Oceana Group Limited Annual Financial Statements 2012

CONTENTS

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The group annual financial statements and the company annual financial statements for the year ended 30 September 2012, which appear on pages 3 to 44, were approved by the board of directors on 8 November 2012 and signed on its behalf by:

MA Brey
Chairman

FP Kuttel
Chief executive officer

PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The group annual financial statements and the company annual financial statements were prepared under the supervision of the group financial director, RG Nicol CA(SA). These annual financial statements have been audited in compliance with the Companies Act, 71 of 2008, as amended ("the Companies Act").

REPORT OF THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, I certify that the company has lodged with the Commissioner all such returns as are required by the Companies Act, and that all such returns are true, correct and up to date.

JC Marais
Company secretary

8 November 2012

INDEPENDENT AUDITOR'S REPORT
to the shareholders of Oceana Group Limited

We have audited the consolidated and separate annual financial statements of Oceana Group Limited set out on pages 6 to 43, which comprise the statements of financial position as at 30 September 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate 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 and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Oceana Group Limited as at 30 September 2012, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 30 September 2012, we have read the report of the directors, the report of the audit committee and the report of the company secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements.

These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Deloitte & Touche

Deloitte & Touche
Registered auditors

Per GG Fortuin
Partner

8 November 2012

REPORT OF THE DIRECTORS

The directors submit their report which forms part of the annual financial statements for the year ended 30 September 2012.

Nature of business and operations
The group consists of a number of operating subsidiaries and joint ventures in the fishing and commercial cold storage industries. The group engages in the catching, processing and procurement of various marine species, including pilchard, anchovy, redeye herring, tuna, lobster, squid, horse mackerel and hake. In addition, the company also carries on the business of investing funds surplus to its immediate requirements and providing funding to subsidiaries.

Share capital
During the year under review 223 000 shares (2011: 205 000 shares) were allotted in terms of the company's share option scheme, increasing the issued share capital by R223 (2011: R205). Premiums totalling R3,5 million (2011: R2,5 million) in respect of these allotments have been credited to the share premium account.

Details of the authorised and issued share capital of the company are set out in note 19.

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

Financial results
The results for the year under review are reflected in the statements of comprehensive income on page 12.

Special resolutions
During the year the company's shareholders passed three special resolutions: to approve and authorise the provision of financial assistance by the company as contemplated in section 45 of the Companies Act; to approve the non-executive directors' remuneration in their capacity as directors only; and to grant general approval and authorisation to repurchase the issued shares by the company or its subsidiaries.

Dividends
Dividends paid during the year and dividends declared after the reporting date are set out in note 9.

Acquisition
The effective date for the purchase of the hake and horse mackerel fishing rights and related assets from the Lusitania group and associated companies, as well as its cold storage business, was 18 September 2012. The total purchase consideration was R116,3 million, of which R105,3 million was paid by year-end. The fishing rights, related assets and the cold storage business were acquired to expand the group's core activities.

Property, plant and equipment
Capital expenditure during the year amounted to R2,1 million on expansion (2011: R23,3 million) and R67,7 million on replacement assets (2011: R102,7 million). During the year there was no major change in the nature of the assets nor in the policy relating to their use. Further details are disclosed in note 10.

Trademark impairment
The Glenryck trademark, in the United Kingdom, was impaired by R13,2 million during the financial year. Further details are disclosed in note 11.

Competition Commission administrative penalty
A Consent Agreement was concluded with the Competition Commission in relation to their investigation into the small pelagic fishing industry in terms of which the group has paid an administrative penalty amounting to R34,75 million. This matter was disclosed in the previous year's annual financial statements as a contingent liability.

Directors and officers
The names of the present directors can be found in the 2012 Integrated Report, along with the name, business and postal address of the company secretary.

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 was as follows:

	Number of shares		
2012	Direct beneficial	Indirect beneficial	Aggregate
ABA Conrad	**500**	**123 500**	**124 000**
PG de Beyer	**3 000**		**3 000**
RG Nicol	**147 000**	**2 000**	**149 000**
2011			
ABA Conrad	500	123 500	124 000
PG de Beyer	3 000		3 000
RG Nicol	147 000	2 000	149 000

There have been no changes in the above interest since the year-end. 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 are set out in note 30.

Subsidiaries and joint ventures
Details of subsidiaries and joint ventures are given in separate schedules on pages 42 and 43.

The interest of the company for the year in the total profits and losses after taxation of its subsidiaries and joint ventures was as follows:

	2012 R'000	2011 R'000
Total profit after taxation attributable to shareholders of Oceana Group Limited	**433 553**	317 984
Total losses after taxation attributable to shareholders of Oceana Group Limited	**6 562**	6 248

Going concern
The directors consider both the group and the company to be going concerns.

Events after the reporting date
No events occurred after the reporting date that may have an impact on the group's and company's reported financial position at 30 September 2012.

REPORT OF THE AUDIT COMMITTEE

COMPOSITION OF THE COMMITTEE

The audit committee appointed by the shareholders on 17 February 2012 to hold office until the conclusion of the next annual general meeting (AGM) scheduled for 14 February 2013, comprises three independent non-executive directors of the company, being Mr S Pather (Chairman) [BBusSc BCom (Hons); MBA (Cape Town)], Ms ZBM Bassa [BAcc (UDW); CA(SA)] and Mr PG de Beyer [BBusSc (Cape Town); FASSA].
The members possess the necessary expertise to perform the functions of an audit committee.

The agenda for the company's forthcoming AGM includes resolutions to be proposed to shareholders for the election of three of its independent non-executive directors to comprise the audit committee from that date.

CHARTER

The audit committee has a charter, approved by the board. The charter is reviewed annually and was updated during the year under review.

The committee's responsibilities are detailed in the charter which can be viewed on the company's website. The committee's charter allows it to consult with specialists to assist it in the performance of its functions, subject to a board-approved process.

WORK PLAN AND MEETINGS

The committee adopted a formal work plan designed to structure execution of responsibilities over the year. The audit committee acts as such for Oceana's South African subsidiaries. It met twice during the year under review, with full attendance by all members. Attendance at meetings by directors 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 attend committee meetings and 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 of addressing 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 and the chairman of the committee reports on the findings of the external and internal auditors at board meetings.

APPOINTMENT OF EXTERNAL AND INTERNAL AUDITORS

In terms of section 94 of the Companies Act the committee is required to nominate for appointment by the shareholders at the company's annual general meeting an independent registered external auditor. The committee has nominated Deloitte &Touche for such appointment as the company's external auditor at the annual general meeting of the company scheduled for 14 February 2013.

Additionally in terms of its charter it is responsible for the appointment of the company's internal auditors. KPMG performed this function for the past year and were reappointed as internal auditors for the 2013 financial year.

The committee approves the fees and scope of external and internal audit services.

It is responsible for the maintenance of a professional relationship with both the external and internal auditors and oversees co-operation between these parties.

INDEPENDENCE OF EXTERNAL AUDITORS

The committee has formal rules regulating the services and conditions of use of non-audit services provided by the external auditors, governing, inter alia, compliance issues, taxation, 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. The company's independent external auditors do not assist in the performance of any internal audit assignments. The nature and extent of all non-audit services provided by the external auditors are pre-approved and reviewed by the committee to ensure compliance with the company's policy. The committee is satisfied that the external auditors are independent of the company. The committee and management maintained a positive, objective and professional relationship with the partner responsible for the supervision and direction of the audit. The committee considered and determined the fees and terms of engagement of the external auditors.

INTERNAL AUDIT

The internal audit function is conducted by a professional firm of registered accountants and auditors, KPMG. They operate in terms of the internal audit charter and under the direction of the audit committee, which approves the scope of the work to be performed. Significant findings are reported to both executive management and the audit committee and corrective action is taken by management to address identified internal control deficiencies.

In addition, the internal auditors followed up on all previously reported findings, and where progress against previously agreed management action is deemed insufficient, such findings are escalated to the audit committee in accordance with the reporting framework.

COMPLAINTS AND/OR CONCERNS

No complaints or concerns were received by the committee on any matters relating to the accounting practices and internal audit of the company, the content or auditing of the company's financial statements, the internal financial controls of the company or on any other related matter during the year under review.

GOING CONCERN

The committee reviewed the going concern assumptions as well as the solvency and liquidity tests required to be performed before payments of dividends and provision of financial assistance to related or inter-related parties as required by the Companies Act.

ASSURANCE

Each year the committee reviews, updates and approves an internal audit plan. The 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. A basic Combined Assurance Plan (CAP) is used in developing the internal audit plan. The CAP is a matrix of audit areas indicating coverage by external assurance providers. The internal audit plan approved for 2012 included reviews covering, in various entities, contract management, supplier selection and evaluation, credit management processes, fixed assets, procurement and payables, electronic funds transfer, reconciliations and journals, revenue and receivables, inventory and production, IS governance and review of the risk management process.

IS GOVERNANCE

Oceana's information systems (IS) are governed by a collection of documented policies and procedures. The IS charter, approved by the board, sets the overall purpose of the function, its management and security. Strategic planning for IS has a three-year time horizon. The IS department presents an annual governance report to the audit committee, covering, inter alia, policy, strategy, disaster recovery plans, security management and technical architecture.

INTERNAL CONTROLS

Oceana maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of accounting records and the 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 control adopted by group companies with reference to the findings of the external and internal auditors. In particular, the committee receives an opinion from the internal auditors on the design, implementation and effectiveness of the company system of internal financial controls. Based on the overall ratings assigned, and in accordance with the assessment approach followed in terms of Oceana's rating framework, the group's system of internal control is assessed to be effective.

RISK MANAGEMENT

The committee has oversight of fraud and information technology risks. The committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting and information technology risks as they relate to financial reporting.

COMPLIANCE AND ETHICS

Ethics reports were presented to the committee at each meeting. These deal with principles and issues of a compliance and ethical nature in the group's business. The Code of Business Conduct and Ethics was updated and a new Policy on Trading in Company Securities was approved by the board.

The provisions of the King III code, as they pertain to audit committees, were adhered to. The committee has considered the expertise and experience of the group financial director in terms of the Listings Requirements of the JSE and concluded that the financial director's expertise and experience meet the appropriate requirements. The committee is satisfied that the expertise, resources and experience of the company's finance function is satisfactory.

Nothing has come to the attention of the directors, or to the attention of the external or internal auditors, to indicate that any material breakdown in the functioning of the group's key internal controls and systems has occurred during the year under review.

REVIEW OF INTEGRATED REPORT AND ANNUAL FINANCIAL STATEMENTS

The committee considers the significant estimates, accounting policies and practices used in the preparation of the financial statements to be appropriate. It reviewed the integrated report and annual financial statements for the year ended 30 September 2012 and recommended them to the board for approval.

STATUTORY DUTIES

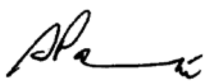
The committee has complied with its statutory obligations and discharged its duties in accordance with its mandate and charter.

The committee has performed the following specific statutory duties:

- considered and nominated the external auditors for appointment at the annual general meeting;
- determined the fees to be paid to the auditors and the auditors' terms of engagement;
- determined the nature and extent of non-audit services;
- pre-approved any proposed agreement with the auditors for the provision of non-audit services;
- prepared this report, which is included in the annual financial statements;
- received and dealt appropriately with concerns and complaints as required;
- made submissions to the board on matters concerning the company's accounting policies, financial controls, records and reporting; and
- performed oversight functions as determined by the board.

CONCLUSION

In signing this report on behalf of the audit committee, I would like to thank my fellow committee members, the external and internal auditors and management for their contributions to the committee during the year.



S Pather
Audit committee chairman

ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these group and company annual financial statements (AFS) are set out below and are consistent in all material respects with those applied during the previous year.

1. BASIS OF PREPARATION

The group and company AFS are prepared in accordance with the going concern and historical cost bases except where stated otherwise. The presentation and functional currency of the group and company financial statements is the South African rand and all amounts are rounded to the nearest thousand, except when otherwise indicated.

2. STATEMENT OF COMPLIANCE

The group and company AFS have been prepared in compliance with International Financial Reporting Standards (IFRS).

3. BASIS OF CONSOLIDATION

The group AFS comprise the AFS of the company and its subsidiaries (including the employee share trusts).

The results of subsidiaries are consolidated from the date control is acquired and cease to be consolidated on the date control ceases. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. When there is a disposal or loss of control of a subsidiary, the group AFS include the results for the part of the reporting period during which the group had control. Any difference between the net proceeds on disposal and the carrying amount of the subsidiary is recognised in the statement of comprehensive income.

Non-controlling interest at acquisition date is determined as the non-controlling shareholders' proportionate share of the fair value of the net assets of the subsidiary acquired.

The company carries its investments in subsidiaries at cost, less any accumulated impairment losses. The financial statements of subsidiaries are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those of the group.

Intra-group balances, transactions, income and expenses are eliminated in full.

The group applies the acquisition method to account for business combinations. The consideration transferred in a business combination is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in profit or loss. Acquisition-related costs are generally expensed as incurred.

4. INTERESTS IN JOINT VENTURES

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The group recognises its interest in joint ventures using proportionate consolidation. The group combines its share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its group AFS.

Any difference between the cost of acquisition and the group's fairly valued share of the identifiable net assets is recognised and treated according to the group's accounting policy for goodwill. The financial statements of the joint venture are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to the financial statements of joint ventures to bring the accounting policies used in line with those of the group.

A joint venture is proportionately consolidated from the date joint control is acquired until the date on which the group ceases to have joint control.

The company carries its investments in joint ventures at cost, less any accumulated impairment losses.

5. FOREIGN CURRENCY TRANSLATION

The financial results of an entity are accounted for in its functional currency.

Translation of foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency at exchange rates prevailing at the date of the transaction.

Subsequent measurement

Monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Non-monetary items carried at cost are translated using the exchange rate at the date of the transaction, whilst assets carried at fair value are translated at the exchange rate when the fair value was determined.

Exchange differences on monetary items are recognised in the statement of comprehensive income when they arise.

Translation of foreign operations

On consolidation, the financial statements of foreign operations are translated into the group's presentation currency. Assets and liabilities are translated at the closing rate on the reporting date. Income, expenses and capital transactions (such as dividends) are translated at average exchange rates or at the prevailing rates on the transaction dates, if more appropriate. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are translated at the closing rate on the reporting date.

Exchange differences arising on translation are recognised in the statement of changes in equity in the foreign currency translation reserve (FCTR). On disposal of part or all of the investment, the proportionate share of the related cumulative gain or loss previously recognised in the FCTR is included in determining the profit or loss on disposal of that investment and recognised in the statement of comprehensive income.

6. REVENUE

Revenue comprises the selling value of goods delivered and services rendered during the year, excluding value added tax, after deducting normal discounts and rebates. In the determination of revenue, transactions within the group are excluded.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Interest received

Interest received is recognised on a time basis using the effective interest rate implicit in the instrument.

Dividend income

Dividend income is recognised when the group's right to receive the payment is established.

7. EMPLOYEE BENEFITS

Short-term employee benefits

Remuneration of employees is recognised in the statement of comprehensive income as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs. Provision is made for accumulated leave on the cost-to-company basis.

Defined-contribution plans

The group contributions to the defined-contribution funds are determined in terms of the rules governing those funds. Contributions are recognised in the statement of comprehensive income in the period in which the service is rendered by the relevant employees.

Defined-benefit plans

The group has an obligation to provide certain post-retirement benefits to its eligible employees and pensioners. The defined-benefit liability is the aggregate of the present value of the defined-benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past-service costs and the fair value of plan assets. The defined-benefit obligation is calculated using the Projected Unit Credit Method, incorporating actuarial assumptions.

Actuarial gains and losses are spread over the average remaining service lives of employees. To the extent that there is uncertainty as to the entitlement to any surplus, no asset is recognised.

Post-retirement medical obligations

The group provides post-retirement health-care benefits to certain of its retirees. This practice has been discontinued and this benefit is no longer offered to current or new employees. The potential liability in respect of eligible retirees has been provided for in the financial statements using the Projected Unit Credit Method. Independent actuaries carry out annual valuations of these obligations.

8. SHARE-BASED PAYMENTS

Equity-settled compensation benefits

Certain employees, including executive directors of the group, receive remuneration in the form of equity-settled share-based payments, whereby they render services in exchange for rights to the company's listed shares.

Qualifying black employees receive empowerment benefits in the form of equity-settled share-based payments through their participation in Khula Trust.

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 recognised, together with a corresponding increase in equity in the share-based payment reserve, over the vesting period. 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.

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.

9. LEASES

Leases are classified as operating leases, where substantially all the risks and rewards associated with ownership of the asset are not transferred from the lessor to the lessee.

Operating lease rentals are recognised in the statement of comprehensive income on the straight-line basis over the lease term. The resulting difference arising from the straight-line basis and contractual cash flows is recognised as an operating lease obligation or asset.

Contingent rental income and expenses are recognised when incurred.

10. RESEARCH AND DEVELOPMENT COSTS

Expenditure on research and development is recognised in the statement of comprehensive income in the year in which it is incurred.

11. INTEREST PAID

Interest paid 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.

12. TAXATION

The income tax expense consists of current tax, deferred tax, STC and foreign withholding taxes.

Current taxation

The current tax charge is the expected tax payable on the taxable income for the period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred taxation

The provision for deferred tax assets and liabilities reflects the tax consequences that would follow from the expected manner of recovery of the carrying amount of the group's assets and liabilities.

Deferred taxation is provided for all temporary differences at the reporting date between the carrying amounts for financial reporting purposes and the tax bases of assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that the related tax benefit will be realised in the foreseeable future against future taxable profit. The carrying value of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part, or all, of the asset to be utilised, the carrying value of the deferred tax asset is reduced.

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

Deferred tax assets and liabilities are off-set if the group has a legally enforceable right to set off current assets against current liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Secondary tax on companies (STC)

STC is recognised as part of the current tax charge in the statement of comprehensive income when the related dividend has been declared.

Foreign withholding taxes

Foreign withholding taxes are recognised as part of the current tax charge in the statement of comprehensive income when the related dividend receivable has been declared and when directors' fees are receivable.

13. DIVIDENDS

Dividends payable and the related taxation thereon are recognised as liabilities in the period in which the dividends are declared.

14. PROPERTY, PLANT AND EQUIPMENT

Initial recognition

Property, plant and equipment are initially recognised at cost, being the cash price equivalent at the recognition date. The cost of an asset comprises any costs incurred in bringing the asset to the location and condition necessary for it to operate as intended by management.

Freehold land and buildings

Immovable property owned by the group is classified as owner-occupied property and shown at cost less accumulated depreciation and impairment. Land is shown at cost less impairment and is not depreciated.

Leasehold land and buildings

Improvements to leasehold property are capitalised and depreciated to expected residual value over the remaining period of the lease.

Plant, equipment, motor vehicles and fishing vessels and nets

Plant, equipment, motor vehicles and fishing vessels and nets are carried at cost less accumulated depreciation and impairment. 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 probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance 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 probable that future economic benefits associated with the item will flow to the entity 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.

Depreciation

Items of property, plant and equipment are depreciated to their estimated residual values on the straight-line basis over 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 range of depreciation rates apply on initial recognition:

	% per annum
Buildings – freehold	5
Buildings – leasehold	5 – 10
Plant and equipment	10 – 20
Motor vehicles	20 – 25
Office equipment	10 – 50
Fishing vessels and nets	10 – 33

Derecognition
An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected through its continued use or disposal. 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 amortisation, had no impairment loss been recognised for the asset in prior periods.

15. 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 identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the statement of comprehensive income.

Subsequent measurement
Goodwill is reflected at cost less any accumulated impairment losses.

If the initial accounting for business combinations has been determined provisionally, then adjustments to these values resulting from the emergence of new information within twelve months after the acquisition date are made against goodwill. In addition, goodwill is adjusted for changes in the estimated value of contingent considerations given in the business combination when they arise.

Impairment
Goodwill is not amortised but is tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount, which is the higher of fair value less costs to sell and value in use, of the cash-generating unit to which the goodwill relates. The value in use is calculated as the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The impairment loss is applied firstly to the carrying amount of goodwill, thereafter any remaining impairment is allocated to the other assets of the unit. Impairment losses on goodwill are not reversed.

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

16. INTANGIBLE ASSETS

Intangible assets consist of trademarks and fishing rights.

Initial recognition and measurement
Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition.

Subsequent measurement
Trademarks and fishing rights which have finite useful lives are amortised over their expected useful lives. 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.

Impairment
Trademarks and fishing rights are tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the trademarks and fishing rights, which is the higher of fair value less costs to sell and value in use. The value in use is calculated as the present value of the future cash flows expected to be derived from the trademarks and fishing rights.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised.

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.

17. FINANCIAL INSTRUMENTS

Financial assets
Financial assets recognised in the statement of financial position include investments and loans, cash and cash equivalents and trade and other receivables.

Investments in preference shares consist of preference shares held in Oceana SPV (Pty) Limited which are held at cost plus preference dividends accrued, but not yet declared, less repayments received. Other investments consist of unlisted equities. They are recorded at original cost, subject to an annual impairment review.

Loans are stated at their nominal values, reduced by provisions for estimated irrecoverable amounts.

Cash and cash equivalents consisting of cash on hand, short-term deposits held with banks and preference shares administered by banks and insurers, all of which are available for use by the group, are measured at fair value. For purposes of the statement of cash flows, cash and cash equivalents are stated net of bank overdrafts.

Accounts receivable are recorded at originated cost less allowance for credit notes to be issued. Provisions for irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired. Amounts considered irrecoverable are written off against the provision, and recovery of amounts subsequently written off are recognised in the statement of comprehensive income.

Financial instruments are off-set when the group has a legally enforceable right to off-set and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when substantially all the risks and rewards of ownership are transferred to another entity.

Impairment
Financial assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

Financial liabilities and equity instruments
Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Issued share capital and premium is recorded at the amount of the proceeds received.

Financial liabilities
Financial liabilities are initially recorded at cost and subsequently measured at amortised cost.

Financial liabilities are derecognised when the obligations are discharged, cancelled or they expire.

Derivative financial instruments
Derivative financial instruments are initially recorded at cost 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 the statement of comprehensive income in the period in which the change arises.

When a derivative instrument is designated as a cash flow hedge of an asset, liability or expected future transaction, the effective part of any gain or loss arising in the derivative instrument is classified as a hedging reserve in the statement of changes in equity until the underlying transaction occurs. The ineffective part of any gain or loss is immediately recognised in the statement of comprehensive income. If the expected future transaction results in the recognition of an asset or liability, the associated gain or loss is transferred from the hedging reserve to the underlying asset or liability.

18. INVENTORIES

Inventories are stated at the lower of cost and net realisable value using the specific cost to value goods purchased for resale whilst the first-in first-out and weighted average methods are used to value finished goods and consumable stores.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Redundant and slow-moving inventories are identified and written down to their estimated net realisable values.

19. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. The asset must be available for immediate sale in its present condition within one year from the date of classification. Non-current assets held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell. Gains and losses arising upon remeasurement are recognised in the statement of comprehensive income.

20. 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.

21. PROVISIONS

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

22. EVENTS AFTER REPORTING DATE

The financial statements are adjusted to reflect the effect of events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Events that are indicative of conditions that arose after the reporting date are disclosed, but do not result in an adjustment of the financial statements themselves.

23. USE OF ESTIMATES AND JUDGEMENTS IN THE PREPARATION OF ANNUAL FINANCIAL STATEMENTS

In the preparation of the AFS, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the financial statements within the next financial period. Judgements made by management that could have a significant effect on the amounts recognised in the financial statements include:

- useful lives and residual values used to calculate depreciation of property, plant and equipment;
- future cash flows of cash-generating units used to test for impairment of goodwill and the trademark;
- recoverability of loans and accounts receivable;
- assumptions used in the Black-Scholes model to value share-based payments;
- amounts provided in respect of supplier and other claims and ex gratia retirement payments in respect of employees previously excluded from membership of retirement funds; and
- revenue from the sale of goods which is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity. Due to economic uncertainties in certain geographic regions, this can only be determined using a measure of judgement. Management estimate the portion of revenue for which it is uncertain that the economic benefits related to the transaction will flow to the entity. This revenue is not recognised until the amounts associated with the transaction have been collected.

Further information is provided in the relevant notes to the financial statements.

ADOPTION OF NEW AND REVISED STANDARDS, INTERPRETATIONS AND CIRCULARS

Accounting Standards, Interpretations and Circulars issued but not yet effective

At the date of approval of these financial statements, the following relevant new or revised standards were in issue, but not yet effective:

- IFRS 7 Financial Instruments: Disclosure
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 1 Presentation of Financial Statements
- IAS 27 Consolidated and Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures
- IAS 31 Interests in Joint Ventures

The group is in the process of evaluating the effects of these standards, and while they are not expected to have a significant impact on the group's results, additional disclosures may be required. These standards will be effective for the year ending September 2014. The group has decided not to early adopt any of these new or revised standards.

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 September 2012

		GROUP		COMPANY	
		2012	2011	**2012**	2011
	Notes	**R'000**	R'000	**R'000**	R'000
Revenue	1	**4 647 951**	3 657 196	**117 797**	76 233
Cost of sales		**2 875 765**	2 299 778		
Gross profit		**1 772 186**	1 357 418	**117 797**	76 233
Sales and distribution expenditure		**428 870**	338 927		
Marketing expenditure		**51 323**	44 389		
Overhead expenditure		**580 968**	461 413	**111 003**	72 742
Operating profit before abnormal items	2	**711 025**	512 689	**6 794**	3 491
Abnormal items	4	**(47 955)**		**(10 230)**	(444)
Operating profit/(loss)		**663 070**	512 689	**(3 436)**	3 047
Investment income	5	**36 279**	25 826	**319 461**	286 682
Interest paid	6	**(3 108)**	(2 872)	**(5 560)**	(2 500)
Profit before taxation		**696 241**	535 643	**310 465**	287 229
Taxation	7	**232 315**	189 426	**8 152**	3 705
Profit after taxation		**463 926**	346 217	**302 313**	283 524
Other comprehensive income					
Movement on foreign currency translation reserve		**1 826**	3 512		
Movement on cash flow hedging reserve		**(1 522)**	9 853		
Other comprehensive income, net of taxation		**304**	13 365		
Total comprehensive income for the year		**464 230**	359 582	**302 313**	283 524
Profit after taxation attributable to:					
Shareholders of Oceana Group Limited		**443 790**	333 170		
Non-controlling interests		**20 136**	13 047		
		463 926	346 217		
Total comprehensive income attributable to:					
Shareholders of Oceana Group Limited		**444 094**	346 535		
Non-controlling interests		**20 136**	13 047		
		464 230	359 582		
Earnings per share (cents)	8				
– Basic		**443,3**	333,6		
– Diluted		**408,4**	312,7		
Dividends per share (cents)	9	**301,0**	220,0		
– Interim paid		**45,0**	37,0		
– Final declared after reporting date		**256,0**	183,0		

STATEMENTS OF FINANCIAL POSITION
at 30 September 2012

		GROUP		COMPANY	
		2012	2011	2012	2011
	Notes	R'000	R'000	R'000	R'000
ASSETS					
Non-current assets		**690 615**	600 373	192 528	196 838
Property, plant and equipment	10	**435 850**	415 623	6 156	4 809
Goodwill	11	**10 000**			
Trademark	11	**6 229**	18 101		
Fishing rights	11	**72 409**			
Deferred taxation	12	**23 187**	13 204	11 511	5 447
Investments and loans	13	**142 940**	153 445	130 975	131 706
Oceana Group Share Trust	14			5 264	6 009
Khula Trust	15			3 261	3 572
Interest in subsidiaries and joint ventures	16			35 361	45 295
Current assets		**1 878 113**	1 422 623	626 195	548 392
Inventories	17	**777 979**	489 850		
Accounts receivable	18	**823 956**	536 913	7 990	8 292
Amounts owing by subsidiaries and joint ventures	16			438 396	234 795
Cash and cash equivalents		**276 178**	395 860	179 809	305 305
Total assets		**2 568 728**	2 022 996	818 723	745 230
EQUITY AND LIABILITIES					
Capital and reserves		**1 633 242**	1 399 351	719 753	685 830
Share capital and premium	19	**30 692**	26 293	154 677	151 153
Foreign currency translation reserve		**(721)**	(2 547)		
Capital redemption reserve		**130**	130		
Cash flow hedging reserve	20	**400**	1 922		
Share-based payment reserve		**57 144**	49 599	6 536	6 395
Distributable reserve		**1 496 895**	1 283 031	558 540	528 282
Interest of own shareholders		**1 584 540**	1 358 428	719 753	685 830
Non-controlling interests		**48 702**	40 923		
Non-current liabilities		**139 270**	95 363	37 623	17 898
Liability for share-based payments	25	**97 427**	53 694	37 623	17 898
Deferred taxation	12	**41 843**	41 669		
Current liabilities		**796 216**	528 282	61 347	41 502
Accounts payable	21	**648 675**	413 944	33 116	14 377
Amounts owing to subsidiaries and joint ventures	16			27 864	27 125
Provisions	22	**10 767**	11 918		
Taxation		**92 200**	91 104	367	
Bank overdrafts		**44 574**	11 316		
Total equity and liabilities		**2 568 728**	2 022 996	818 723	745 230

STATEMENTS OF CHANGES IN EQUITY
for the year ended 30 September 2012

	Notes	Share capital and premium R'000	Foreign currency translation reserve R'000	Capital redemption reserve R'000	Cash flow hedging reserve R'000	Share-based payment reserve R'000	Distributable reserve R'000	Interest of own shareholders R'000	Non-controlling interests R'000	Total R'000
GROUP										
Balance at 1 October 2010		23 129	(6 059)	130	(7 931)	40 058	1 162 803	1 212 130	34 340	1 246 470
Total comprehensive income for the year			3 512		9 853		333 170	346 535	13 047	359 582
Movement on foreign currency translation reserve			3 512					3 512		3 512
Movement on cash flow hedging reserve	20				9 853			9 853		9 853
Profit after taxation							333 170	333 170	13 047	346 217
Share options exercised		2 524						2 524		2 524
Decrease in treasury shares held by share trusts		640						640		640
Recognition of share-based payments	25					9 541		9 541	87	9 628
Loss on sale of treasury shares							(52)	(52)		(52)
Additional non-controlling interest arising on acquisition									552	552
Khula Trust dividend distribution							(1 238)	(1 238)		(1 238)
Dividends	9						(211 652)	(211 652)	(7 103)	(218 755)
Balance at 30 September 2011		26 293	(2 547)	130	1 922	49 599	1 283 031	1 358 428	40 923	1 399 351
Total comprehensive income for the year			**1 826**		**(1 522)**		**443 790**	**444 094**	**20 136**	**464 230**
Movement on foreign currency translation reserve			**1 826**					**1 826**		**1 826**
Movement on cash flow hedging reserve	20				**(1 522)**			**(1 522)**		**(1 522)**
Profit after taxation							**443 790**	**443 790**	**20 136**	**463 926**
Share options exercised		**3 524**						**3 524**		**3 524**
Decrease in treasury shares held by share trusts		**875**						**875**		**875**
Recognition of share-based payments	25					**7 545**		**7 545**	**69**	**7 614**
Loss on sale of treasury shares							**(130)**	**(130)**		**(130)**
Khula Trust dividend distribution							**(1 608)**	**(1 608)**		**(1 608)**
Dividends	9						**(228 188)**	**(228 188)**	**(12 426)**	**(240 614)**
Balance at 30 September 2012		**30 692**	**(721)**	**130**	**400**	**57 144**	**1 496 895**	**1 584 540**	**48 702**	**1 633 242**
COMPANY										
Balance at 1 October 2010		148 629				6 217	497 333	652 179		652 179
Total comprehensive income for the year							283 524	283 524		283 524
Share options exercised		2 524						2 524		2 524
Recognition of share-based payments	25					178		178		178
Dividends	9						(252 575)	(252 575)		(252 575)
Balance at 30 September 2011		151 153				6 395	528 282	685 830		685 830
Total comprehensive income for the year							302 313	302 313		302 313
Share options exercised		3 524						3 524		3 524
Recognition of share-based payments	25					141		141		141
Dividends	9						(272 055)	(272 055)		(272 055)
Balance at 30 September 2012		154 677				6 536	558 540	719 753		719 753

STATEMENTS OF CASH FLOWS
for the year ended 30 September 2012

	Notes	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
Cash flow from operating activities					
Operating profit before abnormal items		711 025	512 689	6 794	3 491
Adjustment for non-cash and other items		102 832	97 647	23 171	10 390
Depreciation, amortisation and impairment		87 428	77 209	3 323	5 269
Share-based payment expense		83 197	44 647	29 071	10 755
Cash-settled share-based payment		(31 850)	(24 266)	(9 205)	(5 634)
Net (surplus)/loss on disposal of property, plant and equipment		(1 193)	57	(18)	
Abnormal cash item		(34 750)			
Cash operating profit before working capital changes		813 857	610 336	29 965	13 881
Working capital changes	A	(357 295)	118 875	18 465	(2 431)
Cash generated from operations		456 562	729 211	48 430	11 450
Investment income received		25 312	14 320	308 494	304 341
Interest paid		(3 108)	(2 872)	(5 560)	(2 500)
Taxation paid	B	(242 588)	(169 132)	(13 273)	(5 650)
Dividends paid	C	(242 222)	(219 993)	(272 055)	(252 575)
Net cash (outflow)/inflow from operating activities		(6 044)	351 534	66 036	55 066
Cash (outflow)/inflow from investing activities		(153 331)	(115 827)	(195 795)	150 998
Replacement capital expenditure		(67 661)	(102 667)	(4 686)	(3 888)
Expansion capital expenditure		(2 085)	(23 321)		
Proceeds on disposal of property, plant and equipment		1 536	460	35	
Acquisition of businesses	D	(105 296)	(258)		
Acquisition of fishing rights		(1 296)			
Repayment received on preference shares		11 949	22 829	11 949	22 829
Net movement on loans and advances		9 718	(12 870)	704	1701
Acquisition of investment		(196)		(196)	
Movement on amounts owing by subsidiaries and joint ventures				(203 601)	130 356
Cash inflow from financing activities		7 987	4 902	4 263	7 513
Proceeds from issue of share capital		4 270	3 112	3 524	2 524
Short-term borrowings raised		3 717	1 790		
Movements on amounts owing to subsidiaries and joint ventures				739	4 989
Net (decrease)/increase in cash and cash equivalents		(151 388)	240 609	(125 496)	213 577
Net cash and cash equivalents at the beginning of the year		384 544	145 116	305 305	91 728
Effect of exchange rate changes		(1 552)	(1 181)		
Net cash and cash equivalents at the end of the year	E	231 604	384 544	179 809	305 305

NOTES TO THE STATEMENTS OF CASH FLOWS

for the year ended 30 September 2012

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
A. WORKING CAPITAL CHANGES				
Inventories	**(287 755)**	87 783		
Accounts receivable	**(283 493)**	14 003	**(274)**	(5 663)
Accounts payable and provisions	**215 475**	7 236	**18 739**	2 474
Effect of non-cash items	**(1 522)**	9 853		758
Total working capital changes	**(357 295)**	118 875	**18 465**	(2 431)
B. TAXATION PAID				
Net amount (unpaid)/overpaid at the beginning of the year	**(87 872)**	(54 271)	**576**	148
Charged to profit and loss (note 7)	**(242 124)**	(201 558)	**(14 216)**	(5 222)
Adjustment in respect of business acquired		(1 200)		
Exchange rate difference		25		
Net amount unpaid/(overpaid) at the end of the year	**87 408**	87 872	**367**	(576)
Cash amounts paid	**(242 588)**	(169 132)	**(13 273)**	(5 650)
C. DIVIDENDS PAID				
Khula Trust dividend distribution	**(1 608)**	(1 238)		
Dividends	**(228 188)**	(211 652)	**(272 055)**	(252 575)
Dividends paid to non-controlling interests	**(12 426)**	(7 103)		
Cash amounts paid	**(242 222)**	(219 993)	**(272 055)**	(252 575)
D. ACQUISITION OF BUSINESSES				
Property, plant and equipment	**(37 400)**	(2 817)		
Goodwill	**(10 000)**			
Fishing rights	**(68 860)**			
Inventories		(2 187)		
Accounts receivable		(2 232)		
Accounts payable and provisions	**514**	3 001		
Contingent purchase consideration	**10 450**			
Taxation		1 200		
Deferred tax		2 225		
Non-controlling interest		552		
Cash movement on acquisition of businesses	**(105 296)**	(258)		
E. NET CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	**276 178**	395 860	**179 809**	305 305
Bank overdrafts	**(44 574)**	(11 316)		
	231 604	384 544	**179 809**	305 305

Explanatory notes to D. Acquisition of businesses

On 18 September 2012, the group acquired certain hake and horse mackerel fishing rights and related assets, as well as the cold storage business from the Lusitania group and associated companies. The fair value of the acquired fishing rights and assets is provisional and may be adjusted upon transfer of an additional fishing right and catch agreements, which is represented by the contingent purchase consideration. The provisional fair value of the identifiable assets and liabilities are shown in note D above.

Acquisition-related costs amounting to R4,8 million (2011: R0,7 million) have been recognised as an expense within overhead expenditure in the group's statement of comprehensive income.

As the business combination was primarily effected through the acquisition of assets, it is not practicable to determine and disclose pro forma revenue and profit or loss information for the combined entity as if the acquisitions occurred at the beginning of the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 September 2012

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
1. REVENUE				
The main categories of revenue are set out below:				
Sale of goods				
Canned fish and fishmeal	2 582 636	1 981 722		
Lobster, squid and French fries	350 443	286 574		
Horse mackerel and hake	1 435 082	1 170 907		
Rendering of services				
Commercial cold storage	279 790	217 993		
Management fees from subsidiaries and joint ventures			117 797	76 233
	4 647 951	3 657 196	117 797	76 233
2. OPERATING PROFIT BEFORE ABNORMAL ITEMS IS ARRIVED AT AFTER TAKING INTO ACCOUNT THE FOLLOWING ITEMS				
Income				
Directors' fees from a joint venture			44	27
Foreign exchange gain	18 395	74	8	2
Net surplus on disposal of property, plant and equipment	1 193		18	
Expenditure				
Auditor's remuneration				
Fees for audit – current year	4 732	4 896	839	703
Fees for audit – prior year under/(over)provision	54	74	8	(14)
Expenses	18	8		6
Other services	2 097	2 130	585	276
	6 901	7 108	1 432	971
Amortisation of fishing rights	853			
Depreciation of property, plant and equipment				
Buildings	6 100	5 969		
Plant, equipment and motor vehicles	47 710	42 781	3 323	5 269
Fishing vessels and nets	32 529	28 459		
	86 339	77 209	3 323	5 269
Administrative, technical and secretarial fees	15 765	20 787	3 478	3 355
Net loss on disposal of property, plant and equipment		57		
Operating lease expenses				
Properties	33 335	22 587	2 426	1 488
Equipment and vehicles	6 280	6 176		
Employment costs	547 373	447 404	48 106	28 801
Retirement costs	31 711	27 253	3 709	3 198
Share-based payments – cash-settled compensation scheme	75 583	35 019	28 930	10 577
Share-based payments – Khula Trust	7 614	9 628	141	179

	GROUP 2012 R'000	GROUP 2011 R'000
3. SEGMENTAL RESULTS		
Revenue		
Canned fish and fishmeal	**2 582 636**	1 981 722
Lobster, squid and French fries	**350 443**	286 574
Horse mackerel and hake	**1 435 082**	1 170 907
Commercial cold storage	**279 790**	217 993
	4 647 951	3 657 196
Operating profit before abnormal items		
Canned fish and fishmeal	**318 941**	171 761
Lobster, squid and French fries	**29 538**	13 399
Horse mackerel and hake	**296 578**	273 795
Commercial cold storage	**65 968**	53 734
	711 025	512 689
Total assets		
Canned fish and fishmeal	**1 362 685**	789 994
Lobster, squid and French fries	**95 680**	136 782
Horse mackerel and hake	**427 057**	319 370
Commercial cold storage	**241 002**	214 342
Financing	**419 117**	549 304
	2 545 541	2 009 792
Deferred taxation	**23 187**	13 204
	2 568 728	2 022 996
Total liabilities		
Canned fish and fishmeal	**515 752**	250 063
Lobster, squid and French fries	**44 808**	60 169
Horse mackerel and hake	**220 055**	212 653
Commercial cold storage	**60 456**	43 493
Financing	**52 572**	15 598
	893 643	581 976
Deferred taxation	**41 843**	41 669
	935 486	623 645
Revenue per region[1]		
South Africa and Namibia	**3 097 288**	2 453 295
Other Africa	**880 734**	690 811
Europe	**381 716**	205 066
Far East	**251 807**	260 282
Other	**36 406**	47 742
	4 647 951	3 657 196

No geographical segment report is presented as operations are predominantly in South Africa and Namibia.

Revenue excludes inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation amounting to: Canned fish and fishmeal R0,3 million (2011: Rnil), horse mackerel and hake R27,3 million (2011: R41,9 million) and commercial cold storage R30,5 million (2011: R31,7 million).

The group has revised the reporting of its operating segments to better describe its business units. As a result "Inshore fishing" has been split into "Canned fish and fishmeal" and "Lobster, squid and French fries", while "Midwater and deep-sea fishing" has been renamed to "Horse mackerel and hake".

Note:

[1] *Revenue per region discloses the region in which product is sold.*

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
4. ABNORMAL ITEMS				
Competition Commission administrative penalty	**(34 750)**			
Trademark impairment	**(13 205)**			
Impairment of investment in subsidiary			(9 933)	(29 165)
Dividend received from subsidiary				29 165
Impairment of investment in Khula Trust			(297)	(444)
	(47 955)		(10 230)	(444)
5. INVESTMENT INCOME				
Dividend income				
Subsidiaries			285 514	262 090
Interest received				
Subsidiaries			401	960
Bank and short-term deposits	**22 910**	10 768	21 952	10 139
Preference share dividends	**10 967**	13 141	10 967	13 141
Unlisted investments	**1 095**	1 101		
Other	**1 307**	816	627	352
	36 279	25 826	319 461	286 682
6. INTEREST PAID				
Subsidiaries			(5 549)	(2 464)
Bank	**(2 898)**	(1 959)	(11)	(36)
Other	**(210)**	(913)		
	(3 108)	(2 872)	(5 560)	(2 500)
7. TAXATION				
7.1 South African				
Current year	**139 300**	87 537	13 199	5 170
Adjustments in respect of previous years	**(50)**	1 001	33	7
Secondary taxation on companies	**2 401**	21 897	928	
	141 651	110 435	14 160	5 177
7.2 Foreign				
Current year	**93 152**	82 642		
Adjustments in respect of previous years	**(245)**	(64)		
Withholding tax	**7 566**	8 545	56	45
	242 124	201 558	14 216	5 222
7.3 South African deferred taxation				
Current year	**(9 323)**	(8 784)	(6 064)	(1 370)
Adjustments in respect of previous years	**(656)**	(1 724)		(147)
7.4 Foreign deferred taxation				
Current year	**201**	(1 455)		
Adjustments in respect of previous years	**(33)**	(169)		
Adjustment in respect of change in tax rate	**2**			
Taxation charge	**232 315**	189 426	8 152	3 705

	GROUP 2012 %	GROUP 2011 %	COMPANY 2012 %	COMPANY 2011 %
7. TAXATION continued				
7.5 The reconciliation of the effective rate of taxation charge with the South African company income tax rate is as follows:				
Effective rate of taxation	**33,4**	35,4	**2,6**	1,3
Adjustment to rate due to:				
Dividend income	**1,1**	0,7	**26,7**	26,8
Net effect of tax losses	**0,1**	0,1		
Adjustment in respect of previous years	**0,1**	0,2		
Foreign taxation rate differentials and withholding taxes	**(3,8)**	(3,6)		
Secondary taxation on companies	**(0,3)**	(4,1)	**(0,3)**	
Abnormal items	**(1,9)**		**(0,9)**	
Expenses not allowable for taxation and other	**(0,7)**	(0,7)	**(0,1)**	(0,1)
South African company income tax rate	**28,0**	28,0	**28,0**	28,0

	GROUP 2012 R'000	GROUP 2011 R'000
7.6 The group's share of tax losses in subsidiaries and joint venture companies available as a deduction from their future taxable incomes amounted to:		
South African	**9 257**	7 877
Foreign	**39 013**	39 387
Total	**48 270**	47 264
Tax savings effect:		
Before deferred taxation	**15 537**	15 420
After deferred taxation	**1 395**	2 335

	GROUP 2012 Number of shares	GROUP 2011 Number of shares
8. EARNINGS PER SHARE		
8.1 Calculation of weighted average number of ordinary shares		
Weighted average number of ordinary shares	**119 331 836**	119 157 508
Less:		
Treasury shares held by Khula Trust	**(14 121 277)**	(14 178 539)
Treasury shares held by Oceana Brands Limited	**(5 094 350)**	(5 094 350)
Treasury shares held by Oceana Group Share Trust	**(16 500)**	(16 500)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**100 099 709**	99 868 119
Shares deemed to be issued for no consideration in respect of unexercised share options	**8 559 497**	6 676 262
Khula Trust[1]	**8 502 659**	6 533 907
Equity-settled compensation scheme[2]	**56 838**	142 355
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**108 659 206**	106 544 381

Notes:

[1] *Represents the number of options available, 14 099 383 (2011: 14 156 799), times the average share price for the year of 4 850 cents (2011: 3 575 cents) less the number of options available times the option value of 1 925 cents, divided by the average share price for the year.*

[2] *Refer to note 25.1 for additional information.*

	GROUP Gross of tax 2012 R'000	Net of tax 2012 R'000	Gross of tax 2011 R'000	Net of tax 2011 R'000
8. EARNINGS PER SHARE continued				
8.2 Determination of headline earnings				
Profit after taxation attributable to shareholders of Oceana Group Limited		**443 790**		333 170
Adjusted for:				
Trademark impairment	**13 205**	**13 205**		
Net (surplus)/loss on disposal of property, plant and equipment	**(1 193)**	**(837)**	57	40
Headline earnings for the year		**456 158**		333 210
Headline earnings per share (cents)				
– Basic		**455,7**		333,7
– Diluted		**419,8**		312,7

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
9. DIVIDENDS				
Final of 183 cents per share declared on 10 November 2011, paid 16 January 2012 (2011: 175 cents)	**183 119**	174 677	**218 341**	208 469
Interim of 45 cents per share declared on 11 May 2012, paid 2 July 2012 (2011: 37 cents)	**45 069**	36 975	**53 714**	44 106
Dividends paid during the year	**228 188**	211 652	**272 055**	252 575
Final of 256 cents (2011: 183 cents) per share declared on 8 November 2012, payable on 14 January 2013 based on number of shares in issue on 8 November 2012				
Dividend declared after reporting date	**256 560**	182 906	**305 739**	218 166

The income tax consequence of the dividend declared after the reporting date for the group and company amounted to Rnil (2011: R2,7 million).

	GROUP Freehold land and buildings R'000	Leasehold land and buildings R'000	Plant, equipment and vehicles R'000	Fishing vessels and nets R'000	Total R'000
10. PROPERTY, PLANT AND EQUIPMENT					
Cost					
At 1 October 2010	43 731	98 857	517 442	349 627	1 009 657
Additions	18 964	15	70 524	36 485	125 988
Business acquisition				22 824	22 824
Disposals	(525)		(17 012)	(13 397)	(30 934)
Exchange differences			26		26
At 30 September 2011	62 170	98 872	570 980	395 539	1 127 561
At 1 October 2011	**62 170**	**98 872**	**570 980**	**395 539**	**1 127 561**
Additions	**4 480**	**1 502**	**41 986**	**21 778**	**69 746**
Business acquisition		**3 075**	**9 325**	**25 000**	**37 400**
Disposals	**(15)**	**(408)**	**(9 165)**	**(9 176)**	**(18 764)**
Exchange differences			**(6)**		**(6)**
At 30 September 2012	**66 635**	**103 041**	**613 120**	**433 141**	**1 215 937**

	GROUP				
	Freehold land and buildings R'000	Leasehold land and buildings R'000	Plant, equipment and vehicles R'000	Fishing vessels and nets R'000	Total R'000
10. PROPERTY, PLANT AND EQUIPMENT continued					
Accumulated depreciation and impairment					
At 1 October 2010	13 990	70 438	355 919	204 772	645 119
Depreciation for the year	1 443	4 343	42 964	28 459	77 209
Business acquisition				20 007	20 007
Disposals	(563)		(16 569)	(13 285)	(30 417)
Exchange differences			20		20
At 30 September 2011	14 870	74 781	382 334	239 953	711 938
At 1 October 2011	**14 870**	**74 781**	**382 334**	**239 953**	**711 938**
Depreciation for the year	**1 937**	**4 163**	**47 710**	**32 529**	**86 339**
Impairment charge			**237**		**237**
Disposals	**(15)**	**(408)**	**(9 048)**	**(8 950)**	**(18 421)**
Exchange differences			**(6)**		**(6)**
At 30 September 2012	**16 792**	**78 536**	**421 227**	**263 532**	**780 087**
Carrying value					
At 1 October 2010	29 741	28 419	161 523	144 855	364 538
At 30 September 2011	47 300	24 091	188 646	155 586	415 623
At 30 September 2012	**49 843**	**24 505**	**191 893**	**169 609**	**435 850**

The insured value of the group's property, plant and equipment at 30 September 2012 amounted to R3,3 billion (2011: R2,9 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 holds no investment properties.

	COMPANY R'000
Plant, equipment and motor vehicles	
Cost	
At 1 October 2010	16 908
Additions	3 888
Disposals	(32)
At 30 September 2011	20 764
At 1 October 2011	**20 764**
Additions	**4 686**
Intercompany transfer	**(51)**
Disposals	**(1 052)**
At 30 September 2012	**24 347**
Accumulated depreciation	
At 1 October 2010	10 718
Depreciation for the year	5 269
Disposals	(32)
At 30 September 2011	15 955
At 1 October 2011	**15 955**
Depreciation for the year	**3 323**
Intercompany transfer	**(51)**
Disposals	**(1 036)**
At 30 September 2012	**18 191**
Carrying value	
At 1 October 2010	6 190
At 30 September 2011	4 809
At 30 September 2012	**6 156**

	GROUP			
	Goodwill R'000	Trademark R'000	Fishing rights R'000	Total R'000
11. GOODWILL, TRADEMARK AND FISHING RIGHTS				
Cost				
At 1 October 2010	17 630	16 183		33 813
Exchange difference		1 918		1 918
At 30 September 2011	17 630	18 101		35 731
At 1 October 2011	**17 630**	**18 101**		**35 731**
Additions			**4 402**	**4 402**
Business acquisition	**10 000**		**68 860**	**78 860**
Exchange difference		**1 333**		**1 333**
At 30 September 2012	**27 630**	**19 434**	**73 262**	**120 326**
Accumulated amortisation and impairment				
At 1 October 2010 and 30 September 2011	17 630			17 630
At 1 October 2011	**17 630**			**17 630**
Amortisation for the year			**853**	**853**
Impairment charge		**13 205**		**13 205**
At 30 September 2012	**17 630**	**13 205**	**853**	**31 688**
Carrying value				
At 1 October 2010		16 183		16 183
At 30 September 2011		18 101		18 101
At 30 September 2012	**10 000**	**6 229**	**72 409**	**88 638**

Goodwill

Goodwill arose during the financial year on the acquisition of the V&A Cold Store from the Lusitania group. In the 2010 financial year, goodwill relating to the acquisition of Glenryck Foods Limited, in the United Kingdom (UK), was impaired in full as a result of the reorganisation of the group's canned fish operations in the UK pursuant to reduced trading returns in that region.

Trademark

The trademark relates to the Glenryck brand of canned fish in the UK market. The recoverable amount of the trademark was determined by assessing the present value of the future cash flows of royalty income to be derived from the Glenryck brand. During the year, as a result of difficult trading conditions and the poor economic circumstances prevailing in the UK, an impairment was recognised. The key assumptions used in the calculation were the sales volume and price growth rates, which were based on forecasts of performance in terms of the revised business model, and a royalty fee. A discount rate of 20% (2011: 12%) was used which reflected the operating characteristics of the business and the environment in which it operates.

Fishing rights

During the financial year, hake and horse mackerel fishing rights were purchased from the Lusitania group and associated companies. Additionally, horse mackerel rights were acquired during the year from two other rights holders. Fishing rights are amortised over the remaining period of the respective rights. Horse mackerel rights are due for renewal in December 2015 and hake in December 2020.

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
12. DEFERRED TAXATION				
Deferred tax assets	**23 187**	13 204	11 511	5 447
Deferred tax liabilities	**(41 843)**	(41 669)		
Net deferred tax (liability)/asset	**(18 656)**	(28 465)	11 511	5 447
Net (liability)/asset at the beginning of the year	**(28 465)**	(38 372)	5 447	3 635
Transferred from subsidiary				295
Tax rate adjustment	**(2)**			
On acquisition of business		(2 225)		
Credited to income	**9 811**	12 132	6 064	1 517
Net (liability)/asset at the end of the year	**(18 656)**	(28 465)	11 511	5 447
Comprising:				
Property, plant and equipment	**(44 900)**	(58 885)		
Taxation loss relief	**14 142**	13 085		
Provisions and other credit balances	**26 426**	33 290	11 511	5 447
Section 14(1)(c) allowances, prepayments and other	**(14 324)**	(15 955)		
	(18 656)	(28 465)	11 511	5 447
Aggregate amount of unused tax losses for which no deferred tax asset is recognised in the statement of financial position	**5 410**	7 388		
13. INVESTMENTS AND LOANS				
Gross loans	**19 782**	22 200	328	273
Less: Provisions for irrecoverable loans	**(7 511)**	(211)		
Loans	**12 271**	21 989	328	273
Preference shares	**130 044**	131 026	130 044	131 026
Other shares	**625**	430	603	407
	142 940	153 445	130 975	131 706

Group loans are secured by cession of shares and fishing rights and bonds over assets as appropriate. Repayment terms vary depending on the nature of the loan. Interest rates charged are floating and approximate prevailing market rates. Interest amounting to R73 187 (2011: R463 886) was recognised in respect of impaired loans.

Company loans consist of an unsecured, interest-free loan with no fixed terms of repayment to a company in which the group holds a 5,3% (2011: 4,4%) equity share. No impairment provision is required in respect of this loan.

	GROUP		COMPANY	
	2012	2011	2012	2011
	R'000	R'000	R'000	R'000
13. INVESTMENTS AND LOANS continued				
Movement on loans				
Balance at the beginning of the year	**21 989**	9 118	273	273
Advances	**4 246**	18 278	55	
Interest charged	**995**	702		
Loans repaid	**(7 659)**	(9 265)		
Movement on provisions for irrecoverable loans	**(7 300)**	3 156		
Balance at the end of the year	**12 271**	21 989	328	273
Movement on provisions for irrecoverable loans				
Balance at the beginning of the year	**211**	3 367		
Impairment losses recognised/(reversed)	**7 300**	(3 156)		
Balance at the end of the year	**7 511**	211		

The preference shares are cumulative redeemable "B" preference shares in Oceana SPV (Pty) Limited, a wholly owned subsidiary of Brimstone Investment Corporation Limited, with a coupon rate of 95% of the prime overdraft rate and a 20-year term which expires on 26 September 2026. Carrying value includes preference dividends accrued less repayment received. Redemption of the preference shares and payment of the preference dividends rank behind the "A" preference shares held by The Standard Bank of South Africa Limited in Oceana SPV (Pty) Limited.

	GROUP		COMPANY	
	2012	2011	2012	2011
	R'000	R'000	R'000	R'000
Movement on preference shares				
Balance at the beginning of the year	**131 026**	142 349	131 026	142 349
Accrued preference dividend	**10 967**	11 506	10 967	11 506
Repayment received	**(11 949)**	(22 829)	(11 949)	(22 829)
Balance at the end of the year	**130 044**	131 026	130 044	131 026

14. OCEANA GROUP SHARE TRUST

The Oceana Group Share Trust was formed to finance the purchase of shares in the company by employees of the group. The loans are secured by pledge of the shares purchased in terms of the scheme and are repayable within 10 years.

	COMPANY 2012 R'000	COMPANY 2011 R'000
Interest-bearing at 6,5% per annum (2011: 7,0%)	5 264	5 939
Interest-free		70
	5 264	6 009

15. KHULA TRUST

	COMPANY 2012 R'000	COMPANY 2011 R'000
Capital contribution	3 261	3 572

Khula Trust was formed in 2006 to hold shares in the company for allocation to qualifying black employees. The trust is funded by capital contributions from the company and participating South African subsidiary companies.

The capital contribution plus a return of 7,46% will be repaid by Khula Trust from dividends received from the company and from the proceeds of shares realised on behalf of qualifying employees after the 10-year lock-in period or on behalf of the beneficiaries of deceased qualifying employees.

	COMPANY 2012 R'000	COMPANY 2011 R'000
16. INTEREST IN SUBSIDIARIES AND JOINT VENTURES		
Shares at cost, less amounts written off	35 361	45 295
Amounts owing by	438 396	234 795
	473 757	280 090
Amounts owing to	(27 864)	(27 125)
	445 893	252 965

Loans to and from subsidiaries and joint ventures are unsecured and have no fixed terms of repayment. Loans to and from wholly owned South African subsidiaries are interest-free. Interest rates on other loans are floating and approximate prevailing market rates.

Details of subsidiary and joint venture companies are set out in separate schedules on pages 42 and 43 of this report.

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
17. INVENTORIES				
Raw materials	**43 250**	20 842		
Finished goods	**689 267**	422 956		
Consumable stores and work in progress	**45 462**	46 052		
	777 979	489 850		

Finished goods include inventory held at net realisable value of R1 910 000 (2011: R51 500 061).

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
18. ACCOUNTS RECEIVABLE				
Trade receivables	**584 103**	420 804		
Gross trade receivables	**593 476**	431 392		
Less: Allowance for credit notes	**(6 949)**	(8 006)		
Less: Provisions for irrecoverable trade receivables	**(2 424)**	(2 582)		
Short-term loans and advances	**4 149**	5 066		
Gross short-term loans and advances	**9 676**	11 503		
Less: Provisions for irrecoverable loans and advances	**(5 527)**	(6 437)		
Amount owing by foreign suppliers	**130 195**	5 012		
VAT and company taxation	**45 143**	21 543		951
Prepayments	**33 014**	30 820	1 430	1 015
Accrued income and other	**27 352**	53 668	6 560	6 326
	823 956	536 913	7 990	8 292

	GROUP Trade receivables 2012 R'000	Trade receivables 2011 R'000

18. ACCOUNTS RECEIVABLE continued

The analysis of group trade receivables is as follows:

	Trade receivables 2012 R'000	Trade receivables 2011 R'000
Not past due	**554 875**	377 356
Ageing of trade and other receivables which are past due and not impaired		
30 days	**25 622**	34 943
60 days	**2 237**	3 697
90 days	**1 152**	3 223
120 days	**107**	53
150 days and over	**110**	1 532
	584 103	420 804

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 blue-chip customers, is largely covered by credit guarantee insurance. Exports are normally on letter of credit and in some cases are on a prepaid basis. Exports to African countries in which satisfactory credit guarantee insurance or letter of credit facilities are not available are on open account, subject to strict credit limits. Cold storage trade receivables are covered by a lien over customer's 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 fishing 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 customer's product or other collateral held.

	GROUP 2012 R'000	2011 R'000
Movement in provisions for irrecoverable trade receivables		
Balance at the beginning of the year	**2 582**	1 984
Irrecoverable amounts written off against the provision	**(274)**	(40)
Impairment losses recognised	**116**	638
Balance at the end of the year	**2 424**	2 582
Concentration of credit risk in trade receivables		
By geographical region		
South Africa and Namibia	**451 140**	325 238
Other Africa	**87 362**	26 964
Europe	**26 376**	31 181
Far East and other	**19 225**	37 421
Trade receivables	**584 103**	420 804

	GROUP	
	2012	2011
	R'000	R'000
18. ACCOUNTS RECEIVABLE continued		
By customer sector		
Domestic FMCG, wholesale, retail (blue-chip or insured)	**455 157**	295 038
Exports on letter of credit/cash with documents	**66 266**	61 351
Cold storage (secured by lien)	**43 398**	37 321
Open account	**19 282**	27 094
Trade receivables	**584 103**	420 804
Movement in provisions for irrecoverable loans and advances		
Balance at the beginning of the year	**6 437**	5 737
Impairment losses (reversed)/recognised	**(910)**	700
Balance at the end of the year	**5 527**	6 437

There was one customer (2011: one customer) with a balance in excess of 10% of the total trade receivables.

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 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.

	GROUP		COMPANY	
	2012	2011	**2012**	2011
	R'000	R'000	**R'000**	R'000
19. SHARE CAPITAL AND PREMIUM				
19.1 Ordinary shares of 0,1 cent each				
Authorised share capital:				
200 000 000 (2011: 200 000 000) shares	**200**	200	**200**	200
Issued share capital:				
119 429 157 (2011: 119 206 157) shares	**119**	119	**119**	119
Share premium	**154 558**	151 034	**154 558**	151 034
	154 677	151 153	**154 677**	151 153
Less: Treasury shares				
19 210 233 (2011: 19 267 649) shares	**(123 985)**	(124 860)		
	30 692	26 293	**154 677**	151 153

	Number of shares	
Treasury shares comprise shares held by:		
Khula Trust	**14 099 383**	14 156 799
Oceana Brands Limited	**5 094 350**	5 094 350
Oceana Group Share Trust	**16 500**	16 500
	19 210 233	19 267 649

	GROUP		COMPANY	
	2012	2011	**2012**	2011
			Number of shares	

19. SHARE CAPITAL AND PREMIUM continued

19.2 Unissued shares

Authorised			**200 000 000**	200 000 000
Issued			**119 429 157**	119 206 157
Unissued			**80 570 843**	80 793 843
Under option in terms of the company's share scheme			**97 000**	320 000
Balance of unissued shares			**80 473 843**	80 473 843

	R'000	R'000	**R'000**	R'000

20. CASH FLOW HEDGING RESERVE

Balance at the beginning of the year	**1 922**	(7 931)		
Movement on the cash flow hedge reserve	**(1 522)**	9 853		
(Loss)/gain recognised on cash flow hedges	**(2 584)**	5 274		
Transferred to profit or loss	**(54)**	2 340		
Transferred to initial carrying amount of hedged item	**1 116**	2 239		
Balance at the end of the year	**400**	1 922		

(Losses)/gains arising on changes in fair value of forward exchange contracts, which have been designated as cash flow hedges, are transferred from equity into profit or loss. These (losses)/gains are included in cost of sales in the statement of comprehensive income.

21. ACCOUNTS PAYABLE

Trade payables	**309 767**	190 524	**3 587**	684
Payroll-related accruals	**83 639**	33 485	**17 398**	3 219
Leave pay accrual	**17 889**	16 152	**1 803**	1 557
Contingent purchase consideration	**10 450**			
Short-term loans and advances	**7 998**	4 281		
VAT payable	**6 651**	4 816	**1 845**	
Accruals and other payables	**212 281**	164 686	**8 483**	8 917
	648 675	413 944	**33 116**	14 377

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.

22. PROVISIONS

Supplier claims

Balance at the beginning of the year	**5 541**	2 994		
Net charge to operating profit	**4 415**	2 694		
Utilised during the year	**(7 364)**	(147)		
Balance at the end of the year	**2 592**	5 541		

Ex gratia retirement provision

Balance at the beginning of the year	**3 994**	3 970		
Net charge to operating profit	**262**	306		
Utilised during the year	**(168)**	(282)		
Balance at the end of the year	**4 088**	3 994		

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
22. PROVISIONS continued				
Other				
Balance at the beginning of the year	**2 383**	2 642		
Net charge to operating profit	**4 097**	1 855		
Arising on acquisition of business		154		
Utilised during the year	**(2 393)**	(2 316)		
Exchange adjustment		48		
Balance at the end of the year	**4 087**	2 383		
Total				
Balance at the beginning of the year	**11 918**	9 606		
Net charge to operating profit	**8 774**	4 855		
Arising on acquisition of business		154		
Utilised during the year	**(9 925)**	(2 745)		
Exchange adjustment		48		
Balance at the end of the year	**10 767**	11 918		

23. COMMITMENTS

23.1 Capital commitments

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
Budgeted capital expenditure is as follows:				
Contracted	**21 879**	23 981		2 412
Not contracted	**159 280**	117 564	**6 654**	6 414
	181 159	141 545	**6 654**	8 826

Capital expenditure will be financed from the group's cash resources.

23.2 Operating lease commitments

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
The future minimum lease payments under operating leases are as follows:				
Not later than one year	**29 652**	24 600	**1 729**	1 694
Later than one year but not later than five years	**140 511**	112 461	**8 467**	7 821
Later than five years	**418 259**	205 094	**7 566**	9 941
	588 422	342 155	**17 762**	19 456

24. NUMBER OF EMPLOYEES

	Number GROUP 2012	Number GROUP 2011	Number COMPANY 2012	Number COMPANY 2011
Permanent employees at year-end	**1 849**	1 711	**55**	52

25. SHARE-BASED PAYMENT PLANS

25.1 Equity-settled compensation scheme

The group operates the Oceana Group (1985) Share Option Scheme (the scheme), which is an equity-settled compensation scheme. The provisions of the scheme provide that the aggregate number of unissued shares that may be reserved for the scheme may not exceed 20% of the company's current issued share capital. Share options were granted to executive directors and senior managers by the board on the recommendation of the remuneration and nominations committee. The last grant of options in terms of the scheme was on 25 November 2004 and it is not intended to grant any further options. The exercise price of the options is equal to the 30-day average closing market price of the shares prior to the date of grant. Provided the employee remains in service, the options vest in three tranches, one-third after a period of three years from the date of grant, a further third after four years and the final third after five years. The contractual life of each option granted is ten years, after which the option lapses. There are no cash alternatives. Options that have not been exercised in accordance with the rules of the scheme are forfeited upon termination of employment, other than on death or retirement.

25. SHARE-BASED PAYMENT PLANS continued

25.1 Equity-settled compensation scheme continued

The following table illustrates the number and volume weighted average prices (VWAP) and movements in share options during the year.

	GROUP			
	2012		2011	
	Number of share options	**VWAP rand**	Number of share options	VWAP rand
Outstanding at the beginning of the year	**320 000[1]**	**15,89**	525 000[1]	14,49
Exercised during the year	**223 000[2]**	**15,80**	205 000[3]	12,31
Outstanding at the end of the year	**97 000[1]**	**16,08**	320 000[1]	15,89
Exercisable at the end of the year	**97 000**		320 000	

Notes:

[1] *There are no options (2011: 11 000) over shares in the end of the year balance that have not been recognised in accordance with IFRS 2 as the options were granted on or before 7 November 2002.*

[2] *The weighted average share price at the date of exercise for the options exercised was R45,48.*

[3] *The weighted average share price at the date of exercise for the options exercised was R35,99.*

The weighted average remaining contractual life for the share options outstanding as at 30 September 2012 is 1,8 years (2011: 2,1 years).

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

	GROUP	
	2012	2011
	Number of share options	Number of share options
R11,05 per share exercisable until 23 October 2011		11 000
R15,60 per share exercisable until 13 November 2012		52 000
R16,24 per share exercisable until 11 November 2013	**32 000**	162 000
R16,00 per share exercisable until 24 November 2014	**65 000**	95 000
	97 000	320 000

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

25.2 Black economic empowerment scheme – Khula Trust

Khula 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. Options to acquire these shares are allocated to qualifying black employees by the trustees of Khula Trust. Provided the employee remains in service, the options vest 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 acquires a right to take up the share, but will only take transfer of the share after a lock-in period of ten years from the date of the initial allocation. Earlier vesting and transfer of benefits is allowed in the event of the death of the employee. Options not exercised will be available for future allocation to other qualifying employees.

The first allocation of 8 500 000 options was made on 15 January 2007, a second allocation of 7 715 250 options was made on 1 May 2010, both at an option price of R15,21 per share. The second allocation was made to new eligible employees, who had joined since 15 January 2007, and as a top-up to employees who received options in the first allocation.

25. SHARE-BASED PAYMENT PLANS continued

25.2 Black economic empowerment scheme – Khula Trust continued

The number of allocated options has reduced in terms of the scheme rules due to retrenchments, resignations and dismissals.

During the year 57 416 options (2011: 42 000) were realised on behalf of beneficiaries of deceased employees.

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

The share-based payment expense relating to Khula Trust options is disclosed in note 2.

25.3 Cash-settled (phantom) compensation scheme

Phantom share options are 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 exercise price and vesting rights of the phantom share options are the same as for the share scheme described in note 25.1, but the contractual life of the options is six years and gains on options are settled in cash. Phantom share options granted in 2008 and thereafter have an additional performance-related hurdle rate, linked to growth in headline earnings per share, which applies to half of the options granted.

The fair value of the cash-settled options is measured at the grant date using the Black-Scholes 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 volume weighted average prices (VWAP) and movements in share options during the year.

	GROUP			
	2012		2011	
	Number of share options	**VWAP rand**	Number of share options	VWAP rand
Outstanding at the beginning of the year	**6 774 387**	**26,08**	6 911 716	22,29
Granted during the year	**1 063 000**	**44,77**	1 301 000	37,52
Forfeited during the year	**347 665**	**27,16**	211 332	24,76
Exercised during the year	**1 249 958**[1]	**19,28**	1 226 997[2]	17,11
Outstanding at the end of the year	**6 239 764**	**30,56**	6 774 387	26,08
Exercisable at the end of the year	**649 777**		273 572	

Notes:

[1] *The weighted average share price at the date of exercise for the options exercised was R44,74.*

[2] *The weighted average share price at the date of exercise for the options exercised was R37,11.*

The weighted average remaining contractual life for the share options outstanding as at 30 September 2012 is 3,4 years (2011: 3,6 years).

25. SHARE-BASED PAYMENT PLANS continued

25.3 Cash-settled (phantom) compensation scheme continued

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

	Grant number	2012 Number of share options	2011 Number of share options
R15,39 per share exercisable until 9 February 2012	1A		121 732
R16,91 per share exercisable until 10 November 2012	2		418 658
R19,26 per share exercisable until 7 February 2014	3	**615 699**	948 997
R22,65 per share exercisable until 2 February 2015	4A	**1 576 066**	2 146 000
R25,06 per share exercisable until 30 June 2015	4B	**500 000**	500 000
R29,59 per share exercisable until 11 February 2016	5	**1 277 000**	1 353 000
R37,52 per share exercisable until 10 February 2017	6	**1 220 000**	1 286 000
R44,77 per share exercisable until 17 February 2018	7	**1 051 000**	
		6 239 765	6 774 387

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 R53,02 (2011: R37,51), an expected option life of six years and expected dividend yield of 5,8% (2011: 5,6%). The risk-free rate ranged from 5,1% to 6,0% (2011: 5,6% to 7,3%) during the year. Expected volatility of 31,5% (2011: 28,7%) was based on historical share price volatility.

The share-based payment expense relating to cash-settled options is disclosed in note 2.

26. RETIREMENT BENEFITS

The group provides a total of six retirement plans that cover all employees. The plans consist of four defined-contribution provident funds and one defined-contribution retirement fund. There is also a defined-benefit pension fund with one member. The assets of the funds 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, certain of the retirement funds are exempt from actuarial valuation.

The Oceana Group Pension Fund which is not exempt from valuation must, in terms of the Pension Funds Act, be valued at least every three years. At the date of the last valuation on 30 September 2011, the fund was confirmed to be in a financially sound condition.

In order to comply with the disclosure requirements of IAS 19, a valuation has been performed by independent actuaries, using the Projected Unit Credit Method. A roll-forward projection from the prior actuarial valuation was used, taking account of actual subsequent experience.

	GROUP				
	2012 R'000	2011 R'000	2010 R'000	2009 R'000	2008 R'000
Balance at the end of the year					
Present value of defined-benefit obligations and surplus apportionment to former members	**(1 497)**	(10 790)	(10 176)	(9 495)	(1 941)
Fair value of plan assets in respect of defined-benefit obligations and surplus apportionment to former members	**8 682**	16 185	17 573	13 702	15 983
Funded status of defined-benefit plan	**7 185**	5 395	7 397	4 207	14 042
Unrecognised actuarial gains/(losses)	**638**	2 127	(722)	(3 056)	924
Asset not recognised at the reporting date	**(7 823)**	(7 522)	(6 675)	(1 151)	(14 966)
Liability at the reporting date					

In respect of those retirement arrangements which disclosed a positive fund status, no assets have been recognised by the group. The funded status is shown above for disclosure purposes only and does not necessarily indicate any assets available to the group.

26. RETIREMENT BENEFITS continued

	GROUP				
	2012 R'000	2011 R'000	2010 R'000	2009 R'000	2008 R'000
Movement in the liability recognised in the statement of financial position					
Opening balance					
Asset not recognised at the beginning of the year	**7 522**	6 675	1 151	14 966	12 981
Contributions paid	**30 087**	24 675	22 670	20 400	18 411
Other expenses included in staff costs	**(37 609)**	(31 350)	(23 821)	(35 366)	(31 392)
Current service cost	**(30 115)**	(24 669)	(22 667)	(20 389)	(17 410)
Interest (cost)/income	**(534)**	(910)	(756)	160	(144)
Expected return on plan assets	**1 108**	1 751	1 455	1 227	1 626
Surplus allocation – former members and related reserves			4 409	(15 213)	
Net actuarial (losses)/gains unrecognised during the year	**(245)**		413		(498)
Asset not recognised at the reporting date	**(7 823)**	(7 522)	(6 675)	(1 151)	(14 966)
Balance at the end of the year					
The principal actuarial assumptions used for accounting purposes relating to the defined-benefit obligations were:					
Discount rate net of tax	**8,65%**	8,50%	9,00%	8,50%	9,00%
Inflation rate	**6,25%**	6,00%	6,00%	6,00%	6,50%
Expected return on plan assets	**9,65%**	9,50%	10,00%	9,50%	10,00%
Future salary increases	**7,25%**	6,75%	6,75%	6,75%	7,25%
Future pension increases	**6,25%**	6,00%	6,00%	6,00%	6,50%

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 latest full actuarial valuation was performed at 30 September 2012.

	2012 R'000	2011 R'000
Present value of obligations	**8 145**	7 684
Less: Fair value of plan assets	**(8 145)**	(6 880)
Liability at the reporting date		804
The principal actuarial assumptions used for accounting purposes relating to post-employment medical obligations:		
Discount rate	**7,25%**	8,25%
Medical inflation	**7,10%**	7,50%

27. CONTINGENT LIABILITIES

The company has given guarantees in support of bank overdraft facilities of certain subsidiaries and subordinated its loan to Blue Atlantic Trading (Pty) Limited.

28. FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks: capital risk, market risk (including currency, interest rate and price 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.

Capital risk

Capital is managed to ensure that operations continue as a going concern and that expansion opportunities can be funded when they arise. The group and company's capital management strategy has remained consistent with the prior year. Capital comprises equity, as disclosed in the statement of changes in equity, and overdrafts supplemented when required by short-term borrowing facilities.

Currency risk

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

Foreign currency balances and exposure

	GROUP			
	US dollar '000	Euro '000	Sterling '000	Australian dollar '000
2012				
Trade receivables	**11 790**	**968**	**1 155**	**189**
Other accounts receivable	**16 613**			
Cash and cash equivalents	**5 324**		**4**	
Accounts payable	**(16 392)**	**(217)**	**(95)**	
	17 335	**751**	**1 064**	**189**
Year-end exchange rate	**8,28**	**10,64**	**13,36**	**8,60**
2011				
Trade receivables	7 723	2 299	872	298
Other accounts receivable	1 112			
Cash and cash equivalents	1 671		5	
Accounts payable	(5 139)	(263)		
Bank overdrafts		(997)		
	5 367	1 039	877	298
Year-end exchange rate	7,93	10,75	12,36	7,73

Currency risks arising from foreign trading operations are partially hedged by means of forward exchange contracts (FECs) and the set-off effect of foreign currency denominated assets and liabilities. The group does not enter into derivative contracts for speculative purposes. Currency risk management is carried out through close co-operation between the group's operating units and the group treasury department in terms of approved policies.

The group holds FECs which have been marked to market 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 cost of sales. 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 2013 financial year.

28. FINANCIAL RISK MANAGEMENT continued

Foreign currency balances and exposure continued

	GROUP			
	US dollar '000	Euro '000	Sterling '000	Yen '000
2012				
Foreign currency bought	**14 484**	**106**	**12**	
Foreign currency sold	**1 594**	**65**	**1 339**	
Average exchange rate	**8,26**	**10,61**	**13,24**	
2011				
Foreign currency bought	13 259	134		
Foreign currency sold	1 123	426	2 621	36 830
Average exchange rate	7,55	9,91	12,29	0,10

Foreign currency sensitivity analysis

The following table shows the group's sensitivity to a 10% weakening in the 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 before taxation. The table excludes foreign subsidiaries.

	GROUP	
	2012 R'000	2011 R'000
Increase in profit before taxation		
US dollar	**14 348**	4 256
Euro	**799**	1 117
Sterling	**1 421**	1 084
Australian dollar	**163**	230

The following table shows the group's sensitivity to a 10% weaker rand on the translation of foreign subsidiaries, with all other variables held constant. For a 10% stronger rand there would be an equal and opposite impact on the FCTR.

Increase in FCTR		
US dollar	**1 031**	1 029
Sterling	**832**	664

The company does not have any foreign currency commitments or any foreign currency denominated assets or liabilities.

Interest rate risk and liquidity risk

Financial assets and liabilities affected by interest rate fluctuations include cash and short-term deposits, preference shares, loans receivable and bank overdrafts. Interest rates applicable to these assets and liabilities are floating except when short-term deposits of up to three months are made at fixed rates. Interest rates approximate prevailing market rates in respect of the financial instrument and country concerned. The group does not use derivative instruments to manage exposure to interest rate movements.

The group and company manage their liquidity risk by monitoring and forecasting cash flows and by maintaining adequate borrowing facilities to meet short-term demands. In terms of the company's memorandum of incorporation, the company's borrowing powers are unlimited.

28. FINANCIAL RISK MANAGEMENT continued

Interest rate sensitivity analysis

For the group, based on the interest-bearing net assets and interest rates ruling at the reporting date, net interest earned would amount to R20,3 million (2011: R31,9 million). A 100 basis points change in the interest rate would result in an increase or decrease of R3,6 million (2011: R5,4 million).

For the company, based on the interest-bearing net assets and interest rates ruling at the reporting date, net interest earned would amount to R18,9 million (2011: R26,9 million). A 100 basis points change in the interest rate would result in an increase or decrease of R3,1 million (2011: R4,4 million).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group or company.

Potential concentrations of credit risk consist principally of trade receivables, loans and advances and short-term cash investments. Long-term loans 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 group and company deposit short-term cash surpluses only with major financial institutions of high-quality credit standing. At 30 September 2012, the directors did not consider there to be any significant concentration of credit risk which had not been adequately provided for. Details are disclosed in note 18 of how credit risk relating to accounts receivable is managed.

Fair values

The carrying amounts of financial assets and liabilities approximate their fair values at year-end.

29. RELATED-PARTY DISCLOSURES

During the year the company received fees from some of its subsidiaries and joint ventures for the provision of various administration services.

The company 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. 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 pages 42 and 43. Details of treasury shares held by share trusts are disclosed in note 19.

The company owns preference shares issued by Oceana SPV (Pty) Limited, a subsidiary of Brimstone Investment Corporation Limited. Further details of this investment are disclosed in note 13.

29. RELATED-PARTY DISCLOSURES continued

Details of the transactions between the group and the company with related parties follow.

	GROUP		COMPANY	
	2012 R'000	2011 R'000	2012 R'000	2011 R'000
Transactions				
Transactions with joint ventures				
Administration fees received	2 146	2 397	1 253	1 210
Net interest received	404	246	495	352
Transactions with subsidiaries				
Administration fees received			116 544	75 023
Dividends received			285 514	262 090
Net interest paid			(5 148)	(1 504)
Transactions with shareholders				
Dividends receivable from Oceana SPV (Pty) Limited	10 967	11 506	10 967	11 506
Goods and services sold to Tiger Brands Limited subsidiaries	5 886	5 444		
Net amount owed by Tiger Brands Limited subsidiaries		269		

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities, directly or indirectly, including any director of that entity.

	GROUP 2012 R'000	GROUP 2011 R'000	COMPANY 2012 R'000	COMPANY 2011 R'000
Short-term employee benefits	47 557	25 362	29 661	14 053
Post-employment benefits	3 045	2 834	1 863	1 623
Share-based payments – cash-settled compensation scheme	32 135	5 796	23 378	4 854
Share-based payments – Khula Trust	66	84	66	84
Non-executive directors' emoluments	2 404	2 158	2 404	2 158
Total compensation of key management	85 207	36 234	57 372	22 772

Interest of directors in contracts

The directors of Oceana make declarations of interest in terms of section 75 of the Companies Act. These declarations indicate that certain directors hold positions of influence in other entities which are shareholders, suppliers, 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 26.

30. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION

Executive directors' remuneration

2012 Name			COMPANY			
	Salary R'000	Allowances R'000	Retirement fund contributions R'000	Incentive bonuses[1] R'000	Gain on exercise of phantom share options R'000	Total emoluments R'000
ABA Conrad	1 265	144	302	1 874	1 397	4 982
FP Kuttel	3 349	174	512	4 414		8 449
RG Nicol	2 215	100	443	3 044	2 006	7 808
Total	6 829	418	1 257	9 332	3 403	21 239
2011						
ABA Conrad	1 136	140	274	279	1 445	3 274
FP Kuttel	3 122	152	478	677		4 429
RG Nicol	2 064	104	414	466	603	3 651
Total	6 322	396	1 166	1 422	2 048	11 354

Note:

[1] *Performance bonuses are accounted for on an accrued basis, to match the amount payable to the applicable financial year.*

Executive directors' phantom share option details

2012 Name	Options as at 30 Sept 2011	Option price (cents)	Options granted during the year	Options exercised during the year	Exercise price (cents)	Options as at 30 Sept 2012	Expiry date
ABA Conrad	13 333	1 691		13 333	4 235		10.11.2012
	30 000	1 926		15 000	4 470	15 000	07.02.2014
	92 000	2 265		30 667	4 470	61 333	05.02.2015
	38 000	2 959				38 000	11.02.2016
	33 000	3 752				33 000	10.02.2017
		4 477	30 000			30 000	17.02.2018
	206 333		30 000	59 000		177 333	
FP Kuttel	500 000	2 506				500 000	01.07.2015
	136 000	2 959				136 000	11.02.2016
	119 000	3 752				119 000	10.02.2017
		4 477	107 000			107 000	17.02.2018
	755 000		107 000			862 000	
RG Nicol	38 333	1 539		38 333	4 250		08.02.2012
	30 000	1 691		30 000	4 914		10.11.2012
	100 000	1 926				100 000	07.02.2014
	188 000	2 265				188 000	05.02.2015
	78 000	2 959				78 000	11.02.2016
	68 000	3 752				68 000	10.02.2017
		4 477	61 000			61 000	17.02.2018
	502 333		61 000	68 333		495 000	

30. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION continued

Executive directors' phantom share option details continued

COMPANY

2011 Name	Options as at 30 Sept 2010	Option price (cents)	Options granted during the year	Options exercised during the year	Exercise price (cents)	Options as at 30 Sept 2011	Expiry date
ABA Conrad	20 000	1 539		20 000	3 700		08.02.2012
	20 000	1 539		20 000	3 832		08.02.2012
	26 666	1 691		13 333	3 700	13 333	10.11.2012
	45 000	1 926		15 000	3 832	30 000	07.02.2014
	92 000	2 265				92 000	05.02.2015
	38 000	2 959				38 000	11.02.2016
		3 752	33 000			33 000	10.02.2017
	241 666		33 000	68 333		206 333	
FP Kuttel	500 000	2 506				500 000	01.07.2015
	136 000	2 959				136 000	11.02.2016
		3 752	119 000			119 000	10.02.2017
	636 000		119 000			755 000	
RG Nicol	38 333	1 539				38 333	08.02.2012
	60 000	1 691		30 000	3 700	30 000	10.11.2012
	100 000	1 926				100 000	07.02.2014
	188 000	2 265				188 000	05.02.2015
	78 000	2 959				78 000	11.02.2016
		3 752	68 000			68 000	10.02.2017
	464 333		68 000	30 000		502 333	

Executive directors' share option details

2012 Name	Balance as at 30 Sept 2011 Number	Share options deemed to be exercised during the year[1] Number	Gains on options exercised R'000	Exercise price (cents)	Deemed exercise dates	Lapsed options Number	Balance as at 30 Sept 2012 Number
RG Nicol	187 000						187 000

2011 Name	Balance as at 30 Sept 2010 Number	Balance as at 30 Sept 2011 Number
RG Nicol	187 000	187 000

Note:

[1] *Directors are deemed to have exercised share options on the date on which they have ownership of the shares and are entitled to dispose of them.*

30. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION continued

Non-executive directors' remuneration

	COMPANY					
	2012			2011		
	Board fees R'000	Committee fees R'000	Total R'000	Board fees R'000	Committee fees R'000	Total R'000
ZBM Bassa	160	106	266	75	30	105
MA Brey	455	52	507	425	49	474
PG de Beyer	160	149	309	150	128	278
M Fleming[1]				37	19	56
PB Matlare[1]	160	52	212	150	49	199
S Pather	215	155	370	182	145	327
PM Roux[1]	160	80	240	96	48	144
NV Simamane	160	132	292	150	106	256
TJ Tapela	160	48	208	150	45	195
RA Williams				73	51	124
Total	1 630	774	2 404	1 488	670	2 158

Note:

[1] *Paid to Tiger Brands Limited*

31. EVENTS AFTER THE REPORTING DATE

No events occurred after the reporting date that may have an impact on the group's reported financial position at 30 September 2012.

The company entered into an agreement regarding a call option for a potential specific repurchase of its shares, the details of which were announced on 7 November 2012.

INTEREST IN PRINCIPAL SUBSIDIARIES AND JOINT VENTURES
at 30 September 2012

			Issued capital	Effective holding		Interest of holding company			
						Cost of shares		Indebtedness	
			2012	**2012**	2011	**2012**	2011	**2012**	2011
Name of company	Note	Nature of business	**R**	**%**	%	**R'000**	R'000	**R'000**	R'000
Blue Atlantic Trading (Pty) Limited	1	Fish trading	**100**	**50**	50			**11 362**	5 030
Blue Continent Products (Pty) Limited		Horse mackerel, hake	**1 000**	**100**	100	**1 932**	1 932	**95 272**	12 816
Calamari Fishing (Pty) Limited		Squid	**4 000**	**100**	100			**15 918**	8 958
Commercial Cold Storage (Pty) Limited		Cold storage	**100**	**100**	100			**11 490**	8 932
Commercial Cold Storage Group Limited		Holding company	**1 000 000**	**100**	100	**6 986**	6 985		
Commercial Cold Storage (Ports) (Pty) Limited		Cold storage	**100**	**70**	70				
Commercial Cold Storage (Namibia) (Pty) Limited – Namibia		Cold storage	**10 000**	**100**	100			**(18 234)**	
Compass Trawling (Pty) Limited		Hake	**1 000**	**60,53**	60,53				
Desert Diamond Fishing (Pty) Limited		Horse mackerel	**120**	**90**	90			**(2 507)**	(853)
Erongo Marine Enterprises (Pty) Limited – Namibia		Horse mackerel	**100**	**100**	100			**(6 890)**	(17 930)
Erongo Seafoods (Pty) Limited – Namibia		Horse mackerel	**40 000**	**49**	49				
Erongo Sea Products (Pty) Limited – Namibia		Horse mackerel	**100**	**48**	48				
Etosha Fisheries Holding Company (Pty) Limited – Namibia	1	Canned fish, fishmeal/oil	**9 085**	**44,9**	44,9	**10 988**	10 988		
Glenryck Foods Limited – United Kingdom		Canned fish	**6 080 000**	**100**	100	**12 713**	22 648		
Lamberts Bay Foods Limited		French fries	**52 700**	**100**	100	**22**	22	**12 667**	11 424
MFV Romano Paulo Vessel Company (Pty) Limited	1	Rock lobster	**3 000**	**35**	35				
Oceana Brands Limited		Canned fish, fishmeal/oil	**600 000**	**100**	100	**1 706**	1 706	**277 881**	187 635
Oceana International Limited – Isle of Man		Horse mackerel	**23**	**100**	100	**23**	23		
Oceana Lobster Limited		Rock lobster	**965 500**	**100**	100	**966**	966	**13 806**	(7 943)
Stephan Rock Lobster Packers Limited		Rock lobster	**200 000**	**51**	51	**25**	25	**(233)**	(399)
						35 361	45 295	**410 532**	207 670

Only principal subsidiaries and joint ventures have been included in the above list. Details of all subsidiaries and joint ventures are available upon request from the company secretary.

All subsidiaries and joint ventures are incorporated in South Africa unless otherwise indicated.

Note:

[1] *Joint venture.*

INTEREST IN JOINT VENTURES
at 30 September 2012

EFFECTIVE HOLDING	2012 %	2011 %
The amounts below are included in the group's financial statements as a result of the proportionate consolidation of joint ventures. Significant joint ventures include:		
Blue Atlantic Trading (Pty) Limited	**50,00**	50,00
Realeka JV	**52,00**	52,00
Etosha Fisheries Holding Company (Pty) Limited	**44,90**	44,90
MFV Romano Paulo Vessel Company (Pty) Limited	**35,00**	35,00

	R'000	R'000
STATEMENT OF COMPREHENSIVE INCOME		
Revenue	**175 006**	165 536
Expenses	**(156 288)**	(145 429)
Operating profit before abnormal items	**18 718**	20 107
Net interest	**(1 414)**	(969)
Profit before taxation	**17 304**	19 138
Taxation	**(228)**	3 512
Profit after taxation	**17 532**	15 626
STATEMENT OF FINANCIAL POSITION		
Property, plant and equipment	**13 744**	12 250
Investments	**22**	22
Current assets	**121 193**	92 760
Current liabilities		
– Interest-bearing	**(44 574)**	(658)
– Interest-free	**(30 145)**	(32 735)
Deferred taxation	**(128)**	(356)
STATEMENT OF CASH FLOWS		
Operating profit	**18 718**	20 107
Adjustments for non-cash items	**972**	2 400
Working capital changes	**(30 775)**	23 200
Cash flows from operations	**(11 085)**	45 707
Net interest	**(1 414)**	(969)
Taxation paid	**(297)**	(2 527)
Net cash flows from operating activities	**(12 796)**	42 211
Cash flows from investing activities	**(2 467)**	(679)
Net (decrease)/increase in cash and cash equivalents	**(15 263)**	41 532

SHAREHOLDER ANALYSIS

at 30 September 2012

SHAREHOLDER SPREAD	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	786	51,5	423 986	0,4
1 001 – 10 000 shares	506	33,2	1 853 161	1,5
10 001 – 100 000 shares	168	11,0	6 667 100	5,6
100 001 – 1 000 000 shares	55	3,6	16 039 089	13,4
1 000 001 shares and over	10	0,7	94 445 821	79,1
	1 525	100,0	119 429 157	100,0

DISTRIBUTION OF SHAREHOLDERS				
Banks	24	1,6	2 709 036	2,3
Brokers	10	0,7	739 876	0,6
Close corporations	25	1,6	87 219	0,1
Empowerment	1	0,1	20 096 755	16,8
Individuals	1 115	73,1	3 431 069	2,9
Insurance companies	9	0,6	960 322	0,8
Investment companies	13	0,8	587 163	0,5
Medical aid schemes	1	0,1	79 545	0,1
Mutual funds	69	4,5	13 666 224	11,4
Nominees and trusts	126	8,3	799 110	0,7
Other corporate bodies	14	0,9	498 521	0,4
Pension funds	74	4,8	11 321 045	9,5
Private companies	36	2,4	364 394	0,3
Public companies	5	0,3	44 878 645	37,5
Treasury shares held by share trusts	2	0,1	14 115 883	11,8
Treasury shares held by subsidiary	1	0,1	5 094 350	4,3
	1 525	100,0	119 429 157	100,0

SHAREHOLDER TYPE				
Non-public shareholders	110	7,3	84 680 951	70,9
Directors and employees	105	6,9	674 500	0,6
Treasury shares held by share trusts	2	0,1	14 115 883	11,8
Treasury shares held by subsidiary	1	0,1	5 094 350	4,3
Empowerment	1	0,1	20 096 755	16,8
Holdings greater than 10%	1	0,1	44 699 463	37,4
Public shareholders	1 415	92,7	34 748 206	29,1
	1 525	100,0	119 429 157	100,0

SHAREHOLDERS HOLDING IN EXCESS OF 5%		
Tiger Brands Limited	44 699 463	37,4
Brimstone Investment Corporation Limited	20 096 755	16,8
Khula Trust	14 099 383	11,8