Group, Daybrook together with its 25% interest in Westbank. In order to protect the integrity of the Group’s accounting and governance processes, the Board took the decision to undertake a comprehensive forensic investigation and review process of all matters raised where appointed of ENSafrica. In February 2022, the auditors raised a new concern regarding the dating of signatures on an internal document pertaining to an insurance claim in the amount of USD4.2 million that was then also independently investigated. As a result, the publication of the annual financial results was delayed.

The results of these investigations and the basis for the delay in the publication of the annual financial results were communicated in SENS publications on 10 December 2021, 31 January 2022, 10 February 2022 and 25 February 2022. The backdated documents created concern that other insurance claim documentation was also backdated. ENSafrica performed a comprehensive review and was able to confirm instances of backdating, although none of those instances impacted the consolidated annual financial statements. The Group Board views the practice of backdating documents in a serious light and is implementing appropriate remedial interventions to address this, which includes disciplinary action and training. The forensic investigations concluded that none of the matters considered resulted in financial loss to the Company nor was there any evidence of fraud or criminal conduct.

COVENANT WAIVERS

Due to the delay in the publishing of the financial results for the financial year ended 30 September 2021 the Company obtained default waivers from lenders. The waiver obtained from SA lenders requires the Group’s audited annual financial statements to be published by no later than 15 April 2022. Lenders also require the audited financial statements for Daybrook Inc. for the year ended 30 September 2021 to be completed by no later than 30 June 2022. The Group is confident that it will comply with these dates and that no disruption to banking facilities likely to occur.

FISHING RIGHTS ALLOCATION PROCESS ("FRAP")

The Company is pleased with the conclusion of the Department of Forestry, Fisheries and the Environment’s 2021/22 FRAP which was announced on 28 February 2022. The outcome secures the Group’s rights in 5 key species for the next 15 years and ensures that current South African fishing operations will continue unimpacted. There has been no material change to the Group’s previous rights.

44. EVENTS AFTER THE REPORTING DATE continued

FSCA INVESTIGATION UPDATE

The Company was informed by the Financial Sector Conduct Authority (“FSCA”) on 21 February 2022 that the FSCA has registered an investigation to determine whether any person may have published false, misleading or deceptive statements, promises and forecasts regarding the past or future performance of the Company, or its securities.

The Company has engaged with the FSCA in this regard on 23 February 2022. We await their conclusion on the matter and will continue to co-operate fully with them.

DIRECTOR AND OFFICER CHANGES

Mr Imraan Soomra resigned as executive director and Chief Executive Officer ("CEO") effective 14 February 2022. The Group appointed Mr Neville Brink as Interim CEO effective 14 February 2022 and as an executive director effective 21 February 2022. As announced on 6 February 2022, Ms Hajra Karrim, the Group’s Chief Financial Officer ("CFO") was suspended on a precautionary basis pending a disciplinary process and a subsequent grievance has been lodged by the CFO in relation to the suspension. Mr Ralph Buddle was appointed as Interim CFO effective 23 February 2022.

Ms Adela Fortune resigned as Company Secretary on 4 March 2022. Mr Ralph Buddle was appointed as Interim Company Secretary effective 9 March 2022.

TAX RATE CHANGE

On 24 February 2021, the South African Minister of Finance announced a change in the companies tax rate from 28% to 27% for companies for tax years commencing on or after 1 April 2022. The Minister confirmed this rate change on 23 February 2022. The change in rate has no impact on the 2021 financial results as the change has not yet been substantively enacted. The rate change will affect the deferred tax for the year ending 30 September 2022 and the income tax for the year ending 30 September 2023.

The consolidated financial statements were accordingly prepared on the going-concern basis since the directors have every reason to believe that the Group has adequate resources in place to continue in operation for the foreseeable future.

45. GOING CONCERN

The assessment of going concern included the consideration of current economic conditions as well as available information about future risks and uncertainties, including the stability of fishing resources and the potential impact of climate change. Management has assessed the fishing resources in the sector’s and geographies the Group operates in, to be stable and well-managed resources. Climate variation features as one of the Group’s top three environmental risks and management continues to assess the potential effects on the business and value chain. The Group’s diversification strategy and investment along different coastlines enables it to mitigate risk through geographic and specie diversity. The Group’s forecasts and projections of its current and expected profitability and cash flows, taking account of reasonably possible changes in trading performance, capital and liquidity show that the Group will be able to operate within the limits of its existing banking facilities for at least 12 months from the approval date of the consolidated financial statements.

These analyses have been updated to include the ongoing developments relating to the Covid-19 pandemic and will evolve as the effects of the pandemic continue to extend. The Group was classified as an essential service provider in all geographies in which it operated during the Covid-19 lockdown period and was accordingly able to continue trading. The Group’s ability to continue producing and delivering an affordable protein, mainly for in-home consumption, places it in a favourable position given the food security risks faced globally during the pandemic. The robustness of Oceana’s diversification strategy with its exposure to multiple species, products, markets and currencies provide a natural hedge to market volatility.

46. INTEREST IN PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND JOINT OPERATION

for the year ended 30 September 2021

Name of company	Nature of business	Issued capital 2021 R	Effective holding 2021 %	Issued capital 2020 R	Effective holding 2020 %
Amawandle Hake Proprietary Limited	Hake	**400**	**75**	400	75
Amawandle Pelagic Proprietary Limited	Canned fish, fishmeal/oil	**178 507 494**	**75**	178 507 494	75
Arechanab Fishing & Dev Co Proprietary Limited	Horse mackerel	**3 000**	**35**	3 000	49
Blue Continent Products Proprietary Limited	Horse mackerel, hake	**1 000**	**100**	1 000	100
Calamari Fishing Proprietary Limited	Squid	**4 000**	**100**	4 000	100
Cerocic Fishing Proprietary Limited	Horse mackerel	**7 500**	**48**	7 500	48
Commercial Cold Storage Proprietary Limited	Cold storage	**100**	**100**	100	100
Commercial Cold Storage Limited	Holding company	**1 000 000**	**100**	1 000 000	100
Commercial Cold Storage (Ports) Proprietary Limited	Cold storage	**100**	**70**	100	70
Commercial Cold Storage (Namibia) Proprietary Limited – Namibia	Cold storage	**15 300**	**69**	10 000	100
Compass Trawling Proprietary Limited	Hake	**1 000**	**45**	1 000	45
Desert Diamond Fishing Proprietary Limited	Horse mackerel	**120**	**90**	120	90
Oceana US Investment Holdings Corporation – United States of America	Holding company	**3 221 400 000**	**100**	3 221 400 000	100
Oceana US Holdings Corporation – United States of America	Holding company	**3 042 682 453**	**100**	3 042 682 453	100
Daybrook Investors Incorporated – United States of America	Holding company	**44 242 171**	**100**	44 242 171	100
Daybrook Fisheries Incorporated – United States of America	Holding company	**57 905 400**	**100**	57 905 400	100
Daybrook Holdings Incorporated – United States of America	Fishmeal/oil	**54 748 814**	**100**	54 748 814	100
Westbank Fishing Limited Liability Company – United States of America[2]	Fishmeal/oil	**520 380 000**	**25**	510 930 000	25
Erongo Marine Enterprises Proprietary Limited – Namibia	Horse mackerel	**100**	**100**	100	100
Erongo Seafoods Proprietary Limited – Namibia	Horse mackerel	**40 000**	**49**	40 000	49
Erongo Sea Products Proprietary Limited – Namibia	Horse mackerel	**100**	**58**	100	58
Etosha Fisheries Holding Company Proprietary Limited – Namibia[1]	Canned fish, fishmeal/oil	**9 085**	**45**	9 085	45
Le Monde Holdings Limited - Seychelles	Cold storage	**116**	**100**	116	100
MFV Romano Paulo Vessel Company Proprietary Limited[1]	Rock lobster	**3 000**	**35**	3 000	35
Ntabeni Fishing Proprietary Limited	Canned fish, fishmeal/oil	**200**	**74**	200	74
Lucky Star Limited	Canned fish, fishmeal/oil	**600 000**	**100**	600 000	100
Oceana Africa Holdings Limited – Mauritius	Holding company	**100**	**100**	100	100
Oceana Peche International Limited – Mauritius[4]	Fishmeal/oil	**26**	**100**	13	50
Oceana Empowerment Trust[3]	Empowerment Trust	**n/a**	**n/a**	n/a	n/a
Oceana Lobster Limited	Rock lobster	**965 500**	**100**	965 500	100
Oceana Boa Pesca Limitada – Angola[1]	Fishmeal/oil	**2 444 000**	**50**	2 444 000	50
Ulwandle Inshore Proprietary Limited	Hake	**1 000**	**100**	1 000	100
Ntuitif Proprietary Limited[5]	Hake	**n/a**	**n/a**	100	65
Saam-Sonke Trust	Empowerment Trust	**n/a**	**n/a**	n/a	n/a
Oceana Stakeholder Empowerment Trust	Empowerment Trust	**n/a**	**n/a**	n/a	n/a
Oceana Share Trust	Empowerment Trust	**n/a**	**n/a**	n/a	n/a

Only principal trading subsidiaries, joint ventures and joint operation have been included in the above list. Details of all subsidiaries and joint ventures are available upon request from the company secretary. The Group has 17 (2020: 18) wholly-owned subsidiaries and 15 (2020: 15) non-wholly-owned subsidiaries. All subsidiaries and joint ventures are incorporated in South Africa unless otherwise indicated.

1. *Joint venture.*
2. *Joint operation.*
3. *The trust is funded by capital contributions from Oceana Group Limited and participating South African subsidiary companies.*
4. *Effective holding changed on 28 February 2021 from 50% to 100%.*
5. *Deregistered on 17 June 2021.*

SHAREHOLDER ANALYSIS
AS AT 30 SEPTEMBER 2021

	Number of shareholders	%	Number of shares	%
SHAREHOLDER SPREAD				
1 – 1 000 shares	6 329	82.30	906 267	0.70
1 001 – 10 000 shares	852	11.10	2 907 996	2.20
10 001 – 100 000 shares	370	4.80	12 375 122	9.51
100 001 – 1 000 000 shares	123	1.60	36 489 241	27.98
1 000 001 shares and over	16	0.20	77 753 178	59.61
	7 690	**100.00**	**130 431 804**	**100.00**
DISTRIBUTION OF SHAREHOLDERS				
Banks	91	1.20	8 956 252	6.87
Brokers	30	0.40	774 199	0.60
Close Corporations	47	0.60	34 555	0.03
Empowerment	4	0.10	33 429 243	25.60
Individuals	5 626	73.20	3 185 645	2.49
Insurance companies	41	0.50	1 807 935	1.40
Investment companies	3	–	240 870	0.20
Mutual funds	288	3.70	38 252 127	29.30
Nominees and trusts	892	11.60	955 636	0.73
Other corporate bodies	70	0.90	3 656 511	2.80
Pension funds	405	5.30	29 659 869	22.74
Private companies	186	2.40	422 173	0.32
Public companies	2	–	11 301	–
Treasury Shares held by share trusts	4	0.10	8 757 088	6.70
Treasury Shares held by subsidiary	1	–	288 400	0.22
	7 690	**100.00**	**130 431 804**	**100.00**
SHAREHOLDER TYPE				
Non-public shareholders	24	0.30	42 661 731	32.70
Treasury Shares Held By Share Trusts	4	0.10	8 757 088	6.70
Treasury Shares held by Subsidiary	1	–	288 400	0.20
Other holdings greater than 10%[1]	1	–	32 627 113	25.00
Empowerment	3	–	802 130	0.60
Employees	15	0.20	187 000	0.20
Public shareholders	7 666	99.70	87 770 073	67.30
	7 690	**100.00**	**130 431 804**	**100.00**

[1] *Brimstone Investment Corporation Limited*

SHAREHOLDERS HOLDING 5% OR MORE				
Brimstone Investment Corporation Limited			32 627 113	25.00
M and G Investment Managers Proprietary Limited[3]			13 623 726	10.40
Public Investment Corporation (SOC) Limited[1]			13 286 677	10.20
Foord Asset Management Proprietary Limited			9 400 079	7.20
Saam-Sonke Trust[2]			7 825 908	6.00
Coronation Fund Managers Limited			6 931 093	5.30

[1] *Includes Government Employees Pension Fund, Compensation Commissioner Pension Fund and Unemployment Insurance Fund*
[2] *Includes Saam-Sonke Trust, Oceana Stakeholder Empowerment trust and Oceana Share Trust*
[3] *Previously known as Prudential Portfolio Managers (South Africa) Proprietary Limited*

ADMINISTRATION

REGISTERED OFFICE AND BUSINESS ADDRESS

9th Floor, Oceana House
25 Jan Smuts Street
Foreshore, Cape Town, 8001
PO Box 7206, Roggebaai, 8012
Telephone: National 021 410 1400
International: +27 21 410 1400
Facsimile: 021 419 5979
Email: companysecretary@oceana.co.za
Website: **www.oceana.co.za**

COMPANY REGISTRATION NUMBER

1939/001730/06

JSE SHARE CODE

OCE

NSX SHARE CODE

OCG

COMPANY ISIN

ZAE000025284

TRANSFER SECRETARIES

JSE Investor Services South Africa Proprietary Limited
13th Floor, 19 Ameshoff Street, Braamfontein
(PO Box 4844, Johannesburg,2000)

COMPANY SECRETARY

Adela Fortune (Resigned 4 March 2022)
R Buddle appointed interim company secretary (appointed 9 March 2022)

BANKERS

The Standard Bank of South Africa Limited
Investec Bank Limited
Rand Merchant Bank Holdings Limited
BMO Harris Bank N.A.

EXTERNAL AUDITORS

PricewaterhouseCoopers Inc.

INTERNAL AUDITORS

BDO Advisory Services Proprietary Limited

JSE SPONSOR

The Standard Bank of South Africa Limited

NSX SPONSOR

Old Mutual Investment Services (Namibia) Proprietary Limited

EXECUTIVE DIRECTORS

Chief Executive Officer
Imraan Soomra[1] (Resigned 14 February 2022)

Interim Chief Executive Officer
Neville Brink (Appointed 14 February 2022)

Chief Financial Officer
Hajra Karrim (Appointed 1 November 2020; Suspended 6 February 2022)

OFFICER

Interim Chief Financial Officer
Ralph Buddle (Appointed 23 February 2022)

NON-EXECUTIVE DIRECTORS

Chairman
Mustaq Ahmed Brey[3, 4]

Lead independent director
Peter Gerard de Beyer (Appointed 15 July 2021)[2, 3, 4]
Saamsodien Pather[2, 3] (Deceased 5 July 2021)

Zarina Bibi Mahomed Bassa[2, 4, 5]
Nisaar Ahmed Pangarker[1, 5]
Lesego Sennelo[1, 5]
Nomahlubi Victoria Simamane[1, 3, 4]
Aboubakar Jakoet[2, 5]
Thoko Mokgosi-Mwantembe[1, 3] (Appointed 7 April 2021)
Peter John Golesworthy[2, 5] (Appointed 7 April 2021)

1. Social, Ethics and Transformation Committee
2. Audit Committee
3. Remuneration Committee
4. Corporate Governance and Nomination Committee
5. Risk Committee