AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Contents

The audited consolidated financial statements for the year ended 30 September 2023, as set out on pages 4 to 96, were prepared under the supervision of Mr Zaf Mahomed CA(SA). The financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa No. 71 of 2008.

Directors' Responsibilities and Approval of the Group and Company Financial Statements

To the shareholders of Oceana Group Limited

The directors are required in terms of the Companies Act of South Africa No. 71 of 2008 ("Companies Act") to maintain adequate accounting records and are responsible for the content and integrity of the Group and Company financial statements of Oceana Group Limited and related financial information included in this report. It is their responsibility to ensure that the audited Group and Company financial statements fairly present the state of affairs of the Group and Company as at the end of the financial year and the results of its operations and cash flows for the year then ended 30 September 2023.

The Group and Company financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), including interpretations of such standards as issued by the Interpretations Committee, the Financial Reporting Procurements as issued by the Financial Standards Reporting Council, the Johannesburg Stock Exchange Listings Requirements, the Namibian Stock Exchange Listing Requirements, the requirements of the Companies Act or relevant laws and establishments, specifically relating to its incorporation and operates in compliance with its Memorandum of Incorporation.

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

The directors are of the opinion, that the internal control system provides reasonable assurance that the financial records may be relied on for the preparation of the Group and Company financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors believe the Group and Company has adequate resources to continue trading as a going concern in the foreseeable future. The financial statements support the viability of the Group and Company to continue as a going concern.

The external auditors are responsible for independently auditing and reporting on the Group and Company annual financial statements and their unqualified audit report is presented on pages 13 to 16.

The Group and Company financial statements set out on pages 4 to 12, 17 to 96 and 98 to 127 which have been prepared on the going concern basis, were approved and authorised by the directors and were signed on 24 November 2023 on their behalf by:

Mustaq Brey
Chairman

Neville Brink
Chief Executive Officer

Chief Executive Officer and Chief Financial Officer Responsibility Statement

The directors and officers, whose names are stated below, hereby confirm that:

a) The Group and Company financial statements set out on pages 4 to 12, 17 to 96 and 98 to 127 , fairly present in all material respects the financial position, financial performance and cash flows of Oceana Group Limited ("the Group") in terms of IFRS;

b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Group and Company financial statements false or misleading;

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

d) The internal financial controls are adequate and effective and can be relied upon in compiling the Group and Company financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

e) Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

f) We are not aware of any fraud involving directors.

Neville Brink
Chief Executive Officer

Zaf Mahomed
Chief Financial Officer

24 November 2023

Company Secretary Certification

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

Jayesh Jaga
Company Secretary

24 November 2023

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of the Group and the Company for the year ended 30 September 2023. The directors are of the opinion that stakeholders' interests are best served by presenting the Group's annual financial statements separately from those of the Company. The latter financial statements appear on pages 98 to 127.

NATURE OF BUSINESS AND OPERATIONS

The Group was incorporated in 1918 in South Africa and is listed on the Johannesburg (JSE) and A2X Markets (A2X) stock exchanges in South Africa, as well as the Namibian (NSX) stock exchange. The Group is a participant in the South African, Namibian and USA fishing industries with fishing and production-related activities conducted primarily through three operating segments: Canned fish and fishmeal (Africa); Fishmeal and fish oil (USA) and Wild caught seafood. In addition, Oceana Group Limited (the "Company") also carries on the business of investing surplus funds and providing treasury, information technology services and administration management services to its subsidiaries. This structure creates value through economies of scale and efficiencies in terms of raw material and product volumes, use of vessels and production resources, market focus, risk management and growth opportunities.

The Group consists of a number of operating subsidiaries and joint investments engaged in the catching, processing and procurement of various marine species, including pilchard, anchovy, redeye herring, Gulf menhaden, lobster, squid, horse mackerel and hake.

FINANCIAL RESULTS

The Group delivered a strong performance for the year, driven mainly by record sales volumes of Lucky Star pilchards in a constrained consumer environment and record pricing for fish oil following favourable global supply and demand dynamics. Higher opening inventory levels positioned the Group well to service strong demand and benefit from price improvements across its product range.

The strength of the Group's diversification across species, geographies and currencies enabled it to remain resilient in a challenging operating environment characterised by high inflation, high interest rates, a volatile currency and increased loadshedding in South Africa (SA). The Group's financial results for the year are reflected in the statement of comprehensive income on page 17.

DISPOSAL OF CCS LOGISTICS

The Group disposed of its interest in CCS Logistics with effect 4 April 2023 for R760 million. The disposal realised a profit of R477 million before taxation and R381 million after taxation, directly translating to an increase in earnings for the year.

CCS Logistics was treated as a discontinued operation in the prior year and up to the effective date of sale for reporting purposes having met the IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, conditions.

SHARE CAPITAL

Ordinary shares in Oceana Group Limited which have been acquired by the Group in terms of an approved share repurchase programme, held by the subsidiaries of Oceana Group Limited, employee share trusts and stakeholder trusts, are classified as treasury shares. Details of the authorised and issued share capital of the Company are set out in note 21.

SPECIAL RESOLUTIONS

The following special resolutions were passed during the course of the year:

- To approve the provision of financial assistance by the Company to related or inter-related companies and others as contemplated in the Companies Act, No. 71 of 2008;
- To approve the non-executive directors' remuneration in their capacity as directors only; andTo approve the general authority to acquire the Company's shares.

DIVIDENDS

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

BORROWINGS

The Company's borrowing powers are unlimited in terms of the Memorandum of Incorporation and all borrowings by the Group are subject to the approval process as defined in the Group Authorities Framework. Details of borrowings appear in note 23.

DIRECTORS AND OFFICERS

The names of the directors and officers for the current financial year and up to the date of this report can be found in a separate schedule on page 131, along with the name, business and postal address of the Company Secretary.

The following changes took place during the year in respect of the directors and officers:

- Ralph Buddle stepped down as interim Chief Financial Officer ("CFO") and executive director of the Board on 31 January 2023. Zaf Mahomed was appointed as CFO Designate effective 1 November 2022 and assumed office as the Group's CFO and executive director of the Board effective 1 February 2023.
- Nicole Morgan resigned as the Company Secretary on 30 June 2023.
- Jayesh Jaga was appointed Company Secretary on 1 July 2023.

The changes to the Board and Committees below were made following the Company's Annual General Meeting (AGM) held on 6 April 2023 and were effective immediately:

- Zarina Bassa retired as an independent non-executive director of the Board, chairman of the Audit Committee, member of the Risk Committee and member of the Corporate Governance and Nominations Committee.
- Peter Golesworthy, an independent non-executive director and member of the Audit Committee, assumed the position as chairman of the Audit Committee and was appointed as a member of the Corporate Governance and Nominations Committee.
- Peter de Beyer, an independent non-executive director stepped down as chairman of the Remuneration Committee and will remain a member of the Remuneration Committee.
- Thoko Mokgosi-Mwantembe, an independent non-executive director and member of the Remuneration Committee, assumed the position as chairman of the Remuneration Committee and member of the Corporate Governance and Nominations Committee.

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 2023 was as follows:

	Number of shares		
	Direct beneficial	Indirect beneficial	Aggregate
2023			
N Brink	**15 552**	**–**	**15 552**
Z Mahomed[1]	**–**	**–**	**–**
2022			
N Brink	5 832	–[2]	5 832

[1] *Appointed 1 February 2023*

[2] *The prior year has been adjusted to reflect indirect beneficial interest that holds full economic rights*

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE

Details of subsidiaries, associate and joint ventures are given in separate schedules in note 40.

INTERNAL CONTROL

The directors are responsible to ensure internal controls are in place and are adequate and effective and can be relied on to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and effective systems of risk management as well as the preparation of the supplementary schedules included in these annual financial statements.

GOING CONCERN

The consolidated and separate annual financial statements were prepared on the going concern basis. The directors have made an assessment of the ability of the Group and Company to continue as a going concern and have no reason to believe that the business will not be a going concern for the foreseeable future.

LITIGATION

The directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or had in the previous 12 months, a material effect on the Group's financial position.

EVENTS SUBSEQUENT TO THE REPORTING DATE

Other than the event disclosed in note 33, management is not aware of events that occurred beyond the year end up to the date of authorisation of these financial statements that could have a material impact to the Group's reported results as at 30 September 2023 that would require separate disclosure in these financial statements.

Report of the Audit Committee

INTRODUCTION

The Oceana Group Limited ("Oceana" or "Group") Audit Committee ("Committee") is pleased to present its report for the financial year ended 30 September 2023. This report is intended to provide details on how the Committee satisfied its statutory obligations during the year, as well as on the significant audit matters considered during the period under review. This report has been prepared based on the requirements of the South African Companies Act, No. 71 of 2008 ("Companies Act"), the King Code of Governance for South Africa ("King IV") and the JSE Listings Requirements.

COMMITTEE CONSTITUTION AND GOVERNANCE

MANDATE AND TERMS OF REFERENCE

The responsibilities of the Committee are incorporated into the Committee's Charter which is reviewed annually and approved by the Board. The Charter can be viewed on our website at **www.oceana.co.za** or can be requested from the Group Company Secretary (jayesh.jaga@oceana.co.za). The Committee has conducted its affairs in compliance with this Charter and has discharged its responsibilities contained therein.

COMPOSITION OF THE COMMITTEE

This year, the Committee bid farewell to Zarina Bassa, who stepped down from the Board and was succeeded by Peter Golesworthy as chairman of the Committee. All members of the Committee are independent and collectively have the necessary financial literacy skills and experience to execute their duties effectively. The current members of the Committee continue to meet the independence requirements as assessed by the Nominations and Governance Committee, on behalf of the Board, in terms of the requirements of King IV and the Companies Act.

The Committee, appointed by shareholders on 6 April 2023 to hold office until the conclusion of the next annual general meeting ("AGM"), is comprised of four independent non-executive directors, Mr PJ Golesworthy (Chairman), Mr PG de Beyer, Mr A Jakoet and Ms L Sennelo, all of whom satisfy the requirements to serve as members of an Audit Committee. In addition, the qualifications and experience of the members of the Committee can be viewed on our website at **www.oceana.co.za.** Fees paid to the Committee members for the 2023 financial year are disclosed in note 36.3 of the Consolidated Group Annual Financial Statements ("AFS").

The current Committee members will be recommended to the shareholders at the next AGM for appointment for the financial year ending 30 September 2024.

WORK PLAN AND MEETINGS

The Committee adopted a formal work plan designed to structure execution of responsibilities over the year. It met seven times during the year, comprising four formal meetings and three *ad hoc* meetings.

The Committee's composition in the year, attendance as well as qualifications are set out below:

		Attendance		
Name	**Qualifications**	**Date Appointed**	**Formal Meetings**	***Ad hoc* Meetings**
Peter Golesworthy (Chairman)	BA (Hons), Accountancy Studies, CA		4/4	3/3
Bakar Jakoet	CA(SA)		4/4	3/3
Peter de Beyer	BBusSc, FASSA		4/4	3/3
Lesego Sennelo	BCompt, BCom Acc (Hons), HDip Auditing, CA(SA)		3/4	3/3
Zarina Bassa*	BAcc, Dip Acc, CA(SA)		2/4	3/3

** Resigned 6 April 2023.*

Attendance at meetings by directors who are not members of the Committee and management is by way of invitation. The Committee provides a forum through which the external and internal auditors report to the Board. The external and internal auditors are standing invitees to Committee meetings, as is the Board chairman, CEO and Chief Financial Officer ("CFO"). The auditors have unrestricted access to the Committee and its chairman at all times, ensuring that their independence is not impaired. Both the external and internal auditors have the opportunity 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. The chairman of the Committee reports to the Board on all matters discussed, including the findings of the external and internal auditors. The independence of the Committee is key to its effective functioning, whilst ensuring that it does not assume the functions of management. As part of its mandate, the Committee has the authority to consult with specialists to assist it in the performance of its functions, subject to a Board-approved process.

OVERALL ROLE, RESPONSIBILITIES AND FUNCTIONS

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

- the integrity of the integrated annual report preparation and AFS, in compliance with all applicable legal and regulatory requirements and accounting standards, and, to the extent delegated by the Board, other external reports issued by the Group;
- the effectiveness of the Group's systems of internal control, assurance function and services, with particular focus on the combined assurance arrangements;
- assessing the effectiveness of the internal audit function, the CFO and finance function and the independence and effectiveness of the external auditors; and
- the effectiveness of the technology and information, governance and risk management framework.

FOCUS AREAS AND STATUTORY DUTIES

The Committee is satisfied that it has fulfilled its responsibilities and discharged its duties in accordance with its statutory duties, the JSE and NSX listings requirements and the Committee Charter during the reporting period. The Committee has:

- satisfied itself that the appropriate financial reporting procedures are in place and are operating;
- reviewed and recommended to the Board the AFS, interim reports and summarised financial statements;
- received and considered the JSE proactive monitoring reports and IFRS updates in the preparation of the financial statements reports;
- reviewed and recommended trading updates and trading statements in line with the JSE's requirements;
- considered and nominated the external auditor for re-appointment at the annual general meeting;
- determined the fees to be paid to the external auditors and their terms of engagement;
- determined the nature and extent of non-audit services and pre-approved any proposed agreement with the external auditors for the provision of non-audit services;
- satisfied itself with respect to external auditor independence and audit quality;
- made submissions to the Board on matters concerning the Company's accounting policies;
- reviewed the solvency and liquidity, debt covenant compliance and going-concern position;
- made recommendations to the Board in relation to distributions to shareholders;
- satisfied itself on the effectiveness of internal controls, internal financial controls, records and reporting;
- considered the expertise, competence and skill of the CFO and the finance function;
- considered the effectiveness and independence of the Chief Internal Audit Executive and the internal audit function;
- reviewed proposed refinancing of debt facilities across the Group and the required financial assistance resolutions and recommended same to the Board for approval; and
- received quarterly reports on the Group's tax position and status of tax compliance.

EVALUATION AND RE-ELECTION

The Board and Committee's performance and effectiveness is assessed annually. An externally facilitated assessment is performed every two years, with the latest assessment being performed in October 2022. The Board remains satisfied that the Committee has performed its duties effectively and that Committee members have the necessary skills and experience to discharge their duties effectively.

SIGNIFICANT ACCOUNTING MATTERS

The Committee has considered the key audit matter reported in the external audit report and, after discussions with management and the external auditors, is satisfied that the consolidated financial statements appropriately address the critical judgements and key estimates pertaining to the key audit matter. Significant matters of focus, including the treatment of capital expenditure (direct vs indirect), the sale of CCS Logistics and its reporting as a discontinued operation, and the treatment of Westbank were discussed with management and the external auditors during the year, and have been appropriately dealt with in the financial statements.

The Committee outlines below the other matters it concluded on as being material in nature and/or took up the Committee's time or focus or which the Committee believes is of a subjective or judgemental nature, together with how it went about addressing the matter.

Significant accounting matter	How addressed by the Committee
Valuation of Daybrook Goodwill	Goodwill is assessed at least annually for impairment. The key assumptions used are cash flow projections, growth rates and discount rates. The cash flow projections are prepared by divisional management after taking into consideration the impact of external market factors such as health of the resource biomass, abnormal weather events, changes in market demand and pricing as well as internal factors relating to current operating conditions and production trends. The discount rates are established by the corporate finance and treasury team, considering geographic and other risk factors. The assessment indicates that there is sufficient headroom between the recoverable value and the carrying value. The Committee agrees with this assessment and notes that the headroom also varies annually based on the number of fish caught and overall profitability of Daybrook.
Capital expenditure	Due to the increase in capital expenditure project and the material risk of incorrect capitalisation of indirect expenses, the Committee requested additional review processes be implemented by management and considered the findings presented. The Committee reviewed the attestations provided which included the assessment of overspend on budgets, the value of indirect expenditure capitalised and the ability of the Group to complete projects and is comfortable that the capitalisation is appropriate. In addition, Mazars audit confirmed that there were no material misstatements.
Sales of CCS Logistics	The Group disposed of its interest in CCS Logistics with effect 4 April 2023 for R760 million. The disposal realised a profit of R477 million before taxation and R381 million after taxation. Due to the material nature of the transaction, the Committee focused on the accuracy of the profit on sale of CCS Logistics and the relevant disclosure in the AFS. The detailed calculations were reviewed, with external advice being obtained in relation to CGT and Mazars completed an effective date audit of CCS Logistics to determine the net asset value at the date of sale. The conclusion reached was that values were correct and that the disclosure in the AFS was appropriate, with which the external auditors, Mazars, concurred.
Control of Westbank	Significant judgement has been applied in determining the appropriate accounting treatment of Westbank. The Committee is comfortable that the conditions and assessments in determining the treatment of Westbank as an equity accounted associate last year are still appropriate this financial year. This treatment is further supported by the clarification amendments processed to the agreements between Daybrook and Westbank in the current year. In terms of the operating agreement, the following supermajority approvals were considered as potentially substantive decision-making rights, impacting the assessment of joint control over Westbank, and have been removed: a) Approval of a proposed forecast for an upcoming fiscal year and fishing season. b) The appointment of the fishing captain and fishing crew and determining the way they are incentivised/remunerated. c) Establishing any pension scheme or granting any pension rights to the relevant activities of the investee.

FSCA NOTIFICATION

As advised previously, the Company was under investigation by the Financial Sector Conduct Authority ("FSCA") to determine whether any person may have published false, misleading or deceptive statements, promises and forecasts regarding the past or future performance of the Company or its securities.

On 20 June 2023, the Group was formally notified that the FSCA had closed its investigation on the basis that the evidence did not disclose any contravention of section 81 of the Financial Markets Act, No. 19 of 2012, and therefore no enforcement steps are contemplated against any person arising from the investigation.

CFO AND EFFECTIVENESS OF THE FINANCE FUNCTION

On 23 February 2022, Ralph Buddle was appointed as interim CFO and resigned on 31 January 2023.

Mr Zaf Mahomed was appointed as CFO Designate with effect from 1 November 2022 and assumed office as the Group's CFO with effect from 1 February 2023. Zaf's skills, qualifications, experience and expertise were considered by the Committee and it is satisfied that these were appropriate to meet the requirements of the position.

The Committee received regular reports on the key finance initiatives, which include aspects related to financial reporting, improved controls and efficiencies. OneStream is nearing implementation across the Group which will improve reporting and planning. The finance team continues to explore optimal use of both SAP and OneStream to increase efficiency in reporting.

The Committee considered the appropriateness and adequacy of resources and experience of the finance function and confirmed its satisfaction.

INTERNAL AUDIT

The internal audit function continues to provide a professional independent service, in line with its Charter, and has the full support of the CEO and CFO. The Committee approves the fees and scope of the internal audit.

Fayaz Mohamed, a director of BDO Advisory Services (Pty) Ltd ("BDO"), has fulfilled the role of Chief Internal Audit Executive for the year under review. Internal audit attends the Risk Committee and Audit Committee meetings and has regular engagements with the Committee chairman, the CFO and other senior executives. The internal audit plan is compiled using a risk-based approach and through extensive consultation between the internal auditors and management, taking into consideration the risk universe affecting the Group.

For the year under review, the Committee:

- Approved the risk-based internal audit plans for the 2023 financial year as part of a rolling coverage plan.
- Considered the effectiveness and the performance of the internal audit function and the Group Chief Internal Audit Executive for the year under review; both were found to be satisfactory and effective.
- Met with the BDO internal audit function independently of management.
- Received risk updates, particularly in relation to matters concerning financial reporting.
- Reviewed and evaluated reports in relation to internal audit and risk management and the appropriateness and adequacy of management's responses in relation thereto, as well as progress in closing out matters identified by internal audit.
- Reviewed the audit findings tracker and progress by management in addressing identified internal control deficiencies.
- Reviewed internal audit's assessment of the internal control environment.
- Requested that internal financial controls audit for 2023 be supplemented to include culture survey review. The Committee noted improvements in the current year's survey results relative to the prior year and is satisfied that this is not required going forward.

COMBINED ASSURANCE

The Committee is responsible for overseeing combined assurance activities. The combined assurance framework establishes co-ordinated assurance activities between the lines of assurance across the organisation, including compliance, risk management, internal and external audit. There is ongoing focus on increased collaboration and reducing duplication of activities.

EXTERNAL AUDIT

Following approval by shareholders at the AGM in April 2023, Mazars served as the Group's and Company's external auditors with Marc Edelberg appointed as the designated lead audit partner for the financial year.

For the year under review the Committee:

- Approved the auditor's remuneration for audit services and approved the terms of engagement and the scope of the audit. The fee paid to the external auditors is disclosed in note 5 to the AFS.
- Reviewed and approved the external audit plan and ensured no limitations were imposed on the scope of the external audit.
- Reviewed the findings and recommendations of the external auditor and confirmed that there were no material unresolved matters at the date that the AFS were approved.
- Reviewed the key audit matters identified by Mazars, as set out in its report.
- Obtained assurance from the external auditor that appropriate and adequate accounting records were being maintained.
- Reviewed the quality and effectiveness of the external audit function, including the audit process, which management, the Committee and Mazars found to be satisfactory.
- Considered the external auditor's suitability in terms of paragraph 3.84 (g) (iii) and section 22.15 (h) of the JSE LR.
- Reviewed and confirmed the independence of Mazars and received assurance that its internal governance processes supported and demonstrated its claim to independence.
- Reviewed the approved non-audit services policy and confirmed that there were no non-audit services provided by Mazars during the year.
- Confirmed that no reportable irregularities had been identified or reported by the external auditor under the Auditing Profession Act, No. 26 of 2005.

Having considered the related governance criteria and taking into account the performance of Mazars in the year under review, the Committee resolved to recommend to the shareholders that Mazars be appointed as the Group's registered external auditor for the 2024 financial year and Marc Edelberg as the designated partner.

OTHER MATTERS

CEO AND CFO RESPONSIBILITY STATEMENT

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

INTERNAL CONTROLS

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

The Committee reviews the effectiveness of the procedures, policies and system of internal controls adopted by the Group to address potential risks within Oceana and provide reasonable assurance about the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. On an annual basis, internal audit provides input to the Committee on the effectiveness of the Group's governance, risk management and control processes, based on the audits undertaken under the annual internal audit plan. The internal audit results concluded that the systems of internal control were adequate and operating effectively and that reliance can be placed on the design and implementation of internal controls to mitigate those inherent risks to which the underlying business processes are exposed. The Committee has not received any report of, and is satisfied that no significant weaknesses were found in the design, implementation or execution of internal financial controls which resulted in material financial loss, fraud or corruption where the Group is concerned.

RISK MANAGEMENT

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

TECHNOLOGY AND INFORMATION GOVERNANCE

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

The IS Charter sets the overall purpose of the function, its management and security. The IS department presents an IT Governance Report to the Committee, covering, *inter alia*, architecture and technology, change management, operations, risk, resiliency, security and compliance, and strategy.

An overarching information governance framework is in place, and regulates the IT governance bodies comprised of senior Oceana management. Corporate governance structures and processes are regularly reviewed and improved as appropriate. Oceana currently complies with the relevant technology and information governance principles of King IV.

GOING CONCERN

The Committee reviewed the going concern statement (refer to note 39 in the AFS) for the Group and Company, and supporting assessments performed by management, as required by the Companies Act and has no reason to believe that the business will not be a going concern in the year ahead.

POST-BALANCE SHEET EVENTS

The Committee is comfortable that any material or significant matters have been considered for disclosure and notes that there are no other matters which require disclosure or adjustment in the financial statements.

CONCLUSION

I would like to extend the thanks of the Committee to Zarina Bassa who stepped off the Committee in April 2023. Zarina's contribution to the Committee and the Company has been outstanding, and we will miss her expertise and wisdom.

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

Peter Golesworthy
Audit Committee Chairman

24 November 2023

Independent Auditor's Report

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TO THE SHAREHOLDERS OF OCEANA GROUP LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of Oceana Group Limited (the group and company) set out on pages 17 to 96, and 98 to 127 which comprise the consolidated and separate statements of financial position as at 30 September 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

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 2023, 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the company and group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

mazars

KEY AUDIT MATTERS

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

Matter	Audit Response
GOODWILL IMPAIRMENT ASSESSMENT: Included in the consolidated financial statements as disclosed in Note 15 is goodwill amounting to R4.6 billion. As required by both the applicable accounting standards and the group's accounting policy (note 1.15), goodwill is assessed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units – "CGU"). There are significant judgements, assumptions and estimations made in determining the projected cash flow forecast models, which are used in calculating the recoverable amount and we have therefore determined that this is a key audit matter.	The following audit procedures, were performed with respect to the valuation of goodwill, including using our experts: • Evaluated the reasonability of management's assessment of the determination of the lowest levels of CGUs • Assessed the reasonability and consistency of the valuation methodology used by management in calculating the recoverable amount • Assessed the key assumptions used in determining the valuation of the recoverable amount in terms of IAS 36 Impairment of Assets, which included the evaluation of forecasted and historical data and benchmarking in comparison to industry information • Reviewed the accuracy of the calculation performed by management • Performed an independent calculation of a recoverable amount and compared it to management's calculation • Performed a sensitivity analysis on the significant assumptions and evaluated the impact on the carrying amount • We reviewed the reasonability of management's sensitivity analysis • We assessed the competence, capabilities, objectivity and integrity of our valuation experts • We assessed the adequacy of the disclosures with regard to the goodwill held in the consolidated financial statements in terms of the disclosure requirements of IAS 36: Impairment of Assets and IAS 38: Intangible Assets.

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OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Oceana Group Limited – Audited Annual Financial Statements for the year ended 30 September 2023", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The Annual Report is expected to be made available to us at a later date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the 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.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and / or the company or to cease operations, or have no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and / or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Mazars has been the auditor of Oceana Group Limited for 2 years.

Mazars

Mazars

Partner: Marc Edelberg

Registered Auditor

24 November 2023

Cape Town

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2023

	Notes	2023 Rm	2022 Rm
Revenue	4	9 987	8 148
Cost of sales		(7 134)	(5 641)
Gross profit		2 853	2 507
Sales and distribution expenditure		(526)	(479)
Marketing expenditure		(58)	(46)
Overhead expenditure		(958)	(822)
Other income		99	89
Net foreign exchange gain/(loss)		46	(23)
Joint ventures and associate profit	16	34	18
Operating profit*		1 490	1 244
Interest income	7	39	22
Interest expense	8	(231)	(202)
Profit before taxation		1 298	1 064
Taxation expense	9	(308)	(273)
Profit after taxation from continuing operations		990	791
Profit/(Loss) from discontinued operations	10.7	353	(22)
Profit for the year		1 343	769
Other comprehensive income from continuing operations			
Items that may be reclassified subsequently to profit or loss:			
Movement on foreign currency translation reserve		244	960
Movement on foreign currency translation reserve on joint ventures and associate		9	64
Movement on cash flow hedging reserve		(32)	126
Income tax related to loss/(gain) recognised in other comprehensive income		7	(24)
Other comprehensive income, net of taxation		228	1 126
Total comprehensive income for the year		1 571	1 895
Profit for the year attributable to:			
Shareholders of Oceana Group Limited		1 326	733
Non-controlling interests		17	36
		1 343	769
Total comprehensive income for the year attributable to:			
Shareholders of Oceana Group Limited		1 554	1 859
Non-controlling interests		17	36
		1 571	1 895
Total comprehensive income attributable to shareholders of Oceana Group Limited from:			
Continuing operations		1 202	1 883
Discontinued operations		352	(24)
Total comprehensive income		1 554	1 859
Earnings per share (cents)			
Total basic earnings per share		1 094.1	603.0
From continuing operations		804.1	622.9
From discontinued operations		290.0	(19.9)
Total diluted earnings per share		1 091.5	602.6
From continuing operations		802.2	622.5
From discontinued operations		289.3	(19.9)

* *Other operating items as well as the subtotals for "Operating profit before joint ventures and associate profit/(loss)and other operating items" and "Operating profit before other operating items" have been removed to enhance disclosure. Other operating items have been included in overheads with the supporting disclosure shown in note 5.*

Consolidated Statement of Financial Position

as at 30 September 2023

	Notes	2023 Rm	2022 Rm
ASSETS			
Non-current assets			
Property, plant and equipment	13	**2 127**	1 865
Right-of-use assets	14	**114**	84
Goodwill and intangible assets	15	**6 077**	5 846
Interest in joint ventures and associate	16	**309**	306
Deferred taxation	17	**17**	14
Other loans receivable	18	**196**	178
Derivative asset	24	**–**	104
Total non-current assets		**8 840**	8 397
Current assets			
Inventories	19	**2 792**	2 271
Trade and other receivables	20	**1 290**	1 594
Taxation receivable		**34**	69
Derivative asset	24	**65**	–
Cash and cash equivalents	29.6	**453**	486
Total current assets		**4 634**	4 420
Assets held for sale	10	**9**	379
Total assets		**13 483**	13 196
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	21	**1 113**	1 225
Foreign currency translation reserve		**2 001**	1 740
Cash flow hedging reserve	22	**45**	70
Share-based payment reserve	30	**102**	88
Distributable reserve		**4 521**	3 690
Interest of own shareholders		**7 782**	6 813
Non-controlling interests	32	**187**	220
Total capital and reserves		**7 969**	7 033
Non-current liabilities			
Deferred taxation	17	**645**	642
Borrowings	23	**1 895**	2 686
Lease liabilities	25	**153**	98
Employee accruals	26	**30**	28
Liability for share-based payments	30	**10**	8
Total non-current liabilities		**2 733**	3 462
Current liabilities			
Borrowings	23	**376**	298
Short-term banking facility	29.7	**203**	76
Lease liabilities	25	**26**	29
Employee accruals	26	**8**	8
Trade and other payables	27	**2 139**	2 100
Bank overdraft facilities	29.6	**14**	–
Taxation payable		**15**	8
Total current liabilities		**2 781**	2 519
Liabilities held for sale	10	**–**	182
Total liabilities		**5 514**	6 163
Total equity and liabilities		**13 483**	13 196

Consolidated Statement of Changes in Equity

for the year ended 30 September 2023

	Notes	Share capital	Foreign currency translation reserve	Cash flow hedging reserve	Share-based payment reserve	Distributable reserve	Interest of own shareholders	Non-controlling interests	Total
		Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Balance as at 1 October 2021		1 222	716	(32)	61	3 336	5 303	200	5 503
Total comprehensive income for the year		–	1 024	102	–	733	1 859	36	1 895
Movement on foreign currency translation reserve		–	960	–	–	–	960	–	960
Movement on foreign currency translation reserve on joint ventures and associate		–	64	–	–	–	64	–	64
Movement on cash flow hedging reserve		–	–	126	–	–	126	–	126
Income tax related to gain recognised in equity		–	–	(24)	–	–	(24)	–	(24)
Profit for the year		–	–	–	–	733	733	36	769
Transfers between reserves		–	–	–	(10)	(11)	(21)	21	–
Transfer from share-based payment liability to reserve		–	–	–	7	–	7	–	7
Decrease in treasury shares held by share trusts		3	–	–	–	–	3	–	3
Share-based payment expense		–	–	–	44	–	44	–	44
Share-based payment exercised		–	–	–	(14)	–	(14)	–	(14)
Gain on disposal of treasury shares – Oceana Empowerment Trust (“OET”) wind up		–	–	–	–	1	1	–	1
Gain on disposal of shares distributed to deceased employee beneficiaries of OET		–	–	–	–	1	1	–	1
Distribution to Oceana Saam-Sonke beneficiaries		–	–	–	–	(4)	(4)	–	(4)
Dividends		–	–	–	–	(366)	(366)	(37)	(403)
Balance as at 30 September 2022		**1 225**	**1 740**	**70**	**88**	**3 690**	**6 813**	**220**	**7 033**
Total comprehensive income for the year		**–**	**253**	**(25)**	**–**	**1 326**	**1 554**	**17**	**1 571**
Movement on foreign currency translation reserve		**–**	**244**	**–**	**–**	**–**	**244**	**–**	**244**
Movement on foreign currency translation reserve from joint ventures and associate		**–**	**9**	**–**	**–**	**–**	**9**	**–**	**9**
Movement on cash flow hedging reserve		**–**	**–**	**(32)**	**–**	**–**	**(32)**	**–**	**(32)**
Income tax related to loss recognised in equity		**–**	**–**	**7**	**–**	**–**	**7**	**–**	**7**
Profit for the year		**–**	**–**	**–**	**–**	**1 326**	**1 326**	**17**	**1 343**
Transfers between reserves		**(16)**	**8**	**–**	**(14)**	**22**	**–**	**–**	**–**
Increase in treasury shares held		**(96)**	**–**	**–**	**–**	**–**	**(96)**	**–**	**(96)**
Share-based payment expense		**–**	**–**	**–**	**64**	**–**	**64**	**–**	**64**
Share-based payment exercised		**–**	**–**	**–**	**(36)**	**–**	**(36)**	**–**	**(36)**
Distribution to Oceana Saam-Sonke Trust beneficiaries		**–**	**–**	**–**	**–**	**(6)**	**(6)**	**–**	**(6)**
Dividends		**–**	**–**	**–**	**–**	**(511)**	**(511)**	**(46)**	**(557)**
Disposal of CCS Logistics		**–**	**–**	**–**	**–**	**–**	**–**	**(4)**	**(4)**
Balance as at 30 September 2023		**1 113**	**2 001**	**45**	**102**	**4 521**	**7 782**	**187**	**7 969**
Notes		21		22	30			32	

Consolidated Statement of Cash Flows

for the year ended 30 September 2023

	Notes	2023 Rm	2022 Rm
Cash generated from operations	29.1	**1 698**	990
Interest income received		**28**	14
Interest paid		**(213)**	(194)
Taxation paid	29.2	**(402)**	(287)
Dividends paid	29.3	**(563)**	(407)
Cash inflows from operating activities		**548**	116
Purchases of property, plant and equipment		**(482)**	(253)
Purchases of intangible assets		**(8)**	(6)
Proceeds on disposal of property, plant and equipment	29.4	**10**	4
Decrease in loans receivable from business partners		**–**	(1)
Proceeds on disposal CCS Logistics	10.6	**713**	–
Loans repaid from supplier partners	18	**5**	–
Advances to supply partners	18	**(17)**	–
Cash inflows/(outflows) from investing activities		**221**	(256)
Long-term borrowings repaid	23	**(827)**	–
Long-term borrowings raised	23	**300**	–
Cost associated with loan refinancing	23	**(11)**	–
Short-term borrowings repaid	23	**(240)**	(220)
Short-term banking facility raised	29.7	**6 852**	3 861
Short-term banking facility repaid	29.7	**(6 725)**	(3 876)
Repayment of principal portion of lease liability		**(38)**	(43)
Loans repaid		**–**	3
Purchase of treasury shares		**(97)**	–
Proceeds from sale of treasury shares		**–**	3
Purchase of treasury shares for the settlement of long-term incentives[1]	29.5	**(38)**	(13)
Cash outflows from financing activities		**(824)**	(285)
Net decrease in cash and cash equivalents		**(55)**	(425)
Cash and cash equivalents at the beginning of the year		**487**	828
Effect of exchange rate changes on cash and cash equivalents		**7**	84
Cash and cash equivalents at end of the year	29.6	**439**	487

Cash flows from discontinued operations have been included in the consolidated statement of cash flows for both 2023 and 2022 up to the disposal date.

[1] *Acquisition of shares to settle employee equity-settled share-based scheme on vesting.*

Accounting Policies

for the year ended 30 September 2023

1. GENERAL INFORMATION

Oceana Group Limited is a company domiciled in South Africa. The consolidated annual financial statements as at and for the year ended 30 September 2023 comprise of Oceana Group Limited ("Company"), its subsidiaries, joint ventures and associate collectively referred to as the "Group".

The principal accounting policies adopted in the preparation of these consolidated and separate annual financial statements are set out below and have been applied consistently in all material respects to all periods presented in the consolidated and separate annual financial statements except for the adoption of new standards effective during the current year set out in note 3 of the consolidated financial statements. For the accounting policies listed below, any references to the Group refers to both the Group and Company (as applicable) unless specifically stated otherwise.

1.1 BASIS OF PREPARATION

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

1.2 STATEMENT OF COMPLIANCE

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

1.3 INTEREST IN OTHER ENTITIES

BASIS OF CONSOLIDATION

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Inter-company transactions, balances and unrealised gains and losses (unless the transaction provides evidence of an impairment of the transferred asset) between Group companies are eliminated.

The accounting policies and the year-ends of material subsidiaries are consistent throughout the Group, except for the Oceana Share Trust which has a February year-end. All subsidiaries are consolidated at the Group's year end values.

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

INTERESTS IN JOINT VENTURES AND ASSOCIATES

The Group accounts for its interests in joint ventures and associates using the equity method.

INTERESTS IN ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee without the power to control or jointly control those policies. IAS 28 requires an investor to account for its investment in associates using the equity method.

EQUITY METHOD

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

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Where the carrying amount of the investment exceeds its recoverable amount, the investment will be impaired in terms of IAS 36.

Unrealised gains on transactions between the Group and joint ventures and associate companies are eliminated to the extent of the Group's interest in these entities. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. All joint ventures have the same financial year end as the Group. Westbank (the Group's only associate) has a December financial year end.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 1.18.

SEPARATE FINANCIAL STATEMENTS

In the Company's separate financial statements, investments in joint ventures and subsidiaries are carried at cost less accumulated impairment. Refer to the schedule on page 96 for a list of significant investments in subsidiaries and joint ventures.

1.4 FOREIGN CURRENCY TRANSLATION

FUNCTIONAL AND PRESENTATION CURRENCY

The presentation currency of the consolidated and separate annual financial statements is the South African Rand ("Rands") and all amounts are rounded to the nearest million, except where otherwise indicated. The Group changed presentation from rounding to the nearest thousand to the nearest million in the current year.

The presentation currency of separate annual financial statements is the South African Rand ("Rands") and all amounts are rounded to the nearest million with one decimal place, except where otherwise indicated. The Company changed presentation from rounding to the nearest thousand to the nearest million with one decimal place in the current year.

Certain entities in the Group have different functional currencies and are translated on consolidation. The functional currency of the Company is the South African Rand.

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

TRANSACTIONS AND BALANCES

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

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

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

TRANSLATION OF FOREIGN OPERATIONS

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

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

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

Refer to note 34 for closing exchange rates applied by the Group at year-end.

1.5 REVENUE

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

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

Sale of goods

Sale of goods relate to both local and export sales and comprise mainly the sales of caught and processed fish products as well as fish and canned goods purchased for resale. Revenue from the sale of goods is recognised at the point in time when the performance obligations have been satisfied. Performance obligations are met when control of goods is transferred to the customer. The Group considers whether sales transactions include other promises that are separate performance obligations. The total transaction price in a customer contract is allocated to the performance obligations identified in the contract based on their relative stand-alone selling prices. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Goods sold locally generally includes delivery and the performance obligation is met when the Group has delivered the goods to the customer and the customer accepts delivery. In the case of export sales delivery, control is transferred with reference to the sales contract and applicable incoterms. These incoterms are non-standardised and are based on contractual arrangements. The normal credit terms are defined within the individual sales contract and vary from upfront payment to 75 days after delivery.

1.5 REVENUE *continued*

Incidental services

Revenue from services relates to the storage, handling, transport of goods and other related logistical services on behalf of third parties, which are incidental to the sale of goods. Revenue is recognised over time of when the contracted service is rendered. Revenue from handling, transport of goods and other related logistic services are recognised as they are performed.

Other non-trade revenue

Other non-trade revenue relating to commission for catching fish on behalf of third parties, quota fee income, other fee income as well as factory processing and other minor recovery income is recognised over time of when the contracted service is rendered.

Services (Company)

Administration fees are received from subsidiaries and joint ventures and is recognised over time as services are rendered. Revenue earned from these services is recognised in the accounting period in which they relate. Management applies the cost over total cost input method when calculating administration fees.

Revenue is measured at the transaction price. Payment terms are 30 days from statement. The payment terms do not constitute a significant financing component.

Dividend income (Company)

Dividend income is recorded as revenue for the Company. Dividend income is recognised when the Company's right to receive payment is established.

1.6 INVESTMENT INCOME

INTEREST INCOME

Interest income is earned on positive bank balances and loans receivable. Interest income is recognised as interest accrues using the effective interest method.

1.7 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

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

DEFINED-CONTRIBUTION PLANS

The Group contributions to defined-contribution funds are determined in terms of the rules governing those funds. Refer to note 31 for further details on the plans. The retirement schemes are funded by payments from employees and the relevant Group entity. Contributions to these funds are recognised as an expense through profit or loss as incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available. The Group's legal or constructive obligation for these plans is limited to the contributions.

POST-RETIREMENT MEDICAL OBLIGATIONS

The Group provides post-retirement healthcare benefits to certain of its retirees. Refer to note 31. This practice has been discontinued and this benefit is no longer offered to current or new employees. The Group's obligation to provide post-retirement medical aid benefits to certain employees is calculated by estimating the amount of future benefit that qualifying employees have earned in return for their service in the prior periods. This benefit is discounted to determine its present value using a discount rate based on the market yields at the reporting date on government bonds with maturity dates that most closely match the terms of maturity of the Group's obligation. The calculation is performed by a qualified actuary using the projected unit credit method. Past service costs are recognised in profit or loss at the earlier of the date of the plan amendment or curtailment, and the date that the Group recognises restructuring-related costs. Actuarial gains and losses are recognised in OCI.

1.8 SHARE-BASED PAYMENTS

EQUITY-SETTLED COMPENSATION BENEFITS

In terms of the Group's share schemes, certain employees, including executive directors of the Group, are granted rights to the Company's listed shares. Refer to note 30 for a detailed description of each of the schemes.

Qualifying employees receive empowerment benefits in the form of equity-settled share-based payments through their participation in employee trusts.

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 Monte Carlo Option Pricing Model and the Binomial Option Pricing Model where applicable. Further details of which are given in the note on share-based payment plans.

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

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

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

1.9 INTEREST EXPENSE

Interest expense is accrued and recognised in profit or loss using the effective interest method relating to the relevant financial liability, in the period in which it is incurred.

1.10 TAXATION

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

CURRENT TAXATION

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

DEFERRED TAXATION

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

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

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

FOREIGN WITHHOLDING TAXES

Withholding tax is recognised when the dividend is declared and interest is earned.

CAPITAL GAINS TAX

Capital gains tax is recognised on gains realised on the disposal of capital assets using the capital gains tax rates enacted or substantively enacted at the disposal date.

1.11 DIVIDENDS PAYABLE

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

1.12 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost, less accumulated depreciation and impairment losses. The cost of assets includes the costs of materials, direct labour, and an appropriate proportion of production overheads that is directly attributable to bringing the asset in use. Capitalisation of costs ceases when the assets are substantially ready for their intended use or sale and in their intended location.

RECOGNITION

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

Improvements to leasehold property are capitalised and depreciated to expected residual value over the assets useful life or when shorter, the duration of the lease.

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

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

VESSEL REFITS AND MAJOR OVERHAULS (INCLUDED FISHING VESSELS AND NETS)

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

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

DEPRECIATION

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

1.12 PROPERTY, PLANT AND EQUIPMENT *continued*

Depreciation ceases temporarily while the residual value exceeds the carrying value. The following periods of depreciation apply:

	Group
	Depreciation period (years)
Freehold land and buildings	50
Leasehold land and buildings	10–50
Plant, equipment and vehicles	2–25
Fishing vessels and nets	2–50

	Company
	Depreciation period (years)
Freehold land and buildings	50
Leasehold land and buildings	5–20
Computer hardware	3–5
Furniture and office equipment	2–15

DERECOGNITION

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected through its continued use. Gains or losses which arise on derecognition are included in profit or loss 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 of disposal 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 through profit or loss. 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. Any previously recognised impairment loss is reversed only if there has been a change in the estimated recoverable amount of the asset. That recoverable amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods.

1.13 LEASES

THE GROUP AS LESSEE

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for leases with a lease term of 12-months or less and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). The Group applies a threshold of R0.2 million for low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

LEASE LIABILITY

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

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is subsequently measured at amortised cost.

1.13 LEASES *continued*

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

- The lease term has changed due to early termination or when an option to renewal is exercised, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

RIGHT-OF-USE ASSET

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

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

The Group applies the policy described in note 1.18 to determine whether a right-of-use asset is impaired.

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

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

1.14 ASSETS HELD FOR SALE

An asset is classified as held for sale when the conditions is regarded as met, only when the sale is reasonably certain and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. These assets may be a component of an entity, a disposal group or an individual non-current asset. Upon initial classification as held for sale, non-current assets and disposal Group's are recognised at the lower of carrying amount and fair value less costs to sell. Remeasurements from carrying amount to the lower of fair value less costs to sell are recognised in profit or loss, upon initial classification as held for sale.

1.15 GOODWILL

INITIAL RECOGNITION AND MEASUREMENT

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

SUBSEQUENT MEASUREMENT

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

IMPAIRMENT

Goodwill is not amortised but is tested for impairment in accordance with the policy described in note 1.18.

DERECOGNITION

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

1.16 INTANGIBLE ASSETS

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

INITIAL RECOGNITION AND MEASUREMENT

Intangible assets acquired separately are carried at cost less accumulated amortisation and impairment. The cost of intangible assets acquired as part of a business combination are recognised at fair value at the date of acquisition.

Costs associated with maintaining software are recognised as an expense when incurred.

SUBSEQUENT MEASUREMENT

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

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

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

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

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

Fishing rights are amortised over two rights allocation cycles.

IMPAIRMENT

Impairment on intangible assets is recognised in accordance with the policy described in note 1.18.

DERECOGNITION

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

1.17 FINANCIAL INSTRUMENTS

Note 34 Financial risk management describes the financial instruments held by the Group based on their specific classifications. The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

FINANCIAL ASSETS

Financial assets recognised in the statement of financial position include investments and loans, cash and cash equivalents, trade and other receivables and derivatives. Financial assets are initially recognised when the entity becomes counterparty to the contractual provisions of the instrument. At initial recognition, the Group measures all financial assets at fair value except for trade receivables, which is measured at the transaction price. In the case of a financial asset not carried at fair value through profit or loss, transaction costs are included. However, transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets are subsequently measured at amortised cost or fair value through profit or loss, based on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are "solely payments of principal and interest" ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

1.17 FINANCIAL INSTRUMENTS *continued*

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

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

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

Financial assets at fair value

Financial assets at fair value, except for trade receivables that are recognised at the transaction price in terms of IFRS 15, that do not meet the criteria for amortised cost or fair value through OCI are measured at fair value through profit or loss. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other operating items in the period in which it arises.

Derivative financial assets include forward exchange contracts ("FECs") and interest rate swaps. Derivative financial assets are initially recognised at fair value. A gain or loss on a derivative financial asset is subsequently measured through OCI. The ineffective portion is recognised in profit or loss under overheads.

Derecognition

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

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for all financial assets not held at fair value through profit or loss (local and foreign trade and other receivables and loans). ECLs are based on the difference between the contractual cash flows in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the approximation of the original effective interest rate. The definition of default is 90 days, with a significant increase in credit risk being considered after 30 days.

For local and foreign loans, the Group applies the general approach in calculating ECLs. ECLs are recognised in two phases. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECL). For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL). Refer to note 20 for further details.

For local and foreign trade receivables the Group applies the simplified approach in calculating ECLs. The Group recognises a loss allowance based on lifetime ECLs at each reporting date. Trade receivables are assessed collectively in Group's that share similar credit risk characteristics. The Group has established a provision matrix based on its historical credit loss experienced, adjusted for factors specific to the customer and geography where the customer is based, along with general economic conditions and an assessment of the current and forecast direction of conditions at the reporting date. Refer to note 20 for further details.

The Group deposits short-term cash surpluses only with major financial institutions of high-quality credit standing and therefore no ECL has been provided as it is immaterial.

All credit losses are recognised in profit or loss.

Write-off

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

FINANCIAL LIABILITIES

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

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

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

1.17 FINANCIAL INSTRUMENTS *continued*

Financial liabilities at amortised cost

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

Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss include derivative instruments. Derivative instruments include FECs and interest rate swaps. Derivative financial liabilities are initially recorded at fair value. Gains or losses arising from a change in fair value of financial instruments that are not part of a hedging relationship are recognised in profit or loss in the period in which the change arises.

Derecognition

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

1.18 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

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

1.19 INVENTORIES

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

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

1.20 SHARE CAPITAL

Share capital represents the ordinary shares issued. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from share capital.

1.21 TREASURY SHARES

Ordinary shares in Oceana Group Limited which have been acquired by the Group in terms of an approved share repurchase programme, held by the subsidiaries of Oceana Group Limited, employee share trusts and stakeholder trusts, are classified as treasury shares as detailed in note 21.3. The cost of these shares is deducted from equity and the number of shares is deducted from the weighted average number of shares. Dividends received on treasury shares are eliminated on consolidation. When treasury shares are sold or re-acquired and cancelled the amount received is recognised as an increase in equity and the resulting surplus or deficit over the cost of these shares on the transaction is transferred to or from distributable reserves. Upon settlement (take-up) of the share options by employees the difference between the proceeds received from the employees and the cost price of shares is accounted for directly in equity.

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

1.22 EMPLOYEE ACCRUALS

EX GRATIA RETIREMENT ACCRUAL AND POST EMPLOYMENT MEDICAL OBLIGATION

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

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

The post-employment medical obligation is valued in accordance with Oceana Group's subsidy policy and current medical scheme contribution tables that are effective as at 1 April 2023 for Discovery Health Medical Schemes. It is assumed that members will remain on their current medical scheme options into the future. The post-employment medical obligations have been valued using the Projected Unit Credit discounted cash flow method as prescribed by IAS 19 whereby the present value of the benefit obligation is deemed to be the amount that an employee earned for his service from the start of his/her employment contract until the current reporting date stated in present value terms. Further the fair value of any plan assets must be deducted from the gross liability to determine the net liability position.

NON-QUALIFIED DEFERRED COMPENSATION BENEFITS

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

Refer to note 26 for the Daybrook deferred compensation liability. Daybrook has matching plan assets to fund these obligations as they become due.

CREW BONUSES

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

1.23 CONTINGENT LIABILITIES

Contingent liabilities not part of a business combination, are not recognised within the statement of financial position or comprehensive income but require disclosure in the notes to the AFS.

CONTINGENT LIABILITY

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

1.24 RELATED PARTIES

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

GROUP HOLDING COMPANY

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

DIRECTORS INTEREST IN CONTRACTS

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

KEY MANAGEMENT

Employee benefits paid to executive directors and key management personnel are detailed in note 36. Key management personnel comprise of the top tier of the organisation and the managing executives of the individual divisions.

1.25 SEGMENT REPORTING

IFRS 8 – Operating Segments ("IFRS 8") requires segmentation based on the Group's internal organisation and reporting of revenue and operating income based upon internal accounting methods.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

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

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

- Canned fish and fishmeal (Africa): catches, procures and processes small pelagic species, and markets and sells canned fish, mainly pilchard, across South Africa and several other African markets and fishmeal and fish oil in South Africa and internationally.
- Fishmeal and fish oil (USA): catches and processes the Gulf menhaden species, and markets and sells the derived fishmeal and fish oil products in the United States and internationally.
- Wild caught seafood: catches and processes horse mackerel at sea and on land and markets and sells the derived products to targeted markets in Southern, Central and Western Africa markets. Additionally this segment harvests and processes hake, lobster and squid and markets and sells frozen and fresh products in South Africa and internationally.

2. USE OF JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

The estimated useful lives and residual values are reviewed annually, taking cognisance of forecast commercial and economic realities, historical usage of similar assets and input from original equipment manufacturers on plant and machinery. The estimated useful life of property, plant and equipment is detailed in note 1.12.

2.2 SHARE-BASED PAYMENTS

The value attached to share-based payments is estimated through the use of option pricing valuation models which require inputs such as share price volatility, dividend yield, risk-free interest rate and expected option life. Management classifies its share-based payment schemes as either a cash-settled or equity-settled scheme based on the assessment of its role and the nature of the obligation and that of the employees in the transaction. In applying its judgement, management consulted external expert advisors in the accounting and share-based payment advisory industry. The classification of the schemes and the critical assumptions used in the valuation model are detailed in note 30.

During the prior year there was a modification where cash-settled share-based payments were converted to equity-settled share-based payments. The modification is accounted for as follows:

- The equity-settled share-based payments that were previously accounted for as cash-settled, are accounted for using the fair value at modification date.
- Equity-settled share-based payments are recognised in equity to the extent to which the services have already been rendered to date.
- The related share-based payment liability is derecognised at the modification date with any difference between the carrying value of the liability and the amount recognised in equity being recognised immediately in profit or loss.

2.3 FAIR VALUE MEASUREMENTS

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. Refer to note 34. In estimating the fair value of assets and liabilities, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Where there is no active market, fair value is determined using applicable valuation techniques. Valuation techniques include discounted cash flow models, pricing models and recent arm's-length transactions for similar instruments.

2.4 LEASES

LEASE TERM

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. Factors considered include how far in the future an option occurs, value of lease payment in renewal period, future plans of the use of leased assets as well as historic past practice of renewing leases.

DISCOUNT RATE

Lease payments are discounted using a rate applied to a portfolio of leases pertaining to the asset within a particular jurisdiction, where funding is sourced centrally. Judgement has been applied to determine the discount rate where the rate implicit in the lease cannot be determined.

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

LEASES FOR MATERIAL HANDLING EQUIPMENT

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

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

Accordingly, the cost relating to this contract has been expensed through profit and loss in the SOCI as incurred.

2.5 INTANGIBLE ASSETS

USEFUL LIFE OF FISHING RIGHTS

In South Africa, fishing rights are allocated to industry participants over a long-term allocation period (typically 10 to 15 years) by the Department of Environment, Forestry and Fisheries (DEFF). Accordingly, the useful life of fishing rights acquired are determined from the date of transfer until date of expiration of the right. Management assessed the useful life of these rights to be extended beyond the expiration dates based on historic outcomes and legal precedents on similar rights renewal proceedings. Intangible assets with indefinite useful lives are discussed in note 1.18 and note 15.

IMPAIRMENT OF INTANGIBLE ASSETS

Judgements and estimates are made by management in determining the future cash flows of cash-generating units and the discount rate used to determine the present values of those future cash flows used to test for impairment. Note 15 sets out the significant judgements and estimates applied when assessing whether the carrying value of goodwill, intellectual property, non-competes, trademarks and fishing rights are impaired.

2.6 IMPAIRMENT OF FINANCIAL ASSETS

ECLs are based on assumptions about risk of default, expected realisable value of collateral securing debt, significant changes in credit risk, credit risk exposure, country risk based on the location of customer, and expected loss on default. The Group uses judgement in making these assumptions and selecting the inputs, which is based on qualitative and quantitative forward-looking information in relation to each risk category of customer. Detail regarding the method and assumptions used to calculate the ECLs are detailed in notes 18 and 20.

2.7 CONTROL

Management assesses whether it controls or jointly controls an entity based on whether the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group controls an investee if and only if the Group has all the following:

i) power over the investee;

ii) exposure, or rights, to variable returns from its involvement with the investee; and

iii) the ability to use its power over the investee to affect the amount of the investor's returns.

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

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

CONTROL

The entities that are considered to meet the requirements for control are reflected in note 32 and the supporting schedule in note 40. Judgement has been applied by management with respect to the Group's shareholding in Erongo Seafoods Proprietary Limited and Compass Trawling Proprietary Limited, to determine that the Group controls the investee despite the non-controlling interests holding the majority shareholding in each entity. The Group is deemed to exert control over these entities due to its active and unilateral management of day-to-day operations, financing and investing decisions to affect their returns and is subject to exposure in the variability in those returns. In light of this the entities have been consolidated.

TREATMENT OF WESTBANK FISHING LLC

Management applied significant judgement in determining the appropriate accounting treatment of Westbank Fishing LLC (Westbank). The points considered include the following:

- A detailed understanding of Westbank Fishing and the relationship between Westbank, Daybrook and Makimry (the 75% US Shareholder of Westbank Fishing).
- Consideration of the elements of control as defined by IFRS 10 which concluded that the rights of Daybrook in terms of the above were assessed and deemed to be minority protective rights, which were designed to protect the interests of Daybrook without giving it power over the entity to which those rights relate.
- The shareholders of Westbank do not control the arrangement collectively as they do not act together to direct the activities that affect the returns of the arrangement i.e. the day-to-day decisions to run, operate and fish on a daily basis, including the responsibility to maintain the fishing licence is controlled by Makimry.
- Noting that Daybrook holds more than 20% of the voting power.
- Daybrook has representation on the Board of Westbank, and participates in policy-making processes.
- There are material transactions between Daybrook and Westbank.
- Taking all factors into account, management concluded that Westbank is an associate.

3. NEW STANDARDS AND INTERPRETATIONS

During the current year, the Group adopted all the new and revised standards issued by the International Accounting Standards Board ("IASB") that are relevant to its operations and effective for annual reporting periods beginning on 1 October 2022.

3.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, the following new standards and amendments became effective 1 January 2023 that are relevant to the Group's operations but did not have a material impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods:

Standard/Interpretation:	**Effective date: Financial years beginning on or after:**
• IAS 37 – Provision and Contingencies – Amendments to onerous contracts: The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. The Group does not have any material onerous contracts and does not expect this amendment to have a material impact on the Group's consolidated financial statements.	1 January 2022
• Amendments to IFRS 3 – Reference to Conceptual Framework : Update to Conceptual Framework; adds a requirement that transactions and other events within the scope of IAS 37 or IFRIC 21 must be accounted for per IAS 37 or IFRIC 21 to identify the liabilities assumed in a business combination; and explicitly prohibits an acquirer from recognising a contingent assets acquired in a business combination. The Group does not expect this amendment to have a material impact on the Group's consolidated financial statements as there have been no business combinations in the current or prior periods.	1 January 2022
• IAS 16 – Property, Plant and Equipment: Amendment prohibits the deduction of proceeds from selling items produced while bringing in an asset into use from the cost of that asset. The entity must recognise the proceeds from sale, and the cost of producing those items, in profit or loss. This amendment would not have a material impact on the Group's consolidated financial statements as Property, Plant and Equipment under construction did not earn revenue during the year .	1 January 2022

3. NEW STANDARDS AND INTERPRETATIONS continued

3.2 STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

A number of amendments to standards are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. However, the Group has not early adopted the amended standards in preparing these consolidated and separate annual financial statements. The following amended standards are not expected to have a material impact on the consolidated and separate annual financial statements due to the nature of the Group's business:

The Group will adopt standards within the prescribed timelines with no intention to early adopt any of the standards noted below.

Standard/Interpretation:	**Effective date: Financial years beginning on or after:**
• IAS 1 – Presentation of Financial Statements: The amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. These must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The Group does not expect this amendment to have a material impact on the Group's consolidated financial statements as the classification of liabilities are determined based on the rights that exist at the end of the reporting period.	1 January 2023
• IAS 1 – Presentation of Financial Statements: The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has assessed all material accounting policies and disclosed these in the consolidated financial statements. Insignificant accounting policies have been removed.	1 January 2023
• IAS 12 – Income Taxes: Amendment: International Tax Reform - Pillar Two Model Rules: The amendment states that a temporary exemption is applicable to the accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The targeted disclosure requirements improve understanding of an entity's exposure to income taxes (subject to a minimum 15% tax rate) arising from the reform, particularly before legislation implementing the rules is in effect. The Group does not expect this amendment to have any impact on the Group as the Group does not have any subsidiaries operating in a low tax jurisdiction.	1 January 2023
• IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: This amendment distinguishes clearly between a change in accounting policy and a change in accounting estimate. It revises the definition of an accounting estimate and provides reworded and specific examples of accounting estimates. The Group does not expect this amendment to have a material impact on the Group's consolidated financial statements as there have been no changes in accounting policies or accounting estimates in the current year.	1 January 2023
• IAS 12 – Income Taxes: Deferred Tax related to – Assets and Liabilities arising from a Single Transaction: Narrows the scope of the exemption for recognition of taxable/deductible temporary differences that arise on certain transactions. The transaction should not give rise to equal taxable and deductible temporary differences. It clarifies that deferred tax must be recognised on initial recognition of IFRS 16 leases and similar types of transactions that give rise to the recognition of an asset and a liability, such as decommissioning, restoration and similar liabilities with corresponding amounts recognised as part of the related asset. The Group does not expect this amendment to have any impact on the Group as the reform is correctly applied in South Africa.	1 January 2023

3. NEW STANDARDS AND INTERPRETATIONS continued

Standard/Interpretation:	Effective date: Financial years beginning on or after:
• IAS 1 - Presentation of Financial Statements: The amendment to IAS 1 clarifies the classification of long-term debt affected by covenants. The standard states that the classification of debt as non-current is only applicable if the company can avoid settling the debt within 12 months after the reporting date. It specifies that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendments require a company to disclose information about these covenants in the notes to the financial statements. The Group has complied with covenants at year-end and disclosed this in note 23.	1 January 2024
• IFRS 7 - Financial Instruments: Disclosures and IAS 7 Statement of Cash flows Amendment: Supplier finance arrangements requiring disclosure about how supplier finance arrangements affect an entity's liabilities and cash flow. The amendment also requires disclosure on whether supplier finance agreements have been accessed providing extended payment terms or early payment terms for suppliers and the effects of exposure to liquidity risk including the impact if the supplier finance arrangements are no longer available. The impact of this standard will be assessed prior to implementation.	1 January 2024
• IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information - New Standard: Requires entities to disclose information about sustainability-related risks and opportunities that are useful to users relating to providing resources to the entity. Entities are required to disclose information about sustainability-related risks and opportunities reasonably expected to affect their prospects. The standards prescribes how the entity prepares and reports its sustainability-related disclosures, setting out general requirements for content and presentation thereof. Furthermore it requires an entity to provide an understanding of the governance processes and controls, strategy to manage, identification processes and controls and performance in relation to the sustainability-related risks and opportunities and targets set. The standard is not mandatory in South Africa yet and therefore the Group does not intend to adopt this standard until such time that it becomes mandatory.	1 January 2024
• IFRS S2 - Climate-related Disclosures - New Standard: Requires entities to disclose information about the climate-related risks (physical and transition) an entity is exposed to and the opportunities available to that may be useful to investors and capital providers. Entities are required to disclose information about climate-related risks and opportunities reasonably expected to affect their cash flows, access to finance or cost of capital over the short-, medium- or long-term. Furthermore, entities are required to provide an understanding of the governance processes and controls, strategy, identification processes and controls and performance in relation to the climate-related risks and opportunities and targets set. The standard is not mandatory in South Africa yet and therefore the Group does not intend to adopt this standard until such time that it becomes mandatory.	1 January 2024

Notes to the Consolidated Financial Statements

for the year ended 30 September 2023

4. REVENUE

	2023 Rm	2022 Rm
The main categories of revenue and the segment to which they relate are set out below:		
Sale of goods		
Canned fish and fishmeal (Africa)	5 538	4 609
Sale of goods	5 514	4 566
Incidental services (incidental freight and insurance)	24	43
Fishmeal and fish oil (USA)	2 697	1 946
Wild caught seafood	1 619	1 541
Sale of goods	1 603	1 495
Incidental services (incidental freight and insurance)	16	46
Other non-trade revenue		
Canned fish and fishmeal (Africa)	14	1
Wild caught seafood (Africa)	119	51
	9 987	8 148

Refer to accounting policy note 1.5 revenue recognition outlining revenue streams and performance obligations. Refer to note 6 for the revenue geographical analysis.

Other non-trade revenue includes quota fees R52 million (2022: R22 million); fee income R80 million (2022: R26 million) and factory processing and other minor recoveries R1 million (2022: R4 million).

Fee income consists mainly of scientific survey income as a result of charter services provided to the Department of Forestry, Fisheries and the Environment (DEFF) to conduct its annual scientific surveys.

5. OPERATING PROFIT

	Reference	2023 Rm	2022 Rm
Operating profit is calculated after taking into account the following items:			
Income			
Insurance recoveries	a,d	108	87
Expenditure			
Administrative, technical, secretarial and legal fees	c	52	76
Amortisation of intangible assets		16	15
Fishing rights	a	4	4
Computer software	c	9	9
Non-competes	c	3	2
Auditors' remuneration		16	30
Fees for audit – current year (excluding once-off costs)	c	9	10
Fees for audit – prior year under provision*	c	6	19
Other services	c	1	1
Depreciation of property, plant and equipment		225	193
Buildings	a, c	26	23
Plant, equipment, vehicles and furniture and fittings	a, c	108	88
Fishing vessels and nets	a	91	82
Distribution expenses		400	378
Storage and warehousing	b	127	112
Freight, transport and logistics	b	273	266

5. OPERATING PROFIT continued

	Reference	2023 Rm	2022 Rm
Employment related expenditure		**1 310**	1 158
Employment costs	a, b, c	**1 239**	1 092
Retirement costs	a, b, c	**71**	66
Fuel and energy costs	a, b, c	**534**	482
Lease expenditure		**47**	44
Depreciation of right-of-use assets	a, c	**20**	21
Low value lease expenses	a, c	**3**	2
Short-term lease expenses	a, c	**24**	21
Information technology	c	**52**	58
Inventory purchased for resale	a	**2 131**	1 901
Materials and packaging used in production	a	**1 527**	1 369
Repairs and maintenance	a, c	**304**	232
Risk and loss		**237**	188
Insurance premiums paid	a, c	**228**	179
Security and other risk and loss	a, c	**9**	9
Staff training	a, c	**17**	16
(Loss)/profit on disposal of property, plant and equipment	c	**(2)**	1
Transfer of foreign currency reserve	c	**–**	9
Scrapping of computer software	c	**2**	–
Scrapping of property, plant and equipment	c	**9**	–

* *The prior year includes R17 million of additional audit fees related to the finalisation of the 2021 audit.*

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

a Cost of sales
b Selling and distribution expenses
c Overhead expenditure
d Other income

6. SEGMENTAL RESULTS

2023	Canned fish and fishmeal (Africa)	Fishmeal and fish oil (USA)	Wild caught seafood	Total	Intercompany eliminations between continuing and discontinued operations[1]	Total continuing operations
	Rm	Rm	Rm	Rm	Rm	Rm
Statement of comprehensive income						
Gross revenue	6 536	2 697	1 775	11 008	–	11 008
Inter-segmental revenue	(983)	–	(38)	(1 021)	–	(1 021)
Revenue	5 553	2 697	1 737	9 987	–	9 987
Operating profit	496	810	127	1 433	57	1 490
Interest income[2]	19	8	12	39	–	39
Interest expense[2]	(153)	(44)	(34)	(231)	–	(231)
Profit before taxation	362	774	105	1 241	57	1 298
Taxation expense	(123)	(134)	(51)	(308)	–	(308)
Profit after taxation	239	640	54	933	57	990
The above profit after taxation includes the following:						
Joint ventures and associate (loss)/profit	(6)	40	–	34	–	34
Depreciation and amortisation	71	98	92	261	–	261
Distribution expenditure	214	122	64	400	–	400
Employment costs	724	203	383	1 310	–	1 310
Administrative, technical, secretarial and legal fees	26	23	3	52	–	52
Fuel and energy costs	103	44	387	534	–	534
Repairs and maintenance	91	116	97	304	–	304

Included in 2023 revenues arising from Canned fish and fishmeal (Africa) are revenues of approximately R1 298 million (2022: R1 112 million) which arose from sales to the Group's largest customer. No other single customer contributed 10% or more to the Group's revenue in either 2023 or 2022.

1. *Intercompany eliminations relate to revenue and support service charges to align the IFRS 8: Operating Segment profit measures the CODM uses to manage the business to that of IFRS. This includes the consolidation reversal of CCS depreciation for the year up to date of sale in line with the requirements of IFRS 5.*
2. *Inter-segmental finance transactions are not included in the segmental results, and therefore excluded from interest expense and interest income.*

Statement of financial position						
Total assets excluding assets held for sale	3 422	9 237	815	13 474	–	13 474
Total liabilities excluding liabilities held for sale	2 561	2 459	494	5 514	–	5 514
The above amounts of assets includes the following:						
Additions to property, plant and equipment and intangible assets	179	99	189	467	–	467
Interest in joint ventures and associate	54	255	–	309	–	309

The statement of financial position is reflected after eliminating inter-segmental assets and liabilities. Total assets for Wild caught seafood of R348 million (2022: R408 million) were eliminated against Canned fish and fishmeal (Africa). Total liabilities for Wild caught seafood of R92 million (2022: R6 million) were eliminated against Canned fish and fishmeal (Africa).

6. SEGMENTAL RESULTS continued

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

2023 Region	South Africa and Namibia Rm	Other Africa Rm	North America Rm	Europe Rm	Far East Rm	Other Rm	Total Rm
Revenue	5 182	863	1 535	1 694	667	46	9 987
Non-current assets	1 384	–	7 439	–	–	–	8 823

2022	Canned fish and fishmeal (Africa) Rm	Fishmeal and fish oil (USA) Rm	Wild caught seafood Rm	Total Rm	Intercompany eliminations between continuing and discontinued operations[1] Rm	Total continuing operations Rm
Statement of comprehensive income						
Gross revenue	4 765	1 946	1 613	8 324	–	8 324
Inter-segmental revenue	(155)	–	(21)	(176)	–	(176)
Revenue	4 610	1 946	1 592	8 148	–	8 148
Operating profit	476	584	150	1 210	34	1 244
Interest income[2]	18	1	3	22	–	22
Interest expense[2]	(107)	(85)	(10)	(202)	–	(202)
Profit before taxation	387	500	143	1 030	34	1 064
Taxation expense	(115)	(114)	(44)	(273)	–	(273)
Profit after taxation	272	386	99	757	34	791
The above profit after taxation includes the following:						
Joint ventures and associate loss	(10)	28	–	18	–	18
Depreciation, amortisation and impairment	48	94	86	228	–	228
Distribution expenditure	205	83	90	378	–	378
Employment costs	546	178	368	1 092	–	1 092
Administrative, technical and secretarial fees	58	16	2	76	–	76
Fuel and energy costs	92	73	317	482	–	482
Repairs and maintenance	63	81	88	232	–	232
Statement of financial position						
Total assets excluding assets held for sale	3 011	9 045	760	12 816	–	12 816
Total liabilities excluding liabilities held for sale	2 857	2 744	379	5 980	–	5 980
The above amounts of assets includes the following:						
Additions to property, plant and equipment and intangible assets	61	40	114	215	–	215
Interest in joint ventures and associate	61	245	–	306	–	306

6. SEGMENTAL RESULTS continued

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

Region 2022	South Africa and Namibia	Other Africa	North America	Europe	Far East	Other	Total
	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Revenue	4 518	583	1 272	1 600	123	52	8 148
Non-current assets	1 569	–	6 814	–	–	–	8 383

7. INTEREST INCOME

	2023	2022
	Rm	Rm
Financial instruments		
Bank and short-term deposits	**17**	12
Loans to joint ventures and supply partners	**14**	9
Non-financial instruments		
Other	**8**	1
	39	22

8. INTEREST EXPENSE

	2023	2022
	Rm	Rm
Financial instruments		
Short-term banking facilities	**58**	24
Borrowings[2]	**128**	157
Lease liabilities (note 25)	**38**	12
Non-financial instruments		
Other[1]	**7**	9
	231	202

[1.] *Other includes interest payable to Revenue Services of R4.0 million (2022: R0.6 million).*

[2] *Interest on borrowings is net of interest on the interest rate swap of R72 million (2022: R4 million).*

9. TAXATION EXPENSE

	2023 Rm	2022 Rm
CONTINUING OPERATIONS		
Current taxation		
South Africa		
Current year	**127**	133
Over provision of prior year tax	**(3)**	(3)
Capital gains tax	**1**	–
Withholding tax[1]	**2**	2
	127	132
Foreign		
Current year	**165**	130
Over provision of prior year tax	**(8)**	(10)
Withholding tax[1]	**38**	–
	195	120
Total current taxation	**322**	252
Deferred taxation		
South Africa		
Current year	**(38)**	(11)
Rate change adjustment	**–**	(3)
Over provision of prior year tax	**(2)**	–
	(40)	(14)
Foreign		
Current year	**27**	26
(Over)/Under provision of prior year tax	**(1)**	9
	26	35
Total deferred taxation	**(14)**	21
Total taxation expense from continuing operations	**308**	273
DISCONTINUED OPERATIONS		
Current taxation		
South Africa		
Current year	**1**	2
Over provision of prior year tax	**–**	(1)
Capital gains tax	**8**	1
Withholding tax[1]	**8**	–
	17	2
Foreign		
Current year	**11**	16
Withholding tax[1]	**1**	1
	12	17
Total current taxation	**29**	19

[1] *Withholding in South Africa is in respect of dividends paid to the consolidated Share Trusts in respect of unallocated shares. Foreign withholding tax is paid on intergroup interest and dividends received by South African subsidiaries from foreign subsidiaries in Namibia and the United States of America.*

9. TAXATION EXPENSE continued

	2023 Rm	2022 Rm
Deferred taxation		
South Africa		
Current year	4	(2)
	4	(2)
Foreign		
Current year	–	(1)
Total deferred taxation	4	(3)
Total taxation expense from discontinued operations (refer to note 10)	33	16
Taxation expense on the disposal of CCS Logistics	96	–
Total taxation expense from discontinued operations	129	16

The maximum potential future tax consequences of undistributed earnings if distributed from foreign subsidiaries amounts to R73 million (2022: R84 million).

9.1 TAX RATE RECONCILIATION

	2023 %	2022 %
Effective rate of taxation	24.6	27.3
Adjustment to rate due to:		
Over provision of prior year tax	1.1	0.4
Foreign taxation rate differentials and withholding taxes	(0.6)	(0.3)
Capital gains tax	0.5	(0.1)
Foreign derived intangible income deduction*	1.9	1.2
Non deductible expenses	(0.5)	(0.5)
South African company income tax rate	27.0	28.0

* *Foreign Derived Intangible Income (FDII) is a special category of earnings that comes from the sale of products related to intellectual property (IP) and is taxed at a lower rate in the USA. The net profit on export sales in Daybrook related to its IP is subject to this lower tax rate.*

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

	2023 Rm	2022 Rm
Local	174	–
Foreign	14	18
Total	188	18
Deferred tax savings effect	51	6

9.3 DEFERRED TAX RECOGNISED THROUGH OTHER COMPREHENSIVE INCOME:

	Note	2023 Rm	2022 Rm
Fair value remeasurement of cash flow hedge	22	7	(24)

10. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

10.1 DESCRIPTION

In the prior year, the Group entered into an agreement to dispose of its cold storage business, Commercial Cold Storage Group Limited ("CCS Logistics") as disclosed in the September 2022 financial statements, and consequently disclosed CCS Logistics as a discontinued operation. All conditions precedent to the disposal were concluded and CCS Logistics was derecognised on 4 April 2023. All amounts pertaining to CCS Logistics for 2023 in this note are up to the date of derecognition.

10.2 ASSETS CLASSIFIED AS HELD FOR SALE

	2023 Rm	2022 Rm
Opening balance	**379**	–
Classified from plant and equipment and vehicles	**–**	9
Assets held for sale as part of discontinued operation (see below)	**–**	370
Disposal of discontinued operation	**(370)**	–
Carrying amount of assets held for sale at 30 September *	**9**	**379**

* *The carrying amount at 30 September 2023 consists of property plant and equipment previously classified as held for sale in 2022, the assets were not sold due to circumstance out of managements control but is expected to be sold within 12 months.*

10.3 STATEMENT OF COMPREHENSIVE INCOME OF THE DISCONTINUED OPERATION

2023	**CCS Logistics** Rm	**Intercompany eliminations[1]** Rm	**CCS Logistics Discontinued operation (consolidated)** Rm
Revenue	**233**	**(52)**	**181**
Gross profit	**233**	**(52)**	**181**
Overhead expenditure	**(184)**	**17**	**(167)**
Net foreign exchange gain	**–**	**–**	**–**
Operating profit	**49**	**(35)**	**14**
Net Interest income/(expense)	**4**	**(13)**	**(9)**
Profit before taxation	**53**	**(48)**	**5**
Taxation expense	**(33)**	**–**	**(33)**
Profit/(loss) after taxation from discontinued operations	**20**	**(48)**	**(28)**

2022	CCS Logistics Rm	Intercompany eliminations[1] Rm	CCS Logistics Discontinued operation (consolidated) Rm
Revenue	367	(78)	289
Gross profit	367	(78)	289
Overhead expenditure	(327)	43	(284)
Net foreign exchange gain	–	–	–
Operating profit	40	(35)	5
Net Interest income/(expense)	4	(15)	(11)
Profit/(loss) before taxation	44	(50)	(6)
Taxation expense	(16)	–	(16)
Profit/(loss) after taxation from discontinued operations	28	(50)	(22)

1. *Intercompany transactions include revenue earned by CCS Logistics in respect of storage and logistics from companies within the Group as well as support service expenses paid to Oceana Group Limited. These transactions occur in the ordinary course of business and continued after the sale of CCS Logistics. The terms of the contract is subject to market related conditions. This includes the consolidation reversal of CCS depreciation for the year up to date of sale in line with the requirements of IFRS 5.*

10. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS continued

10.4 STATEMENT OF FINANCIAL POSITION OF THE DISCONTINUED OPERATION

	2023 Rm	2022 Rm
ASSETS		
Non-current assets		
Property, plant and equipment	254	228
Right-of-use assets	163	93
Total non-current assets	417	321
Current assets		
Inventories	16	8
Trade and other receivables	75	39
Taxation receivable	–	2
Cash and cash equivalents	47	–
Total current assets	138	49
Total assets	555	370
LIABILITIES		
Non-current liabilities		
Deferred taxation	13	9
Lease liabilities	153	87
Provisions	–	2
Liability for share-based payments	–	1
Total non-current liabilities	166	99
Current liabilities		
Lease liabilities	20	26
Trade and other payables	90	56
Taxation payable	4	1
Total current liabilities	114	83
Total liabilities	280	182

10.5 STATEMENT OF CASH FLOWS OF THE DISCONTINUED OPERATION[1]

	2023 Rm	2022 Rm
Net cash (outflow)/inflow from operating activities	(176)	69
Net cash inflow/(outflow) from investing activities	232	(42)
Net cash outflow from financing activities	(9)	(28)
Net increase/(decrease) in cash and cash equivalents	47	(1)
Cash and cash equivalents at the beginning of the year	–	1
Cash and cash equivalents	47	–

1. *Cash flows from discontinued operations have been included in the consolidated statement of cash flows prior to disposal date. These cash flows represent cash flow movements before consolidation adjustments.*

10. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS continued

10.6 DISPOSAL OF THE DISCONTINUED OPERATION

	2023 Rm
Total disposal consideration	760
Carrying amount of net assets disposed	(271)
Costs incurred directly attributable to the sale	(12)
Profit on disposal before income tax	477
Income tax expense on profit/(loss) on disposal of subsidiary	(96)
Profit on disposal of subsidiary after income tax	381
The carrying amounts of assets and liabilities at the disposal date were as follows:	
Property, plant and equipment	254
Right-of-use assets	163
Inventories	16
Trade and other receivables	75
Cash and cash equivalents	47
Total Assets	555
Deferred taxation	13
Lease liabilities	173
Trade and other payables	90
Taxation payable	4
Total liabilities	280
Derecognition of NCI	4
Net assets at disposal date	271
Net inflow of cash on disposal of investment in subsidiary comprise of the following:	
Cash proceeds on disposal	760
Cash and cash equivalents disposed	(47)
Cash inflow on disposal of investment in subsidiary	713

10.7 PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

	2023 Rm	2022 Rm
Loss from discontinued operation	(28)	(22)
Profit on sale of CCS Logistics	381	–
	353	(22)

11. EARNINGS AND HEADLINE EARNINGS PER SHARE

11.1 CALCULATION OF WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

	2023 Shares	2022 Shares
Weighted average number of ordinary shares	130 431 804	130 431 804
Less: weighted average number of Treasury shares held by:		
Oceana Empowerment Trust (OET)	(107 280)	(228 051)
Lucky Star Limited	(249 825)	(264 395)
Oceana Group Share Trust	(16 500)	(16 500)
Oceana Saam-Sonke Trust	(7 825 908)	(7 825 908)
Oceana Stakeholder Empowerment Trust (OSET)	(652 159)	(652 159)
Oceana Group Limited	(377 668)	–
Weighted average number of ordinary shares used in the calculation of basic earnings and headline earnings per share	121 202 464	121 444 791
Shares deemed to be issued for no consideration in respect of unexercised share options	284 896	79 251
Weighted average number of ordinary shares used in the calculation of diluted earnings and diluted headline earnings per share	121 487 360	121 524 042

11. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

A total of 975 357 shares (2022: 238 796 shares) is held by Lucky Star Limited, and were purchased on the open market at an average price of R70.82 (2022: R53.26) per share for the purposes of the Group's forfeitable share plan allocation.

A total of 552 800 shares allocated to employees (2022: 0 shares) is held by Oceana Group Limited, and were purchased on the open market at an average price of R73.14 per share for the purposes of the Group's deferred bonus scheme share plan allocation.

11.2 DETERMINATION OF HEADLINE EARNINGS

	2023		2022	
	Gross of tax	Net of tax and non-controlling interests	Gross of tax	Net of tax and non-controlling interests
	Rm	Rm	Rm	Rm
Profit after taxation		1 326		733
Loss after tax from discontinued operations[1]		29		24
Earnings from continuing operations		1 355		757
Adjusted for:				
Scrapping of property, plant and equipment and intangible assets	11	7	–	–
Insurance proceeds on capital items	(3)	(2)	(8)	(5)
Net loss on disposal of property, plant and equipment	2	1	(1)	(1)
Loss on deemed disposal of joint venture	–	–	9	9
Profit on disposal of CCS Logistics	(477)	(381)	–	–
Headline earnings for the year attributable to the shareholders of the parent from continued operations		980		760
Earnings from discontinued operations				
Loss from discontinued operations after tax		(29)		(24)
Headline earnings for the year attributable to the shareholders of the parent from discontinued operations		(29)		(24)
Headline earnings for the year		951		736
Headline earnings per share (cents)				
– Basic		784.4		606.2
Continuing operations		808.8		626.0
Discontinued operations		(24.4)		(19.8)
– Diluted		782.6		605.8
Continuing operations		807.0		625.6
Discontinued operations		(24.4)		(19.8)

[1] *Includes a non-controlling interest profit adjustment in CCS of R1.4 million (2022: 1.6 million).*

12. DIVIDENDS

	2023	2022
	Rm	Rm
Final dividend of 291 cents (2022: 248 cents) declared on 5 December 2022 paid on 27 December 2022	354	303
Interim of 130 cents (2022: 55 cents) per share declared on 5 June 2023 paid 26 June 2023	157	63
Dividends paid during the year	511	366
Dividends declared after the reporting date and not accrued		
Final dividend of 305 cents (2022: 291 cents) approved on 24 November 2023 to be declared on 27 November 2023 (2022: 5 December 2022)	366	354
Dividends per share (cents)	435.0	346.0
– Interim paid	130.0	55.0
– Final declared after reporting date	305.0	291.0

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings Rm	Leasehold land and buildings Rm	Plant, equipment and vehicles Rm	Fishing vessels and nets Rm	Total Rm
2022					
Cost	1 017	98	1 931	786	3 832
Accumulated depreciation and impairment losses	(356)	(45)	(1 082)	(473)	(1 956)
Net book value at 1 October 2021	661	53	849	313	1 876
Movements for the year					
Additions	18	5	107	116	246
Disposals – cost	(1)	–	(41)	(72)	(114)
Disposals – accumulated depreciation	1	–	39	67	107
Depreciation	(23)	(2)	(100)	(82)	(207)
Foreign exchange movement on translation	97	1	96	–	194
Transfer to assets held for sale	(115)	(8)	(106)	(8)	(237)
Balance at 30 September 2022	638	49	844	334	1 865
Made up as follows:					
Cost	1 017	75	1 949	800	3 841
Accumulated depreciation and impairment losses	(379)	(26)	(1 105)	(466)	(1 976)
Net book value at 30 September 2022	638	49	844	334	1 865
2023					
Movements for the year					
Additions	**16**	**23**	**228**	**192**	**459**
Disposals – cost	**(2)**	**(2)**	**(167)**	**(77)**	**(248)**
Disposals – accumulated depreciation	**1**	**–**	**158**	**77**	**236**
Depreciation	**(23)**	**(3)**	**(108)**	**(91)**	**(225)**
Scrapping of assets	**–**	**–**	**(9)**	**–**	**(9)**
Foreign exchange movement on translation	**23**	**–**	**26**	**–**	**49**
Balance at 30 September 2023	**653**	**67**	**972**	**435**	**2 127**
Made up as follows:					
Cost	**1 071**	**96**	**2 053**	**909**	**4 129**
Accumulated depreciation and impairment losses	**(418)**	**(29)**	**(1 081)**	**(474)**	**(2 002)**
Net book value at 30 September 2023	**653**	**67**	**972**	**435**	**2 127**

Refer to note 6 for details of segmental assets.

Details of land and buildings are included in registers which are available on request for inspection at the registered office of the company.

The Daybrook US Dollar denominated term loan is secured by a first-priority perfected security interest in substantially all of the tangible and intangible assets of Oceana US Holdings Inc., Daybrook Investors Inc., Daybrook Holdings Inc. and Daybrook Fisheries Inc.

Included in property, plant and equipment is R194 million (2022: R122 million) of assets under construction not yet being depreciated. These assets commence depreciation once brought into use.

14. RIGHT-OF-USE ASSETS

	2023 Rm	2022 Rm
Cost	**153**	275
Accumulated depreciation	**(69)**	(74)
Opening balance at 1 October	**84**	201
Movements for the year		
New leases contracted into during the year	**26**	–
Lease re-assessments/modifications[1]	**26**	9
Depreciation	**(20)**	(38)
Expired leases – Cost	**(37)**	(2)
Expired leases – Accumulated depreciation	**37**	2
Foreign exchange movement on translation	**(2)**	5
Transfer to assets held for sale	**–**	(93)
Net book value at 30 September	**114**	84
Made up as follows:		
Cost	**166**	153
Accumulated depreciation	**(52)**	(69)
Net book value at 30 September	**114**	84

[1] *Lease amendments such as extension of lease terms were treated as lease re-assessment. The impact of the modifications was immaterial.*

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

15. GOODWILL AND INTANGIBLE ASSETS

	Goodwill	Trademark	Intellectual property	Fishing rights	Non-competes	Computer software	Total
	Rm	Rm	Rm	Rm	Rm	Rm	Rm
2022							
Cost	3 644	246	919	162	104	141	5 216
Accumulated amortisation	–	(45)	–	(107)	(96)	(64)	(312)
Accumulated impairment	(1)	–	–	–	–	(2)	(3)
Net book value at 1 October 2021	3 643	201	919	55	8	75	4 901
Movements for the year							
Additions	–	1	–	–	–	6	7
Amortisation for the year	–	–	–	(4)	(2)	(9)	(15)
Foreign exchange movement on translation	725	40	186	–	2	–	953
Balance at 30 September 2022	4 368	242	1 105	51	8	72	5 846
Made up as follows:							–
Cost	4 369	287	1 105	162	125	138	6 186
Accumulated amortisation	–	(45)	–	(111)	(117)	(64)	(337)
Accumulated impairment	(1)	–	–	–	–	(2)	(3)
Net book value at 30 September 2022	4 368	242	1 105	51	8	72	5 846
Movements for the year							
Additions	**–**	**–**	**–**	**–**	**–**	**8**	**8**
Amortisation for the year	**–**	**–**	**–**	**(4)**	**(3)**	**(9)**	**(16)**
Foreign exchange movement on translation	**183**	**10**	**48**	**–**	**–**	**–**	**241**
Scrapping of assets	**–**	**–**	**–**	**–**	**–**	**(2)**	**(2)**
Balance at 30 September 2023	**4 551**	**252**	**1 153**	**47**	**5**	**69**	**6 077**
Made up as follows:							
Cost	**4 551**	**298**	**1 153**	**162**	**130**	**136**	**6 430**
Accumulated amortisation	**–**	**(46)**	**–**	**(115)**	**(125)**	**(63)**	**(349)**
Accumulated impairment	**–**	**–**	**–**	**–**	**–**	**(4)**	**(4)**
Net book value at 30 September 2023	**4 551**	**252**	**1 153**	**47**	**5**	**69**	**6 077**

Amortisation of intangible assets of R4 million (2022: R4 million) is included in cost of sales and R12 million (2022: R11 million) is included in overhead expenditure in profit and loss.

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

Hake, pelagic and lobster fishing rights	7.1 – 15.3 years
Non-competes	0.8 – 4.0 years
Computer software	1.0 – 8.0 years

TRADEMARKS

The Daybrook brand is an established trademark in the fishmeal and fish oil industry, both within the USA domestic market and internationally, and therefore management believes there is no foreseeable limit to the Group ceasing to generate revenue from its continued use. In addition management has exercised judgement and assumed the Group will continue to renew legal rights to the Daybrook trademark without significant costs. The trademark has accordingly been assessed as having an indefinite useful life. Refer to note 2.

15. GOODWILL AND INTANGIBLE ASSETS continued

INTELLECTUAL PROPERTY

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

The Daybrook US Dollar-denominated term loan is secured by a first-priority perfected security interest in substantially all of the tangible and intangible assets of Oceana US Holdings Inc., Daybrook Investors Inc., Daybrook Holdings Inc. and Daybrook Fisheries Inc. Refer to note 23.

ALLOCATION OF GOODWILL AND INTANGIBLE ASSETS

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

	Goodwill		Trademarks		Intellectual property	
	2023	2022	**2023**	2022	**2023**	2022
	Rm	**Rm**	**Rm**	**Rm**	**Rm**	**Rm**
Foodcorp business combination						
Canned fish and fishmeal (Africa)	**18**	18	**–**	–	**–**	–
Wild caught seafood	**45**	45	**–**	–	**–**	–
Daybrook business combination						
Fishmeal and fish oil (USA)	**4 488**	4 305	**251**	241	**1 153**	1 105
Other goodwill and intangible acquisitions						
Canned fish and fishmeal (Africa)	**–**	–	**1**	1		
	4 551	4 368	**252**	242	**1 153**	1 105

	Fishing rights		Non-competes	
	2023	2022	**2023**	2022
	Rm	**Rm**	**Rm**	**Rm**
Foodcorp business combination				
Canned fish and fishmeal (Africa)	**26**	28	**–**	–
Wild caught seafood	**–**	–	**–**	–
Daybrook business combination				
Fishmeal and fish oil (USA)	**–**	–	**5**	8
Other fishing rights acquired				
Wild caught seafood	**21**	23	**–**	–
	47	51	**5**	8

15. GOODWILL AND INTANGIBLE ASSETS continued

FOODCORP

The goodwill arising on the acquisition of the Foodcorp fishing business in 2015 has been allocated to two CGUs, namely Wild caught seafood and Canned fish and fishmeal (Africa). The annual assessment of impairment of the intangible assets indicates that no adjustments are required to the current valuation.

The recoverable amount of each of these intangibles is determined based on a value-in-use calculation using approved cash flow forecasts, covering a period of five years, after which a terminal value was applied. When determining the assumptions, consideration is given to the impact of external market factors, such as resource biomass, changes in market demand and pricing as well as internal factors relating to current operating conditions and production trends.

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

The present value of the expected future cash flows is determined using pre-tax discount rates. The discount rates were derived from the weighted average cost of capital (WACC) for comparable entities, based on market data and include appropriate adjustments relating to market risk and specific risk factors for each CGU as required. Discount rates of between 14.1% and 15.1% (2022: between 14.8% and 17.1%) were applied.

Long-term growth rates of between 2% and 3% (2022: 2% and 3%) were used in calculating the terminal value, and was based on the longer-term core inflation expectations of the SA economy.

AREAS OF JUDGEMENT

- Canned fish and fishmeal (Africa)

  Production input volumes for 2024 were projected forward using a movement of -11.0% which is temporary in nature as a result of plant upgrades, it then recovers and growth rate return to 5.1% to 10.9% (2022: 7.0% to 16.0%) going forward factoring in future expected biomass of the resource, the related SA TAC, the recovering pilchard resource and potential adjustments to future quota allocations. Yields have been based on historic averages adjusted for the expected impact of change in SA pilchard catches.

  Fishmeal sales price initially decreased in 2024 in anticipation of market correction. Thereafter sales price increases of between 2.0% and 8.0% (2022: 2.5 % and 4.0%) p.a. have been applied from 2025 onwards. Fish oil sales prices have been decreased in 2024 and 2025 in anticipation of a market correction due to all time high prices being observed, this constitutes a 26.5% decrease, and thereafter increases between 2.0% and 5.3%.

  The average forecasted gross margin is 8.7% (2022: 6.5%) for the canned fish operation and 28.0% (2022: 30.8%) for fishmeal operations.

  Based on the key assumptions in the model, the Group estimates that an impairment would be triggered if the discount rate increased by 1.5% (2022: 10.8%) or the margins declined by more than 0.6% (2022: 2.5%).

- Wild caught seafood

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

  Sales price increase of between 0% and 2% (2022: 6.0% and 8.0%) p.a. have been applied from 2024, while the catch mix is in line with historical catches.

  Gross margins are based on the average forecast gross margin and were between 38.1% and 40.1% (2022: 34.3% and 36.8%) in line with historic averages.

  Based on the key assumptions in the model, the Group estimates that an impairment would be triggered if the discount rate increased by 32.0% (2022: 14.2%) or the margins declined by more than 10.8% (2022: 8.0%).

15. GOODWILL AND INTANGIBLE ASSETS continued

DAYBROOK

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

The recoverable amount of the CGU is determined based on a value-in-use calculation using approved cash flow forecasts covering a period of five years, after which a terminal value was applied. When determining the assumptions, consideration is given to the impact of external market factors, such as changes in market demand, pricing and interest rates, as well as internal factors relating to current operating conditions and production trends.

The main areas of judgement applied in determining the recoverable amount of the CGU, relate to fish catch, production yields, sales pricing and their impact on margins along with the weighted average cost of capital. After considering the state of the biomass, stable fish catch volumes were assumed from 2024 onwards and production yields were based on historical averages.

The present value of the expected future cash flows of the CGU was determined using pre-tax discount rate of 11.7% (2022: 9.8%). The discount rate was derived from the WACC for comparable entities, based on market data and includes appropriate adjustments relating to market risk and specific risk factors for the CGU.

Long-term growth rates are based on the longer term inflation and currency expectations. A long-term growth rate of 1.95% (2022: 2.11%) has been used based on the 10-year forecast GDP growth rate per the June 2023 Livingston survey. Management have considered and assessed reasonably possible changes to the long-term growth rate by adjusting the cash flows of the Group of CGUs and have not identified any instances that could cause the carrying amount of the CGUs to exceed its recoverable amount.

AREAS OF JUDGEMENT

Production input volumes have been based on the average of the last 5 years historic landings pattern ensuring cyclical fluctuations are taken into account. Production yields have been based on a historic averages.

The fishmeal sales price assumption has been adjusted downward by 7% in 2024, and thereafter increases have been based on 6 year historic compound annual growth rate on meal of 2.5%.

The fish oil sales price assumption has been adjusted upward by 7.9% in 2024 primarily due to contracts already secured. In 2025 the oil price assumption has been adjusted downward by 17.5%, and thereafter increases of 2.5% annually have been included, which differs from the historic compound growth rate on oil of 22.0%

Gross margins are based on the average forecast gross margin for the forecast period, and are between 37.8% and 42.1% (2022: 32.4% and 36.4%).

Based on the key assumptions in the model, the Group estimates that an increase in the discount rate of 1.7% (2022: 1.4%) or a decrease in the long term growth rate of 2.5% (2022: 1.8%) would result in the aggregate carrying value of the CGU exceeding the recoverable amount. It is further estimated that if the assumed margins decline by more than 4.3% (2022: 3.9%) the CGU carrying amount would exceed its recoverable amount. Based on management's review of the assessment, no impairment is required to the carrying amount in the current year.

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

16. INTEREST IN JOINT VENTURES AND ASSOCIATE

	2023 Rm	2022 Rm
Interest in joint ventures	54	61
Interest in associate	255	245
Total interest in joint ventures and associate	**309**	**306**

The primary activities of each entity are as follows:

Canned fish and fishmeal (Africa) CGU:

- Etosha Fisheries Holding Company Proprietary Limited (joint venture) (Etosha) – Catching and processing of fish

Wild caught seafood

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

Fishmeal and fish oil (USA) CGU:

- Westbank Fishing Limited Liability Company (associate) (Westbank) – Catching of fish

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

2023	Etosha (joint venture) Rm	MFV Romano Paulo (joint venture) Rm	Westbank (associate) Rm	Total Rm
Statement of comprehensive Income				
Group's ownership interest in the joint ventures and associate	44.9%	35.0%	25.0%	
Operating results (100%)				
Revenue	142	67	1 068	1 277
Operating (loss)/profit	(24)	30	209	215
Interest income	–	1	20	21
Interest expense	(1)	–	(22)	(23)
(Loss)/profit before taxation	(25)	31	207	213
Taxation expense	–	–	–	–
(Loss)/profit after taxation	(25)	31	207	213
Total comprehensive (loss)/income	(25)	31	207	213
Group share of joint ventures and associate (loss)/profit*	(6)	–	40	34
The above (loss)/profit for the year includes the following:				
Depreciation (100%)	3	–	83	86
Other items				
Dividends declared by joint venture/associate	–	–	51	51
Statement of financial position (100%)				
Non-current assets	60	–	1 287	1 347
Current assets	75	49	457	581
Non-current liabilities	(4)	–	(469)	(473)
Current liabilities	(12)	(32)	(255)	(299)
Net assets of joint ventures and associate	119	17	1 020	1 156
Carrying amount of Group's interest in joint ventures and associate	54	–	255	309
The above amounts includes the following:				
Cash and cash equivalents	64	12	220	296
Current financial liabilities (excluding trade and other payables and provisions)	(1)	–	(29)	(30)

* *Includes adjustments made by the Group for intercompany unrealised gains and losses.*

16. INTEREST IN JOINT VENTURES AND ASSOCIATE continued

2022	Etosha (joint venture) Rm	MFV Romano Paulo (joint venture) Rm	Westbank (associate) Rm	Total Rm
Statement of comprehensive Income				
Group's ownership interest joint ventures and associate	44.9%	35.0%	25.0%	
Operating results (100%)				
Revenue	223	53	1 026	1 302
Operating (loss)/profit	(1)	–	161	160
Interest income	(2)	–	18	16
Interest expense	–	–	(21)	(21)
Loss before taxation	(3)	–	158	155
Taxation expense	(10)	–	–	(10)
(Loss)/profit after taxation	(13)	–	158	145
Total comprehensive (loss)/profit	(13)	–	158	145
Group Share of joint ventures and associate (loss)/profit*	(10)	–	28	18
The above loss for the year include the following:				
Depreciation (100%)	3	–	92	95
Statement of financial position (100%)				
Non-current assets	63	1	1 236	1 300
Current assets	149	23	503	675
Non-current liabilities	(4)	(6)	(480)	(490)
Current liabilities	(65)	(19)	(280)	(364)
Net assets/(liabilities) of joint ventures and associate	143	(1)	979	1 121
The above amounts includes the following:				
Cash and cash equivalents	–	1	248	249
Current financial liabilities (excluding trade and other payables and provisions)	(1)	–	(38)	(39)

* *Includes adjustments made by the Group for intercompany unrealised gains and losses.*

Details of subsidiaries, joint ventures and associate companies are set out in note 40 of these consolidated annual financial statements. Details of material subsidiaries with non-controlling interests are set out in note 32.

17. DEFERRED TAXATION

	2023 Rm	2022 Rm
Deferred taxation assets	**17**	14
Deferred taxation liabilities	**(645)**	(642)
Net deferred tax liabilities	**(628)**	(628)
Net liabilities at the beginning of the year	**(628)**	(494)
Income tax related to profit recognised in equity	**7**	(24)
Foreign exchange movement on translation	**(21)**	(88)
Share options	**–**	1
Rate change adjustment	**–**	3
Credited to the statement of comprehensive income	**14**	(35)
Transfer to assets held for sale	**–**	9
Net liabilities at the end of the year	**(628)**	(628)
Comprising:		
Hurricane relief funds and insurance[1]	**(37)**	(40)
Deferred compensation	**7**	6
Property, plant and equipment	**(285)**	(261)
Right-of-use asset	**(22)**	(18)
Intangible assets	**(303)**	(292)
Estimated taxation loss	**51**	6
Provisions and other credit balances	**50**	44
Lease Liabilities	**33**	30
Fair value adjustments	**(29)**	(28)
Allowances	**(93)**	(75)
	(628)	(628)

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

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

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

18. OTHER LOANS RECEIVABLE

	2023 Rm	2022 Rm
Loans to supply partners	196	178
Total investments and loans	**196**	**178**

Loans to supply partners relates to amounts owing to Group companies. Included in the amount, is a secured loan amounting to R85 million which bears interest at prime plus 2% repayable by 30 November 2025. Remaining loans are unsecured and are interest-free with no specified repayment terms. A loss allowance of R0.1 million was raised (2022: R1.4 million) in line with the expected credit loss (ECL).

EXPECTED CREDIT LOSS ALLOWANCE

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

	2023 Rm	2022 Rm
ECL allowance as at 1 October	1	1
ECL released in the current year	(1)	–
Closing ECL allowance as at 30 September	–	1
Movement in investments and other loans		
Balance at the beginning of the year	178	95
Advances to supply partners	17	3
Interest accrued	14	9
Loans repaid	(5)	(6)
Transferred (to)/from other receivables	(15)	77
Increase in receivable from Westbank	7	–
Balance at the end of the year	196	178

19. INVENTORIES

	2023 Rm	2022 Rm
Raw materials	256	351
Finished goods	2 304	1 747
Consumable stores and work-in-progress	268	190
Inventory obsolescence provision	(36)	(9)
Transfer to assets held for sale	–	(8)
Total	**2 792**	**2 271**

During the year, inventory valued at R28.9 million (2022: R21.7 million) was written-off and reflected in cost of sales. Inventories held at net realisable value is R8.8 million (2022: Rnil).

All amounts recognised in cost of sales is directly attributable to inventory movements.

20. TRADE AND OTHER RECEIVABLES

	2023 Rm	2022 Rm
Net trade receivables	855	1 210
Gross trade receivables net of rebates and trade allowances	861	1 216
Less: allowance for credit notes	(1)	(1)
Less: expected credit losses on trade receivables	(5)	(5)
Net short-term loans and advances	23	12
Gross short-term loans and advances	24	12
Less: expected credit losses on loans and advances	(1)	–
Amount owing by foreign suppliers	54	40
Accrued income and other receivables	54	55
Forward exchange revaluation asset	14	17
Transfer to assets held for sale	–	(30)
Financial assets	**1 000**	1 304
Other	–	15
Prepayments	221	171
Value added taxation	69	113
Transfer to assets held for sale	–	(9)
Non-financial assets	**290**	290
Total	**1 290**	1 594

EXPECTED CREDIT LOSS AND CONCENTRATION OF CREDIT

	2023 Rm	2022 Rm
Movement in expected credit loss allowance for trade receivables		
Balance at the beginning of the year	5	4
Impairment losses recognised	–	1
Balance at the end of the year	5	5
Concentration of credit risk in trade receivables		
By geographical region		
South Africa and Namibia	426	412
Other Africa	41	35
Europe	134	539
America	131	204
Far East and other	123	20
Net trade receivables	855	1 210
By segment		
Canned fish and fishmeal (Africa)	555	513
Fishmeal and fish oil (USA)	250	635
Wild caught seafood	50	32
CCS Logistics	–	30
Net trade receivables	855	1 210
Movement in provisions for loans and advances		
Balance at the beginning of the year	–	–
Impairment losses	(1)	–
Balance at the end of the year	(1)	–

20. TRADE AND OTHER RECEIVABLES continued

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

All trade receivables and short-term loans and advances which are considered irrecoverable are written off. The carrying value of trade receivables approximates their fair value due to the short-term nature.

The Group monitors the financial position of customers on an ongoing basis. Creditworthiness of trade receivables is assessed when credit is first extended and is reviewed regularly thereafter. The granting of credit is controlled by the application of account limits. Where considered appropriate, use is made of credit guarantee insurance.

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

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

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

Only one customer has a balance exceeding 10% of the Group's total trade receivables in the current and prior year.

At 30 September 2023, the Group has assessed the expected credit losses for trade receivables, loans and advances, amounts owing by foreign suppliers and other receivables. The Group assessed the expected loss rates for trade receivables and loans and advances based on their assessment of the level of exposure and determined that the expected credit loss for amounts owing by foreign suppliers is insignificant.

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

20.1 CREDIT RISK ASSESSMENT

	2023			2022		
	Trade receivables[1]	Expected credit loss	Expected credit loss rate	Trade receivables[1]	Expected credit loss	Expected credit loss rate
	Rm	Rm	%	Rm	Rm	%
Ageing of trade receivables provided for:						
Within due date	793	–	0.03%	1 116	(2)	0.18%
30 days	41	–	0.00%	65	–	0.25%
60 days	20	–	0.12%	32	(1)	2.42%
90 days	–	–	-	1	–	0.00%
120 days and over	6	(5)	80.76%	2	(2)	85.98%
	860	(5)	0.60%	1 216	(5)	0.41%

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

20. TRADE AND OTHER RECEIVABLES continued

20.1 CREDIT RISK ASSESSMENT continued

The Group applied the simplified approach in calculating ECLs on trade receivables. Trade receivables are assessed collectively in groups that share similar credit risk characteristics. The Group has established a provision matrix based on its historical credit loss experienced, adjusted for forward-looking factors specific to the debtors and economic environment. Forward-looking assumptions include the relative uncertainty of the social and economic impacts of loadshedding, increase in fuel prices and cost of living and potential future civil unrests.

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) retail market, other than JSE-listed and USA domestic customers, is largely covered by credit guarantee insurance. Credit Guarantee Insurance Cover (CGIC) will settle a percentage of the lower of the credit limit approved by CGIC or the amount outstanding at the bad debt date subject to certain criteria, including strict adherence to CGIC procedures in the event of a customer paying after payment due date. Individual customer default risks as well as country risks are closely monitored and provisions adjusted accordingly.

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

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

20.2 ALLOWANCE FOR CREDIT NOTES

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

The majority of the Group's customers are repeat customers and credit notes are insignificant in relation to the balance owing by suppliers. Customers settle their statements net of amounts refundable.

21. SHARE CAPITAL

21.1 AUTHORISED SHARE CAPITAL

300 000 000 ordinary shares of no par value (2022: 300 000 000 ordinary shares of no par value)

21.2 ISSUED SHARE CAPITAL

130 431 804 ordinary shares of no par value (2022: 130 431 804 ordinary shares of no par value)

	2023 R'm	2022 Rm
Opening balance	1 225	1 222
Add: decrease in OET treasury shares held by share trust	–	3
Less: treasury shares purchased allocated to beneficiaries	(112)	–
Closing balance	**1 113**	1 225

21.3 UNISSUED SHARES

	2023 Shares	2022 Shares
Authorised ordinary shares of no par value	300 000 000	300 000 000
Issued ordinary shares of no par value	(130 431 804)	(130 431 804)
Unissued shares	**169 568 196**	169 568 196

The unissued ordinary shares are under the control of the directors who may issue them on such terms and conditions as they deem fit until the company's next annual general meeting, subject to the requirements of the Companies Act and/or the JSE Listings Requirements.

21.4 TREASURY SHARES COMPRISE SHARES HELD BY:

	2023 Shares	2022 Shares
Oceana Empowerment Trust (OET)	101 075	109 071
Lucky Star Limited	957 357	238 796
Oceana Group Share Trust	16 500	16 500
Saam-Sonke Trust	7 825 908	7 825 908
Oceana Stakeholders Empowerment Trust	652 159	652 159
Oceana Group Limited	552 800	–
Closing balance	**10 105 799**	8 842 434
Opening balance	8 842 434	9 045 488
Held by OET sold on behalf of death beneficiaries (note 31.1)	–	(70 799)
Sold by Lucky Star Limited in the open market	–	(49 604)
Shares acquired from the open market	1 329 163	–
Transferred to employee beneficiaries (note 31.1)	(65 798)	(82 651)
Closing balance	**10 105 799**	8 842 434

The value of the treasury shares included in share capital is R112 million (2022: R0.2 million).

22. CASH FLOW HEDGING RESERVE

	2023 Rm	2022 Rm
Opening balance	**70**	(32)
Movement on the cash flow hedge reserve	**(25)**	102
Profit recognised on cash flow hedges	**41**	122
Transferred to profit or loss	**(73)**	4
Income tax related to gain recognised in equity	**(8)**	(24)
Income tax related to amounts transferred to profit or loss	**15**	–
Closing balance	**45**	70

23. BORROWINGS

	2023 Rm	2022 Rm
South African rand-denominated loans	**775**	1 173
USA dollar-denominated term loan	**1 496**	1 811
Total borrowings	**2 271**	2 984
Reconciliation of total borrowings:		
Opening balance	**2 984**	2 864
Long-term borrowings raised	**300**	–
Long-term borrowings repaid	**(827)**	–
Short-term borrowings repaid	**(240)**	(220)
Interest paid	**(199)**	(135)
Interest accrued	**200**	154
Transaction costs capitalised	**(11)**	(1)
Foreign exchange movement on translation	**64**	322
Closing balance	**2 271**	2 984
Categorised between non-current and current portions		
Non-current portion of liabilities	**1 895**	2 686
Current portion of liabilities	**376**	298
Total borrowings	**2 271**	2 984
Maturity analysis long-term and current portion		
Due within one year	**376**	298
Due within two years	**309**	1 810
Due within three years	**362**	75
Due within four years	**122**	251
Due within five years	**1 102**	550
Total borrowings	**2 271**	2 984

The South African rand-denominated loans includes term loans of R768.9 million (2022: R1 164.8 million) which bear interest at a rate of JIBAR plus average margin of 1.60% (2022: 1.70%). This includes both the term loan and revolving credit facility. These loans are repayable through a combination of semi-annual and bullet instalments with the final principal instalment of all loans due on 15 October 2026. The Group repaid term debt amounting to R697 million during the financial year and drew down R300 million from its R500 million revolving credit facility. The loans are secured by intercompany guarantees provided by Lucky Star Limited, Blue Continent Products Proprietary Limited, Erongo Marine Enterprises Proprietary Limited, Amawandle Pelagic Proprietary Limited and Amawandle Hake Proprietary Limited.

The USA dollar-denominated borrowings include R1 495.9 million/USD 79.0 million (2022: R1 811.5 million/USD 100 million) owing by Daybrook. The Daybrook borrowings bear interest at a rate of SOFR plus applicable margin of 1.75% (2022: 2.25%) which varies with the total net leverage ratio at the pricing date. During the current year, the Group repaid R368.1 million (USD 20.1 million) of Daybrook borrowings. In addition, the Group refinanced its credit facilities on 30 June 2023. The revised facility is structured as an amortisation payment facility repayable in quarterly installments with the final bullet payment due on 30 June 2028. The loan is secured by substantially all of the tangible and intangible assets of Daybrook.

23. BORROWINGS continued

The South African referenced rate has not yet changed from JIBAR to ZARONIA and the transition plan is in its foundation please. Initial estimates are that the JIBAR cessation date may be in 2026. Hence, at year end since the change to JIBAR has not yet been determined, the likely impact cannot be calculated at this time.

COVENANTS

The SA and USA loans provided by the lenders, are subject to covenant conditions using specific bank defined formulae as set out in the loan agreements and are regularly monitored by management to ensure these are complied with. In the event that an entity is at risk of breaching its covenants, negotiations are entered into with lenders to remediate. Covenants for SA debt are required to be assessed at every reporting period (March and September) and covenants for US debt are assessed every quarter. Management does not expect there to be a breach of covenants for at least 12 months from September 2023 (last date of testing).

	2023		2022	
	Required covenant	Achieved	Required covenant	Achieved
Covenants regarding term loans and revolving credit facilities				
South African Rand-denominated term loans				
Net debt: EBITDA cover	**2.50**	**Yes**	2.75	Yes
Interest cover	**3.75**	**Yes**	3.75	Yes
Debt service cover	**1.30**	**Yes**	1.30	Yes
Daybrook USA dollar-denominated term loan				
Net debt: EBITDA cover	**2.50**	**Yes**	3.25	Yes
Fixed cover	**1.25**	**Yes**	1.25	Yes

24. DERIVATIVES

	2023 Rm	2022 Rm
Derivative asset		
Opening balance	**104**	–
(Loss)/profit recognised in other comprehensive income	**(32)**	112
Transfer from derivative liability	**–**	(21)
Foreign exchange movement on translation	**(7)**	13
Total derivative assets	**65**	104
Categorised between non-current and current portions		
Non-current portion of assets	**–**	104
Current portion of assets	**65**	–
Total derivative assets	**65**	104
Derivative liability		
Opening balance	**–**	28
Loss recognised in other comprehensive income	**–**	(7)
Transfer to derivative asset	**–**	(21)
Total derivative liabilities	**–**	–

The interest rate swaps were designated cash flow hedges and executed to hedge interest payable under USA debt facilities. There are two interest rate swaps which have a notional value of USD43.1 million and USD37.4 million, interest rates of 1.34% and 0.25% respectively and both swaps terminate on 27 September 2024.

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

25. LEASE LIABILITIES

	2023 Rm	2022 Rm
Opening balance	**127**	271
New leases contracted into during the year	**26**	–
Interest	**38**	23
Lease payments	**(41)**	(66)
Lease liability amendments/modifications[1]	**28**	9
Foreign exchange movement on translation	**1**	3
Transfer to assets held for sale	**–**	(113)
Closing balance	**179**	127
Lease liabilities maturity analysis		
Due within one year	**35**	38
Due within two years	**32**	24
Due within three years	**27**	20
Due within four years	**6**	17
Due within and later than five years	**191**	188
Total minimum lease payments	**291**	287
Less: unearned interest	**(112)**	(160)
Present value of lease liability	**179**	127
Categorised between non-current and current portions		
Non-current liabilities	**153**	98
Current liabilities	**26**	29
	179	127

[1] *Lease amendments such as extension of lease terms were treated as lease re-assessment. The impact of the modifications was immaterial.*

Lease liabilities relate to leasehold land and buildings. Refer to note 14.

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. Factors considered include how far in the future an option occurs, value of lease payment in renewal period, future plans of the use of leased assets as well as historic past practice of renewing leases.

	2023 Terms	2022 Terms
Lease terms		
The term varies for each lease entered into the Group with lease periods falling into the following range:		
Weighted average lease term at inception of lease contracts in years	**24**	17
Weighted average lease term remaining at 30 September in years	**17**	11

26. EMPLOYEE ACCRUALS

	2023 Rm	2022 Rm
Ex gratia and post employment medical obligation		
Opening balance	2	2
Charge to operating profit	1	–
Utilised during the year	(1)	–
Closing balance	2	2
Non-qualified deferred compensation benefits		
Opening balance	28	35
(Reversal)/charge to operating profit	9	(13)
Utilised during the year	(8)	(4)
Transferred from accruals	–	4
Foreign exchange movement on translation	1	6
Closing balance	30	28
Crew bonuses		
Opening balance	6	6
Charge to operating profit	6	12
Utilised during the year	(6)	(12)
Closing balance	6	6
Total employee accruals		
Opening balance	36	45
Charged to operating profit	16	1
Transferred from accruals	–	4
Utilised during the year	(15)	(18)
Foreign exchange movement on translation	1	6
Transfer to assets held for sale	–	(2)
Closing balance	38	36
Categorised between non-current and current portions		
Non-current employee accruals	30	28
Current employee accruals	8	8
	38	36

27. TRADE AND OTHER PAYABLES

	2023 Rm	2022 Rm
Trade payables	**1 501**	1 607
Accrued expenses	**207**	140
Audit fee accrued	**8**	14
Credit balances in debtors	**2**	7
Agency disbursements	**3**	4
Agterskot and quota fee accrual	**51**	62
Short-term loans and advances	**9**	8
Other payables	**22**	11
Transferred to assets held for sale	**–**	(35)
Financial liabilities	**1 803**	1 818
Payroll-related accruals	**114**	118
Leave pay accrual	**34**	36
Bonus accrual	**185**	142
Value added taxation	**3**	7
Transferred to assets held for sale	**–**	(21)
Non-financial liabilities	**336**	282
Total trade & other payables	**2 139**	2 100

No interest is charged on trade payables. The Group has financial risk management processes to ensure that all payables are paid within the credit timeframe. The carrying value of current accounts payable approximates their fair value, due to its short-term nature.

Short-term loans and advances consist of unsecured loans, and bear interest ranging from 7.75% to 9.70% (2022: 5.20% to 7.75%), which are repayable within one year.

28. CAPITAL COMMITMENTS

	2023 Rm	2022 Rm
Capital commitments		
Budgeted capital expenditure is as follows:		
Contracted	**111**	27
Not contracted	**482**	469
Total	**593**	496

Capital commitments relates to acquisition of property, plant and equipment and computer software and will be financed from the Group's cash resources and borrowing facilities. Capital expenditure as approved by management for the 2024 financial year includes R80 million (2022: R52 million) for Group expansion projects.

29. CASH FLOW INFORMATION

29.1 CASH GENERATED FROM OPERATIONS

	2023 Rm	2022 Rm
Operating profit[1]	1 504	1 238
Adjustment for non-cash and other items	327	331
Depreciation and amortisation	266	260
Share-based payment expense (equity settled)	63	44
Share based payment expense (cash settled)	10	1
Earnings from associate and joint ventures	(45)	–
Net loss on disposal of property, plant and equipment	2	1
Transaction costs relating to disposal of CCS Logistics	(8)	1
Scrapping expense	11	–
Unrealised profit in stock sold by associate to group company	(14)	–
Unrealised foreign exchange (gains) and losses	(27)	9
Provisions for inventory raised during the year	29	9
Reduction of non-cash employee accrual movements	40	6
Total cash operating profit	**1 831**	**1 569**

[1] *Includes operating profit from discontinued operation.*

	2023 Rm	2022 Rm
Working capital changes		
Increase in inventories	(495)	(1 258)
Decrease/(increase) in trade and other receivables	347	(141)
Decrease in trade and other payables	15	820
Total working capital changes	**(133)**	**(579)**
Total cash operating profit	1 831	1 569
Total working capital changes	(133)	(579)
Total cash generated from operations	**1 698**	**990**

29.2 TAXATION PAID

	2023 Rm	2022 Rm
Net amount overpaid at the beginning of the year	62	29
Charged to profit or loss (note 9)	(447)	(255)
Foreign currency translation reserve	2	1
Net amount overpaid at the end of the year	(19)	(62)
Taxation paid	**(402)**	**(287)**

29.3 DIVIDEND PAID

	2023 Rm	2022 Rm
Distribution to share scheme beneficiaries	(6)	(4)
Dividends to ordinary shareholders	(511)	(366)
Dividends paid to non-controlling interests	(46)	(37)
Dividends paid	**(563)**	**(407)**

29. CASH FLOW INFORMATION continued

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

	2023 Rm	2022 Rm
Profit on sale of property, plant and equipment		
Proceeds on disposal of property, plant and equipment	10	4
Proceeds not yet received	–	3
Net book value of property, plant and equipment disposed	(12)	(7)
(Loss)/Profit on disposal of property, plant and equipment	(2)	–

29.5 FINANCING ACTIVITY RECONCILIATION

	2023 Rm	2022 Rm
Proceeds from sale of treasury shares		
Gain on disposal of shares distributed to deceased employee beneficiaries of OET	–	3
	–	3
Equity-settled share-based payment		
Performance shares compensation scheme	13	1
Restricted shares compensation scheme	25	12
	38	13

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Non-cash movements						
	Opening balance Rm	Lease liability Additions and amendments/ modifications Rm	Transaction costs Rm	Net Interest Rm	Foreign exchange movement on translation Rm	Transfer to assets held for sale Rm	Cash movement Rm	Closing balance Rm
2023								
Leases	127	54	–	38	1	–	(38)	182
Borrowings	2 984	–	(11)	1	64	–	(767)	2 271
2022								
Leases	270	9	–	1	3	(113)	(43)	127
Borrowings	2 864	–	(1)	19	322	–	(220)	2 984
Notes		25	23	23	23;25	25		

29.6 CASH AND CASH EQUIVALENTS

	2023 Rm	2022 Rm
Cash and cash equivalents	453	487*
Bank overdraft facilities	(14)	–
Cash and cash equivalents per statement of cash flows	439	487

* *Includes R0.4 million of CCS Logistics*

29.7 SHORT-TERM BANKING FACILITY

	2023 Rm	2023 Rm
Opening Balance	76	91
Interest accrued	57	16
Interest paid	(57)	(16)
Short-term banking facility raised	6 852	3 861
Short-term banking facility repaid	(6 725)	(3 876)
Closing balance	203	76

30. SHARE-BASED PAYMENTS

	2023 Rm	2022 Rm
Equity-settled compensation schemes		
Performance shares compensation scheme (note 30.1)	**42**	35
Restricted shares compensation scheme (note 30.2)	**9**	31
Restricted shares elective deferral compensation scheme (note 30.3)	**10**	8
Bonus Deferral compensation scheme (note 30.4)	**11**	1
Black economic empowerment (BEE) scheme (note 30.6)	**30**	13
Share-based payment reserve	**102**	**88**
Cash-settled compensation schemes		
Share appreciation rights compensation scheme (note 30.5)	**–**	8
CEO LTI scheme (note 30.7)	**10**	–
Liability for share-based payments	**10**	**8**

30.1 EQUITY-SETTLED (PERFORMANCE SHARES) COMPENSATION SCHEME

Performance shares - LTI 2013 plan:

Performance shares awarded under the LTI 2013 plan were previously granted to executive and senior managers by the Board on the recommendation of the Remuneration Committee. Shares are issued for no cash consideration.

Performance shares vest on the third anniversary of their grant, to the extent that the Group has met specified performance criteria, linked to the Group's comparative total shareholder return (TSR) in relation to a comparator group, over the intervening period. Shares that have not been exercised in accordance with the rules of the plan are forfeited upon termination of employment, other than on death, retrenchment, retirement or other no-fault terminations.

The performance shares previously granted are valued using the Monte Carlo option model. From 2022 onwards, the LTI 2013 plan is being phased out with no new grants being awarded under this plan.

Performance shares - LTI 2022 plan:

Performance shares awarded under the LTI 2022 plan are granted to executive and senior managers by the Board on the recommendation of the Remuneration Committee. Shares are issued for no cash consideration. Performance shares vest on the third anniversary of their grant, to the extent that the Group has met specified non-market conditions performance criteria, including a mix of financial and ESG measures. Shares that have not been exercised in accordance with the rules of the plan are forfeited upon termination of employment, other than on death, retrenchment, retirement or other no-fault terminations. The performance shares granted are valued using the Monte Carlo option model. Executives receive dividend equivalent shares as and when the Board declares a dividend. Dividend equivalent shares are awarded subject to the same conditions applicable to the underlying performance share award, including the employment conditions and performance conditions.

During the year Share Appreciations Rights (SARs) were converted to Replacement Performance Shares (RPS's). The conversion of the SARS into RPS's was previously determined as at 31 March 2022 on a value-equivalent basis.

The value of all outstanding SARS was determined at this date and the number of RPS's was calculated so that the fair value of the RPS's is equivalent to that of the SARS, both determined at the conversion date.

Since the total fair value of RPS's at the conversion date is equal to the total fair value of the original SARS at the same date, no additional modification cost needs to be recognised.

Using the Binomial Tree Pricing Option Model, the fair value of SARs holdings was independently determined and a number of RPS's were issued as replacement shares for the converted SARs.

The following assumptions were applied in the valuation of the replacement shares:

Weighted average price per share (Rands): 57.00
Dividend Yield: 0%
Volatility: 30.36%
Risk free interest rate: 7.06%

30. SHARE-BASED PAYMENTS continued

30.1 EQUITY-SETTLED (PERFORMANCE SHARES) COMPENSATION SCHEME *continued*

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

	2023		2022	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	**806 164**	**66.29**	497 733	66.22
Granted during the year	**483 894**	**58.47**	274 400	55.52
Transferred from SARs	**305 804**	**57.00**	219 366	57.00
Forfeited during the year[1]	**(310 209)**	**59.85**	(171 631)	67.21
Exercised during the year[2]	**(245 852)**	**60.44**	(15 704)	73.79
Top-up on vesting during the year[3]	**96 721**	**59.24**	2 000	67.94
Outstanding at the end of the year	**1 136 522**	**58.23**	806 164	66.29

[1] *Options forfeited during the year includes 100 718 (2022: 126 935) forfeited due to resignations, 167 566 (2022: 44 696) forfeited due to performance conditions not having been achieved and 41 925 due to CCS Logistics disposal.*

[2] *Grant 7A options vested on 1 March 2023 and 7B on 30 June 2023 as the specified performance criteria over the intervening period were achieved. The weighted average share price on settlement was R70.50 and R70.90 (2022: R56.15) per share.*

[3] *A TSR multiplier of 7A 167% and 7B 37% (2022: 26% Grant 5A) was applied for Grant 6A options settled due to Oceana having been placed in the highest quartile of the comparable group. TSR is defined as the increase in the market value of a portfolio of shares on the assumption that dividends are reinvested.*

The weighted average remaining contractual life for the share options outstanding as at 30 September 2023 is 1.6 years (2022: 1.9 years).

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

	Grant number	2023 Number of share options	2022 Number of share options
R73.79 per share exercisable after 12 February 2022	6A	**598**	57 400
R59.78 per share exercisable after 01 March 2023	7A	**5 001**	130 400
R58.71 per share exercisable after 30 June 2023	7B	**–**	9 198
R67.94 per share exercisable after 4 March 2024	8B	**100 500**	115 400
R55.52 per share exercisable until 01 June 2025	9A	**250 638**	274 400
R57.00 per share exercisable until 01 Nov 2024	R1A	**251 255**	156 065
R57.00 per share exercisable until 01 Nov 2024	R1B	**27 485**	63 301
R57.00 per share exercisable after 01 November 2023	R1C	**63 301**	–
R58.47 per share exercisable after 21 November 2025	PS10	**345 555**	–
R55.50 per share exercisable after 31 October 2025	PS10A	**75 310**	–
R71.72 per share exercisable after 31 May 2026	PS10B	**16 879**	–
		1 136 522	806 164

30.2 EQUITY-SETTLED (RESTRICTED SHARES) COMPENSATION SCHEME

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

30. SHARE-BASED PAYMENTS continued

30.2 EQUITY-SETTLED (RESTRICTED SHARES) COMPENSATION SCHEME *continued*

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

	2023		2022	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	485 410	70.33	777 849	71.69
Forfeited during the year[1]	(35 307)	60.85	(76 419)	66.50
Exercised during the year	(304 964)	74.12	(216 020)	76.60
Outstanding at the end of the year	**145 139**	**62.56**	485 410	70.33

1. *35 307 options (2022: 76 419 options) were forfeited due to employee resignations*

The weighted average remaining contractual life for the share options outstanding as at 30 September 2023 is 1.4 months (2022: 0.4 years).

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

	Grant number	2023 Number of share options	2022 Number of share options
R85.20 per share exercisable after 13 November 2021	6A	2 900	46 800
R75.00 per share exercisable after 7 May 2022	6B	11 439	203 367
R68.26 per share exercisable after 12 November 2022	7A	2 200	80 800
R58.71 per share exercisable after 30 June 2023	7B	–	6 643
R60.85 per share exercisable after 11 November 2023	8B	128 600	147 800
		145 139	485 410

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

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

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

	2023		2022	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	163 973	60.85	163 973	60.85
Outstanding at the end of the year	**163 973**	**60.85**	**163 973**	**60.85**

Shares could not be exercised due to executives being in a prohibited period.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2023 is 0.1 years (2022: 1.1 years).

30. SHARE-BASED PAYMENTS continued

30.4 EQUITY-SETTLED (BONUS DEFERRAL) COMPENSATION SCHEME

Bonus deferral shares (BDS) are granted to executive and senior managers by the Board on the recommendation of the Remuneration Committee in terms of the Oceana share incentive plan which was implemented in 2022 (LTI 2022 plan). Bonus deferral shares awarded are directly linked to the short-term incentive (STI) plan, based on a standard 50% matching ratio to the actual earned STI for the previous financial year. For bonus deferral shares, there is no strike price and employees are entitled to cash dividends, the value of these instruments is equal to the share price at the grant date. No assumptions are therefore required for further valuation. Bonus deferral shares will vest on the third anniversary of their grant subject to being actively employed on the vesting date. All no-fault terminations, apart from death, will remain in force and will vest on the original vesting date. Shares that have not been exercised as a result of fault terminations, are forfeited upon termination of employment. Participants are entitled to exercise all shareholder rights such as the right to vote and receiving cash dividends paid subject to dividends being declared by the Board.

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

	2023		2022	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	267 100	55.52	–	–
Granted during the year	345 400	58.47	–	–
Forfeited during the year[1]	(59 700)	57.19	267 100	55.52
Outstanding at the end of the year	**552 800**	**57.18**	267 100	55.52

[1] *59 700 options were forfeited due to employee resignations.*

	Grant number	2023 Number of share options	2022 Number of share options
R55.52 per share exercisable after 31 May 2025	9	241 100	267 100
R58.47 per share exercisable after 21 November 2025	10	311 700	–
		552 800	**267 100**

The weighted average remaining contractual life for the share options outstanding as at 30 September 2023 is 1.9 years (2022: 1.1 years).

30.5 CASH-SETTLED (SHARE APPRECIATION RIGHTS) COMPENSATION SCHEME

Share appreciation rights are granted to executive directors and senior managers by the Board on the recommendation of the Remuneration and Nominations Committee in terms of the Oceana share incentive plan which was implemented in 2014. The exercise price and vesting rights of the share appreciation rights are the same as for the share scheme described in note 30.3, but the contractual life of the options is seven years and gains on options are settled in cash. Share appreciation rights allocated have a performance criteria, linked to growth in headline earnings per share, which reduces when the Group's financial performance targets are not met.

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

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

	2023		2022	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	1 801 310	65.13	5 063 765	66.70
Transferred to RPS (note 30.1)	(1 801 310)	65.13	–	–
Forfeited during the year	–	–	(3 262 455)	65.47
Outstanding at the end of the year	–	–	1 801 310	65.13

30. SHARE-BASED PAYMENTS continued

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

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

	Grant number	2023 Number of share options	2022 Number of share options
R116.81 per share exercisable after 14 February 2024	4A	–	33 650
R82.27 per share exercisable after 14 February 2025	5A	–	163 400
R73.79 per share exercisable after 14 February 2026	6A	–	210 100
R59.78 per share exercisable after 1 March 2027	7A	–	776 760
R67.94 per share exercisable after 4 March 2028	8B	–	617 400
		–	1 801 310

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

The Oceana Saam-Sonke Trust acquired 7 825 908 shares in the Company in March 2021 at a cost of 1 cent per share. The rights to acquire these shares were allocated to qualifying employees of the Company and direct and indirect subsidiaries in 2 allocations made to date, one on 30 September 2021 and one on 30 January 2023.The rights vest in three tranches, one third after a period of eight years, one third over a period of nine years and a final third after ten years providing the employee remains in service. These equity settled rights are valued at fair value on grant date using a Monte Carlo option pricing model taking into account terms and conditions upon which rights have been granted.

The following assumptions were applied in the valuation:

Weighted average price per share (Rands): 68.80

Dividend Yield: 4.91%

Volatility: 31.32%

Risk free interest rate: 7.80%

	2023 Number of share options	2023 Weighted average grant price at award (Rand)	2022 Number of share options	2022 Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	6 789 000	66.54	7 497 000	66.54
Granted during the year	291 684	68.80	–	–
Forfeited during the year[1]	(1 064 520)	66.63	(708 000)	66.54
Outstanding at the end of the year	**6 016 164**	**66.63**	6 789 000	66.54

30.7 OCEANA GROUP - CEO LTI INCENTIVE SCHEME

The Board on the recommendation of the Remuneration Committee granted the CEO a long-term incentive vesting on the 31 December 2024. The fair value of the cash-settled option is measured using the Monte Carlo option model taking into account the terms and conditions upon which the instrument was granted. The services received and the liability to pay for those services are recognised over the vesting period. Until the liability is settled it is remeasured at each reporting date with the changes in fair value recognised in the statement of comprehensive income.

The following assumptions were applied in the valuation:

Weighted average price per share (Rands): 72.14

Dividend Yield: 5.42%

Volatility: 27.65%

Risk free interest rate: 8.65%

30. SHARE-BASED PAYMENTS continued

30.7 OCEANA GROUP- CEO LTI INCENTIVE SCHEME continued

	2023 Rm
Opening Balance	–
Amount recognised during the year in profit or loss	10
Closing balance	**10**

31. RETIREMENT BENEFITS

31.1 DEFINED-CONTRIBUTION PLANS

The Group provides a total of five retirement plans that cover all employees. The plans consist of four defined-contribution provident funds and one defined-contribution pension fund. In 2015 with the acquisition of Daybrook the Group added a defined-contribution retirement pension fund to its portfolio which is governed by the Internal Revenue Code in the United States. The assets of the funds in South Africa are held in independent funds, administered by their trustees in terms of the Pension Funds Act, 24 of 1956, as amended. In terms of the Pension Funds Act, the Group retirement funds are exempt from actuarial valuation. The amount expensed for defined contribution plans for the Group was R69.9 million (2022: R73.6 million). The only obligation the Group has with respect to the retirement benefit plans' funds is to make the specified contributions each month.

31.2 POST-EMPLOYMENT MEDICAL OBLIGATIONS

The Group operates a post-employment medical benefit scheme that covers certain of its retirees. This benefit is no longer offered by the Group to current employees or new employees. The liabilities are valued annually using the projected unit credit method and have been funded by contributions to an independently administered insurance plan. The liability at reporting date is reflected within provisions, refer to note 26. The latest full actuarial valuation was performed at 30 September 2023.

	2023 Rm	2022 Rm
Present value of post-employment medical obligations	4	4
Less: Fair value of plan assets	(3)	(3)
Liability at the reporting date	1	1
The principal actuarial assumptions used for accounting purposes relating to post-employment medical obligations:		
Medical inflation p.a.	7.57%	8.47%
Discount rate p.a.	10.78%	11.03%

A 100-basis point increase or decrease in the rate of medical inflation would lead to an increase or decrease in the present value of obligations of 8.6% and 6.6% (2022: 9.5% and 7.5%) respectively.

A 100-basis point increase or decrease in the discount rate would lead to an increase or decrease in the present value of obligations of 11.8% and 9.8% (2022: 12.0% and 10.0%) respectively.

32. NON-CONTROLLING INTEREST

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

	2023 Rm	2022 Rm
Material subsidiaries with non-controlling interests	156	168
Individually immaterial subsidiaries with non-controlling interests	31	52
Total	**187**	220

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

Segment	Primary Activities	Holding Company Name	Subsidiary name	Ownership held by non-controlling interests
Wild caught seafood	Vessel Owner	Erongo Marine Enterprises Proprietary Limited	Erongo Sea Products Proprietary Limited	48.30%
	Horse mackerel rights holder		Erongo Seafoods Proprietary Limited	53.79%
	Catching and processing of fish	Blue Continent Products Proprietary Limited	Desert Diamond Fishing Proprietary Limited	10.00%
			Compass Trawling Proprietary Limited	54.70%
Canned fish and fishmeal (Africa)	Rights holder, catching and processing of fish	Oceana Group Limited	Amawandle Hake Proprietary Limited	25.00%
			Amawandle Pelagic Proprietary Limited	25.00%

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

Refer to schedule: Interest in principal subsidiaries and joint ventures on page 96 and refer to note 2.7 for further details on the Group's control assessment.

32. NON-CONTROLLING INTEREST continued

2023	Erongo Sea Products Proprietary Limited Rm	Erongo Seafoods Proprietary Limited Rm	Desert Diamond Fishing Proprietary Limited Rm	Compass Trawling Proprietary Limited Rm	Amawandle Hake Proprietary Limited Rm	Amawandle Pelagic Proprietary Limited Rm
Revenue	81	11	263	79	146	1 209
Profit/(loss) for the year	64	7	(7)	(1)	(54)	24
Profit/(loss) attributable non-controlling interest	31	4	(1)	(1)	(14)	6
Non-current assets	46	–	105	42	204	466
Current assets	130	9	45	14	65	804
Non-current liabilities	(35)	–	(33)	(7)	(145)	(483)
Current liabilities	(49)	–	(49)	(31)	(74)	(475)
Net assets	92	9	68	18	50	312
Net assets attributable to non-controlling interest	44	5	7	10	13	78
Net cash and cash equivalents	–	9	5	–	–	–
Dividends paid	–	9	50	9	–	–

2022	Erongo Sea Products Proprietary Limited Rm	Erongo Seafoods Proprietary Limited Rm	Desert Diamond Fishing Proprietary Limited Rm	Compass Trawling Proprietary Limited Rm	Amawandle Hake Proprietary Limited Rm	Commercial Cold Storage (Ports) Proprietary Limited Rm	Amawandle Pelagic Proprietary Limited Rm
Revenue	12	13	324	81	216	52	1 038
Profit for the year	1	9	26	5	7	5	30
Profit attributable non-controlling interest	–	5	3	2	2	2	8
Non-current assets	35	–	157	23	150	73	382
Current assets	2	11	57	22	51	12	649
Non-current liabilities	(4)	–	(35)	(7)	(47)	(1)	(289)
Current liabilities	(2)	–	(56)	(10)	(49)	(8)	(449)
Net assets	31	11	123	28	105	76	293
Net assets attributable to non-controlling interest	13	6	12	15	26	22	73
Net cash and cash equivalents	–	10	7	–	–	–	–
Dividends paid	–	6	80	20	–	30	–

33. CONTINGENT LIABILITIES AND GUARANTEES

CONTINGENT LIABILITIES

The Namibian Competition Commission ("the Commission") issued summons on 9 November 2023 to five operators in Namibia, including the Group's subsidiary, Erongo Marine Enterprises. The summons is in terms of section 33 (4) of the Namibian Competition Act, 2003, being a notice to furnish information.

The Commission has initiated an investigation after receiving information from the public alleging possible collusion amongst fishing companies that harvest Horse Mackerel in the Namibian fishing industry. The collusion is allegedly in the form of fixing fishing quota usage fees that are paid to fishing rights holders.

As at the date of the approval of these financial statements, the Group, in conjunction with its external legal advisors, believe that it is too early in the investigation process to conclude on whether any compliance and related financial risk exists and that no amount can reasonably be attributed.

CROSS GUARANTEE

The Company and its subsidiaries have given guarantees and cross suretyships in support of borrowings to the value of R468.9 million (2022: R1 164.8 million), short-term banking facilities to the value of R1 100 million (2022: R1 100 million) and a revolving credit facility of R500 million (2022: R500 million) available to the Group. The unutilised value of the short-term banking facilities and revolving credit facility amounts to R1 097 million (2022: R1 524 million). Refer to note 34 for more detail.

In terms of the Fish Supply Agreement between Daybrook and Westbank, the catching fee payable by Daybrook to Westbank shall be increased during a contract year to the extent required for Westbank to comply with the financial and other covenants set forth in the credit agreement and related loan documents pertaining to the loan between Westbank and it's lender. The amount of such adjustment is recoverable by Daybrook as a catch fee recovery in the contract year that Westbank has surplus cash flows. At that point, the catching fee for the contract year will be decreased by an amount equal to the lesser of (I) such surplus cash flow or (ii) the previously unrecouped catching fee recovery amount. No catch fee adjustment was required in 2023 or 2022 as Westbank was in full compliance with it's lender covenants at all times.

34. FINANCIAL RISK MANAGEMENT

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

RISK MANAGEMENT

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

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

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

The Group does not speculate in the trading of derivative or other financial instruments. It is Group policy to hedge exposure to cash and future contracted transactions.

MARKET RISK

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

34. FINANCIAL RISK MANAGEMENT continued

The key components of market risk are as follows:

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

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

CURRENCY RISK

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

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

EXPOSURE TO CURRENCY RISK

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

	US Dollar m	Euro m
2023		
Trade receivables	**5**	**2**
Other trade receivables	**2**	**–**
Cash and cash equivalents	**2**	**1**
Trade payables	**(33)**	**–**
Total	**(24)**	**3**
Foreign currency forwards	**20**	**2**
Net exposure	**(4)**	**5**
Year-end exchange rate	**18.93**	**20.01**
2022		
Trade receivables	7	–
Other trade receivables	1	–
Cash and cash equivalents	5	1
Trade payables	(33)	–
Total	(20)	1
Foreign currency forwards	8	–
Net exposure	(12)	1
Year-end exchange rate	18.15	17.72

The Group holds FECs which have been marked to market value in the statement of financial position. FEC'S 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 operations in the 2024 financial year.

	US Dollar Rm	Euro Rm
2023		
Forward exchange contracts	**4**	**–**
Average exchange rate	**18.17**	**19.42**
2022		
Forward exchange contracts	3	–
Average exchange rate	15.10	17.16

34. FINANCIAL RISK MANAGEMENT continued

CURRENCY SENSITIVITY ANALYSIS

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

	2023 Rm	2022 Rm
Increase/(decrease) in profit after taxation		
US Dollar	**(33)**	(27)
Euro	**4**	1

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

	2023	2022
South African Rand value per unit of foreign currency:		
US Dollar	**18.93**	18.15
Euro	**20.01**	17.72

INTEREST RATE RISK

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

The Group has long-term debt with interest linked to various floating rates. The Group's long- term debt comprises of SA and USA debt subject to interest charges linked to JIBAR and SOFR.

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

Hedging is applied to the variable portion of the interest rate applicable to a specific level of debt. Given that the hedged instrument and hedged item both move in tandem with any changes in LIBOR (US debt) they have a 1:1 hedge relationship. Refer to note 24 for further details on the swap terms.

EXPOSURE TO INTEREST RATE RISK

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

	Notes	2023 Rm	2022 Rm
Fixed-rate instruments			
Borrowings	23	**1 420**	2 984
		1 420	2 984
Variable-rate instruments			
Borrowings	23	**851**	–
Cash and cash equivalents	30.6	**453**	486
Short-term banking facility		**(203)**	(76)
Other Loans Receivable	18	**196**	177
		1 298	587

INTEREST RATE SENSITIVITY ANALYSIS

A reasonably possible change of 100 basis points in the interest rates at the reporting date would have decreased pre-tax profit or loss by R1.4 million (2022: R4.1 million). The interest rate sensitivity is calculated based on the rates at reporting date and taking into account any interest rate hedges applicable. The USA long term borrowings is not included in the sensitivity given the interest rate swap hedge as described in note 24. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

34. FINANCIAL RISK MANAGEMENT continued

LIQUIDITY RISK

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

The Group manages its liquidity risk by monitoring and forecasting cash flows and by maintaining adequate borrowing facilities to meet short-term demands. In this regard, the Group has undrawn working capital facilities of R897 million (2022: R1 024 million) as at the reporting date. In terms of the Company's Memorandum of Incorporation, the Company's borrowing powers are unlimited.

Cash flows are monitored on an ongoing basis to ensure that cash resources are adequate to meet the Group's funding requirements. Sufficient short-term facilities have been negotiated to manage any short fall in these funding requirements. The Group has an undrawn revolving credit facility of R200 million (2022: R500 million). Daybrook has a US revolving credit facility of R473.3 million/USD25 million (2022: R453.8 million/USD25 million) which is currently undrawn.

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

EXPOSURE TO LIQUIDITY RISK

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

	Notes	Carrying amount	1 year or less	2-4 years	>4 years
		Rm	Rm	Rm	Rm
2023					
Non-derivatives					
Borrowings	23	**2 271**	**439**	**1 944**	**1**
Trade and other payables	27	**1 803**	**1 803**	**–**	**–**
Lease liabilities	25	**179**	**35**	**358**	**191**
Total non-derivatives		**4 253**	**2 277**	**2 302**	**192**
Derivatives					
Interest rate swaps	24	**65**	**65**	**–**	**–**
Total derivatives		**65**	**65**	**–**	**–**
2022					
Non-derivatives					
Borrowings	23	2 984	453	2 359	561
Trade and other payables	27	1 818	1 818	–	–
Lease liabilities	25	127	38	61	187
Total non-derivatives		4 929	2 309	2 420	748
Derivatives					
Interest rate swaps	24	104	–	104	–
Total derivatives		104	–	104	–

CREDIT RISK

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

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

34. FINANCIAL RISK MANAGEMENT continued

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

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

The Group conducts business with the following major banks:

South African Banks	Credit Rating
FirstRand Bank	BBB
Standard Bank South Africa	A
Investec Bank	BBB
International banks	
Bank of Montreal	A-
FirstRand Bank Namibia	AA-
Standard Bank Namibia	A-

IMPAIRMENT OF FINANCIAL ASSETS

The carrying amount of financial assets represents the maximum credit exposure

	Notes	2023	2022
		Rm	Rm
Trade and other receivables	20	**1 000**	1 304
Investment and Loans	18	**196**	177
Cash and cash equivalents	29.6	**453**	486
Total		**1 649**	**1 967**

TRADE AND OTHER RECEIVABLES

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

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

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

Expected credit loss allowances are recognised on trade and other receivables and are disclosed in note 20.

INVESTMENT AND LOANS

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

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

The Group considers a loan receivable to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. The definition of default and significant increase in credit risk is the same for both trade receivables and loans receivables.

Expected credit loss allowances recognised on loans receivable are disclosed in note 20.

34. FINANCIAL RISK MANAGEMENT continued

CASH AND CASH EQUIVALENTS

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

FINANCIAL GUARANTEES

The Company and certain subsidiaries have given cross suretyships in support of short-term banking facilities available to the Group to the value of R1 100 million (2022: R1 100 million), which are assessed and renewed annually, and has guaranteed the borrowings of R468.9 million (2022: R1 164.8 million) as disclosed in note 34 as well as a R500 million (2022: R500 million) revolving credit facility.

Whilst the maximum credit risk in respect of financial guarantees is the full extent of the above facilities and borrowings of R2 068.9 million (2022: R2 764.8 million), the extent of the exposure at year end is R971.9 million (2022: R1 240.8 million) taking bank overdraft facilities into consideration. The Group maintains flexibility of funding through the use of committed facility lines and all guarantors and lenders are ranked *pari passu*. The Group performs solvency and liquidity assessments of the guarantor group at least twice annually to ensure that the liquid assets of the guarantor companies always exceed the total exposure of the Group. No provision for an expected credit loss has been made against the guarantees disclosed above as there are sufficient strategies in place to mitigate the risks of outflow. These strategies include (but are not limited to) effective cash flow management and highly liquid stock levels.

CAPITAL RISK

The Group's objectives when managing capital, which consists of net debt (borrowings as detailed in note 23, offset by cash and bank balances as detailed in note 30.6) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed in the statement of changes in equity), are to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to ensure the operations continue as a going concern while taking advantage of expansion opportunities in order to grow shareholder value as they arise.

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

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

34. FINANCIAL RISK MANAGEMENT continued

	Notes	2023 Rm	2022 Rm
Classification of financial instruments			
Financial assets			
Derivative instruments at fair value through profit and loss		**65**	104
Forward exchange contracts at fair value through profit and loss		**14**	17
Cash and cash equivalents at amortised cost	29.6	**453**	486
Loans and receivables at amortised cost			
Loans	18	**196**	177
Trade and other receivables	20	**986**	1 287
Financial liabilities			
Short-term banking facility		**203**	76
Loans and payables at amortised cost			
Loans	23	**2 271**	2 984
Trade and other payables	27	**1 803**	1 818

FAIR VALUES

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

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

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

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

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

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

	Notes	2023 Rm	2022 Rm
Level 2			
Derivative instruments			
Interest rate swaps	24	**65**	104
Forward exchange contracts		**14**	17

Measurement of fair values

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

Instrument	Level	Valuation basis/techniques
Derivative instruments – Interest rate swaps	2	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.
Derivative instruments – Foreign currency forwards	2	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

There were no transfers between levels 1, 2 or 3 of the fair value hierarchy for the years ended 30 September 2023 and 30 September 2022.

35. RELATED PARTIES

Related party relationships exist with one shareholder, subsidiaries, joint venture and associate companies within the Group. Details of the Group's subsidiaries, joint ventures and associate are set out in note 40.

Details of the Group's shareholders are set out on page 129.

These transactions are concluded in the normal course of business. All material intergroup transactions are eliminated on consolidation. The amounts outstanding are unsecured and will be settled in cash. The amounts outstanding are unsecured and will be settled in cash. Guarantees have been given or received as disclosed in note 33 between Group entities.

TRADING BALANCES AND TRANSACTIONS

The following is a summary of transactions with related parties during the year and the balances of receivables and payables at year-end.

	2023 Rm	2022 Rm
Transactions with outside shareholder in joint ventures		
Administration fees received	5	3
Oceana Paragon joint venture	–	–
Premier/BCP Hake joint venture	5	3
Goods and services sold	(9)	(5)
Oceana Paragon joint venture	(5)	(5)
Oceana Pegasus joint venture	(4)	–
Goods and services procured	28	32
Oceana Paragon joint venture	4	3
Oceana Pegasus joint venture	3	–
Premier/BCP Hake joint venture	21	29
Amount receivable/(payable)	3	3
Oceana Paragon joint venture	2	3
Oceana Pegasus joint venture	1	–
Transactions and balances with joint ventures and associate		
Administration fees received		
Etosha Fishing Corporation Limited	1	1
Goods and services sold to joint ventures		
Etosha Fishing Corporation Limited	4	4
Goods and services bought from joint ventures		
Etosha Fishing Corporation Limited	113	31
Goods and services sold to associate		
Westbank Fishing LLC	–	(18)
Good and services procured from associate		–
Westbank Fishing LLC	1 097	1 039
Dividend income from associate		
Westbank Fishing LLC	51	–
Amount payable to joint ventures	–	(7)
Etosha Fishing Corporation Limited	–	(7)
MFV Romano Paulo Vessel	–	–
Amount payable to associate		
Westbank Fishing LLC	(135)	(131)
Amount receivable from associate		–
Westbank Fishing LLC	–	84

35. RELATED PARTIES continued

	2023 Rm	2022 Rm
Transactions and balances with other related parties		
Good and services procured from other related parties	12	8
Obsidian Health Proprietary Limited[1]	–	1
Sea Harvest Group Limited[1]	7	2
Ulwandle Management Services Proprietary Limited[2]	1	1
Ulwandle Fishing Proprietary Limited[2]	4	4
Goods and services sold to other related parties		
Sea Harvest Group Limited[1]	6	–
Interest received from other related parties		
Ulwandle Fishing Proprietary Limited	(12)	(8)
Amount payable to other related parties		
Sea Harvest Group Limited[1]	(1)	–
Loans receivable from shareholders of subsidiary companies		
Ulwandle Fishing Proprietary Limited[2] (refer to note 18)	104	94
Loans payable to shareholders of subsidiary companies		
Ulwandle Fishing Proprietary Limited[2]	(6)	(8)
Compensation of key management personnel	102	107
Short-term employee benefits	69	57
Post-employment benefits	4	3
Share-based payments – cash-settled compensation scheme	–	5
Share-based payments – equity-settled compensation scheme	23	33
Non-executive directors' emoluments	6	9

[1] *These entities have common shareholder with Oceana.*

[2] *Non-controlling shareholder in Group companies.*

35. RELATED PARTIES continued

INTEREST OF DIRECTORS IN CONTRACTS

The directors of Oceana make declarations of interest in terms of section 75 of the Companies Act No. 71 of 2008. These declarations indicate that certain directors hold positions of influence in other entities which are shareholders, customers and/or competitors of the Group. Transactions are at arms length with normal commercial terms as with any other entity and where a director is conflicted, that director recuses themself from Board deliberations.

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 31.

THE GROUP'S INTEREST IN SUBSIDIARIES AND JOINT VENTURES

The Group provides financing to subsidiary companies and joint ventures and invests surplus cash on their behalf. Loan accounts between wholly-owned Group companies in South Africa are interest-free with the exception of when the Company is required to fund subsidiary working capital requirements from available overdraft facilities in which event interest is charged at prevailing market rates. Other loan accounts bear interest at rates similar to rates levied by banks. Details of interests in subsidiary and joint venture companies are disclosed in note 40. Details of treasury shares held by share trusts are disclosed in note 21.

TRANSACTIONS WITH OTHER RELATED PARTIES

Transactions with other related parties include arrangements and agreements with connected persons and other related companies as defined in IAS 24 - Related party disclosure. These transactions were made in the ordinary course of business and on substantially the same terms, including interest rates and security, as for comparable transactions with persons of a similar standing. The transactions did not involve more than the normal risk of repayment. None of these loans have been impaired.

ULWANDLE LOAN PLEDGE

On 2 February 2015, Blue Continent Products Proprietary Limited ("BCP") and Lucky Star Limited ("Lucky Star") each concluded loan agreements with Ulwandle Fishing Proprietary Limited ("Ulwandle") in terms of which BCP and Lucky Star (the "Lenders"), lent to Ulwandle (the "Borrower"), an aggregate amount not exceeding R115,6 million. In order to secure the rights of the Lenders, Ulwandle has pledged and ceded all of its rights, title and interest in and to the shares in Amawandle Hake and Amawandle Pelagic to the Lenders of the respective loan agreements. The loan is a full recourse loan and bears interest at the prime rate plus 2%, with fixed terms of repayment. The final instalment is due on 30 November 2025.

36. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

36.1 EXECUTIVE DIRECTORS' REMUNERATION

Name	Salary R'000	Notice period and accrued leave pay R'000	Allowances and other[1] R'000	Retirement fund contributions R'000	Incentive bonuses[2] R'000	Gain on exercise of cash-settled/equity-settled share options[3] R'000	Total emoluments R'000
2023							
N Brink	6 512	–	406	350	7 988	3 633	18 889
Z Mahomed[4]	3 299		148	499	6 000	–	9 947
R Buddle[5]	2 522	–	59	–	–	–	2 581
Total	12 333	–	613	849	13 988	3 633	31 416
2022							
N Brink	3 345	–	172	233	3 226	–	6 976
R Buddle	1 600	–	–	–	2 484	–	4 084
I Soomra	2 961	4 575	100	117	–	4 999	12 752
H Karrim	2 538	310	93	207	–	–	3 148
Total	10 444	4 885	365	557	5 710	4 999	26 960

1. *Allowances and other include monthly fuel and petrol.*
2. *Performance bonuses are accounted for on an accrued basis, to match the amount payable to the applicable financial year.*
3. *Includes dividends and gross proceeds received from OET.*
4. *Z Mahomed was appointed as CFO Designate effective 1 November 2022 and assumed office as the Group's CFO and executive director of the Board effective 1 February 2023.*
5. *R Buddle resigned as interim Chief Financial Officer ("CFO") and executive director of the Board on 31 January 2023.*

36. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

36.2 EXECUTIVE DIRECTORS' SHARE SCHEME DETAILS

N BRINK

2023 Scheme	Award date	Initial vesting date	Options as at 30 Sep 2022 Number	Options as at 30 Sep 2022 Price	Options awarded during the year Number	Options awarded during the year Price	Options forfeited during the year Number[4]	Options forfeited during the year Price	Options exercised during the year Number	Options exercised during the year Price	Options exercised during the year Gain (Rm)	Options as at 30 Sep 2023 Vested[2]	Options as at 30 Sep 2023 Unvested[3]	Options as at 30 Sep 2023 Option value[1] (Rm)	Expiry date
Share appreciation rights															
Grant 4A	15 Feb 17	15 Feb 20	5 736	116.81	–	–	5 736	117		–	–	–	–	–	14 Feb 24
Grant 5A	15 Feb 18	15 Feb 21	25 700	82.27	–	–	25 700	82		–	–	–	–	–	14 Feb 25
Grant 6A	15 Feb 19	15 Feb 22	30 300	73.79	–	–	30 300	74		–	–	–	–	–	14 Feb 26
Grant 7A	02 Mar 20	02 Mar 23	108 763	59.78	–	–	108 763	60		–	–	–	–	–	01 Mar 27
			170 499		–		170 499				–	–	–	–	
Restricted shares															
Grant 6A	14 Nov 18	14 Nov 21	6 700	85.20	–	–	–	–	6 700	65	432	–	–	–	13 Nov 21
Grant 6B	08 May 19	08 May 22	17 897	75.00	–	–	–	–	17 897	65	1 154	–	–	–	07 May 22
Grant 7A	13 Nov 19	13 Nov 22	4 500	68.26	–	–	–	–	4 500	65	290	–	–	–	12 Nov 22
Grant 8B	12 Nov 20	12 Nov 23	7 000	60.85	–	–	–	–				7 000	–	529	12 Nov 23
			36 097		–		–		29 097		1 877	7 000	–	529	
Performance shares															
Grant 6A	13 Feb 19	13 Feb 22	8 400	73.79		–	6 216	–	2 184	65	141	141	–	–	12 Feb 22
Grant 7A	43 892	02 Mar 23	10 900	59.78	7 267	–		–	18 167	71	1 281	1 281	–	–	01 Mar 23
			19 300		7 267		6 216		20 351		1 422	1 422	–	–	
Replacement Performance shares[3]															
Grant 1	1 May 2022	1 Nov 2024	20 818	57.00			6 244		694	65	45	13 880		1 048	31 Oct 24
			20 818				6 244		694		45	13 880		1 048	
Co Incentive Plan															
Grant 2	13 Nov 20	13 Nov 20	40 401	–	–	–	–	–	–	–	–	40 401	–	3 050	12 Nov 23
			40 401		–		–		–		–	40 401	–	3 050	
Total			287 115		7 267		182 959		50 142		3 343	62 703	–	4 627	

1. *Option value for equity-settled schemes are calculated using the closing share price at 30 September 2032 of R75.50*
2. *Grant 7 vested using a TSR multiplier of 167%. Additional 7,267 shares were issued and vested on the same date which exercised in full. Grant 6 vested using a TSR multiplier of 26%, balance of grant 6 forfeited due to performance criteria not met*
3. *The first vesting of the replacement performance shares on 1 November 2022 were conditionally forfeited due to vesting achievement of 10%.*
4. *During the year Share Appreciations Rights (SARs) were converted to Replacement Performance Shares (RPSs). Using the Binomial Tree Pricing Option Model, the fair value of SARs holdings were independently determined and a number of RPSs were issued as replacement shares for the converted SARs. The Replacement Performance Shares awarded on 1 May 2023 (after conversion) vest in three tranches with 1st tranche vesting on 1 November 2022, 2nd tranche on 2 November 2023 and last trance on 1 November 2024.*

36. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

N BRINK

2022			Options as at 30 Sep 2021		Options awarded during the year		Options forfeited during the year		Options exercised during the year			Options as at 30 Sep 2022			
Scheme	Award date	Initial vesting date	Number	Price	Number	Price	Number[2]	Price	Number[1]	Price	Gain (Rm)	Vested	Unvested	Option value (Rm)	Expiry date
Share appreciation rights															
Grant 4A	15 Feb 17	15 Feb 20	5 736	116.81	–	–	–	–	–	–	–	–	5 736	–	14 Feb 24
Grant 5A	15 Feb 18	15 Feb 21	25 700	82.27	–	–	–	–	–	–	–	–	25 700	–	14 Feb 25
Grant 6A	15 Feb 19	15 Feb 22	30 300	73.39	–	–	–	–	–	–	–	–	30 300	–	14 Feb 26
Grant 7A	02 Mar 20	02 Mar 23	108 763	59.78	–	–	–	–	–	–	–	–	108 763	–	01 Mar 27
			170 499		–		–		–		–	–	170 499	–	
Restricted shares															
Grant 6A	14 Nov 18	14 Nov 21	6 700	85.20	–	–	–	–	–	–	–	6 700	–	357	13 Nov 21
Grant 6B	08 May 19	08 May 22	17 897	75.00	–	–	–	–	–	–	–	17 898	–	953	07 May 22
Grant 7A	13 Nov 19	13 Nov 22	4 500	68.26	–	–	–	–	–	–	–	–	4 500	240	12 Nov 22
Grant 8B	12 Nov 20	12 Nov 23	7 000	60.25	–	–	–	–	–	–	–	–	7 000	373	12 Nov 23
			36 097		–		–		–		–	24 598	11 500	1 923	
Performance shares															
Grant 6A	13 Feb 19	13 Feb 22	8 400	73.79	–	–	6 216	–	–	–	–	2 184	–	116	12 Feb 22
Grant 7A	02 Mar 20	02 Mar 23	10 900	59.78	–	–	–	–	–	–	–	–	10 900	581	01 Mar 23
			19 300				6 216					2 184	10 900	697	
Co Investment Plan															
Grant 2	13 Nov 20	13 Nov 20	40 401	–	–	–	–	–	–	–	–	–	40 401	2 152	12 Nov 23
			40 401		–				–		–	–	40 401	2 152	
Total			266 297		–		6 216		–		–	26 781	233 300	4 772	

1. *Vested using a TSR multiplier of 26%, balance of grant 6 forfeited due to performance criteria not met.*
2. *All unvested options forfeited due to resignation.*

Z MAHOMED

2023 Scheme	Award date	Initial vesting date	Options as at 30 Sep 2022 Number	Price	Options awarded during the year Number	Price	Options forfeited during the year Number	Price	Options exercised during the year Number	Price	Gain (Rm)	Options as at 30 Sep 2023 Vested	Unvested	Option value[1] (Rm)	Expiry date
Performance shares 2															
Grant 10	1 Nov 22	1 Nov 25	–	–	37 500	55	22 644	–	–	–	–	37 500	–	2 831	31 Dec 25
Grant 10A	22 Nov 22	22 Nov 25	–	–	70 609	54	39 800	–	–	–	–	70 609	–	5 331	31 Dec 25
Grant 10 - Dividends equivalent shares	1 Nov 22	1 Nov 25	–	–	2 496	55	36 900	–	–	–	–	2 496	–	188	31 Dec 25
Grant 10A - Dividends equivalent shares	22 Nov 22	22 Nov 25	–	–	4 701	54	99 344	–	–	–	–	4 701	–	355	31 Dec 25
Total			–		115 306		198 688					115 306	–	8 706	

[1] *Option value for equity-settled schemes are calculated using the closing share price at 30 September 2023 of R75.50.*

36. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

I SOOMRA

2022 Scheme	Award date	Initial vesting date	Options as at 30 Sep 2022 Number	Price	Options awarded during the year Number	Price	Options forfeited during the year Number	Price	Options exercised during the year Number	Price	Gain (Rm)	Options as at 30 Sep 2023 Vested	Unvested	Option value[1] (Rm)	Expiry date
Share appreciation rights															
Grant 5A	15 Feb 18	15 Feb 21	34 700	82	–	–	34 700	82	–	–	–	–	–	–	14 Feb 25
Grant 6A	15 Feb 19	15 Feb 22	87 400	74	–	–	87 400	74	–	–	–	–	–	–	14 Feb 26
Grant 7A	02 Mar 20	02 Mar 23	313 346	60	–	–	313 346	60	–	–	–	–	–	–	01 Mar 27
Grant 8A	05 Mar 21	05 Mar 24	289 900	68	–	–	289 900	68	–	–	–	–	–	–	04 Mar 28
			725 346		–		725 346		–		–	–	–	–	
Restricted shares															
Grant 6A	14 Nov 18	14 Nov 21	10 100	85	–	–	–	–	10 100	85	574	–	–	–	13 Nov 21
Grant 6B	08 May 19	08 May 22	72 623	75	–	–	–	–	72 623	75	3 974	–	–	–	07 May 22
Grant 7A	13 Nov 19	13 Nov 22	6 000	68	–	–	6 000	–	–	–	–	–	–	–	12 Nov 22
Grant 8B	12 Nov 20	12 Nov 23	19 600	61	–	–	19 600	–	–	–	–		–	–	12 Nov 23
			108 323		–		25 600		82 723		4 548	–	–	–	
Performance shares															
Grant 6A	13 Feb 19	13 Feb 22	30 600	74	–	–	22 644	–	7 956	74	451	–	–	–	12 Feb 22
Grant 7A	02 Mar 20	02 Mar 23	39 800	60	–	–	39 800	–	–	–	–	–	–	–	01 Mar 23
Grant 8B	05 Mar 21	05 Mar 24	36 900	68	–	–	36 900	–	–	–	–	–	–	–	05 Mar 28
			107 300		–		99 344		7 956		451	–	–	–	
Total			940 969		–		850 290		90 679		4 999	–	–	–	

[1] *Vested using a TSR multiplier of 26%, balance of grant 6 forfeited due to performance criteria not met.*

36. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

H KARRIM

			Options as at 30 Sep 2021		Options awarded during the year		Options forfeited during the year		Options exercised during the year			Options as at 30 Sep 2022			
2022 Scheme	Award date	Initial vesting date	Number	Price	Number	Price	Number	Price	Number	Price	Gain (Rm)	Vested	Unvested	Option value[1] (Rm)	Expiry date
Share appreciation rights															
Grant 8A	01 Nov 20	01 Nov 23	118 667	68	–	–	118 667	68	–	–	–	–	–	–	01 Nov 27
Grant 8B	05 Mar 21	05 Mar 24	118 700	68	–	–	118 700	68	–	–	–	–	–	–	05 Mar 28
			237 367		–		237 367		–		–	–	–	–	
Restricted shares															
Grant 8A	01 Nov 20	01 Nov 23	8 619	87	–	–	8 619	87	–	–	–	–	–	–	01 Nov 27
Grant 8B	12 Nov 21	12 Nov 24	9 600	61	–	–	9 600	61	–	–	–	–	–	–	05 Mar 28
			18 219		–		18 219		–		–	–	–	–	
Performance shares															
Grant 8A	01 Nov 20	01 Nov 23	11 935	68	–	–	11 935	68	–	–	–	–	–	–	01 Nov 27
Grant 8B	05 Mar 21	05 Mar 24	11 900	68	–	–	11 900	68	–	–	–	–	–	–	05 Mar 28
			23 835		–		23 835		–		–	–	–	–	
			279 421		–		279 421		–		–	–	–	–	

[1] *All options forfeited due to dismissal.*

36. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

36.3 NON-EXECUTIVE DIRECTORS' REMUNERATION

	2023				2022			
	Board fees	**Committee fees**	**Ad hoc fees[3]**	**Total**	Board fees	Committee fees	Ad hoc fees[4]	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
MA Brey	**920**	**200**	**6**	**1 126**	860	189	400	1 449
PG de Beyer	**430**	**417**	**6**	**853**	430	426	400	1 256
ZBM Bassa[1]	**175**	**218**	**–**	**393**	333	477	500	1 310
P Golesworthy	**351**	**341**	**6**	**698**	333	208	350	891
A Jakoet	**360**	**394**	**6**	**760**	333	228	350	911
TM Mokgosi-Mwantembe	**351**	**282**	**–**	**633**	333	189	300	822
NA Pangarker[2]	**351**	**201**	**–**	**552**	333	189	300	822
L Sennelo[2]	**351**	**322**	**–**	**673**	333	302	350	985
NV Simamane	**351**	**364**	**–**	**715**	333	344	350	1 027
Total	**3 640**	**2 739**	**24**	**6 403**	3 621	2 552	3 300	9 473

1 *ZBM Bassa served on the Board until her resignation on 6 April 2023.*

2 *NA Pangarker fees were paid to Brimstone Investment Corporation Limited and L Sennelo fees were paid to Gosele Advisory Services.*

3 *Includes additional work relating to investment committee.*

4 *Includes additional work relating to the special events of 2022.*

37. GROUP ENTITIES

The Group's principal subsidiaries, associate and joint ventures, including applicable ownership interests, are detailed in note 40 and material non-controlling interests are disclosed in note 33. There are no significant restrictions on the ability of the Group to realise assets or settle liabilities of any of its subsidiaries. There are no contractual obligations on the company or any of its subsidiaries to provide financial support other than what is disclosed in note 34.

38. EVENTS AFTER THE REPORTING DATE

Other than the event disclosed in note 33, management is not aware of events that occurred beyond the year end up to the date of authorisation of these financial statements that could have a material impact to the Group's reported results as at 30 September 2023 that would require separate disclosure in these financial statements.

39. GOING CONCERN

The assessment of going concern included the consideration of current economic conditions as well as available information about future risks and uncertainties, including the stability of fishing resources and the potential impact of climate change. Management has assessed the fishing resources in the sector's and geographies the Group operates in, to be stable and well-managed resources. Climate variation features as one of the Group's top three environmental risks and management continues to assess the potential effects on the business and value chain. The Group's diversification strategy and investment along different coastlines enables it to mitigate risk through geographic and species diversity. The Group's forecasts and projections of its current and expected profitability and cash flows, taking account of reasonably possible changes in trading performance, capital and liquidity show that the Group will be able to operate within the limits of its existing banking facilities for at least 12 months from the approval date of the consolidated financial statements.

The consolidated financial statements were accordingly prepared on the going concern basis since the directors have reason to believe that the Group has adequate resources in place to continue in operation for the foreseeable future.

40. INTEREST IN PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE

for the year ended 30 September 2023

Name of company	Nature of business	Issued capital 2023 R	Effective holding 2023 %	Issued capital 2022 R	Effective holding 2022 %
Amawandle Hake Proprietary Limited	Hake	400	75	400	75
Amawandle Pelagic Proprietary Limited	Canned fish, fishmeal/oil	178 507 494	75	178 507 494	75
Arechanab Fishing & Dev Co Proprietary Limited	Horse mackerel	3 000	35	3 000	35
Blue Continent Products Proprietary Limited	Horse mackerel, hake	1 000	100	1 000	100
Calamari Fishing Proprietary Limited	Squid	4 000	100	4 000	100
Cerocic Fishing Proprietary Limited	Horse mackerel	7 500	48	7 500	48
Commercial Cold Storage Proprietary Limited	Cold storage	–	n/a	100	100
Commercial Cold Storage Limited[4]	Holding company	–	n/a	1 000 000	100
Commercial Cold Storage (Ports) Proprietary Limited	Cold storage	–	n/a	100	70
Commercial Cold Storage (Namibia) Proprietary Limited – Namibia	Cold storage	–	n/a	15 300	69
Compass Trawling Proprietary Limited	Hake	1 000	45	1 000	45
Desert Diamond Fishing Proprietary Limited	Horse mackerel	120	90	120	90
Oceana US Investment Holdings Corporation – United States of America	Holding company	3 221 400 000	100	3 221 400 000	100
Oceana US Holdings Corporation – United States of America	Holding company	3 042 682 453	100	3 042 682 453	100
Daybrook investment Incorporated – United States of America	Holding company	44 242 171	100	44 242 171	100
Daybrook Fisheries Incorporated – United States of America	Holding company	57 905 400	100	57 905 400	100
Daybrook Holdings Incorporated – United States of America	Fishmeal/oil	54 748 814	100	54 748 814	100
Westbank Fishing Limited Liability Company – United States of America[2]	Fishmeal/oil	520 380 000	25	520 380 000	25
Erongo Marine Enterprises Proprietary Limited – Namibia	Horse mackerel	100	100	100	100
Erongo Seafoods Proprietary Limited – Namibia	Horse mackerel	4 000	46	4 000	46
Erongo Sea Products Proprietary Limited – Namibia	Horse mackerel	100	52	100	52
Etosha Fisheries Holding Company Proprietary Limited – Namibia[1]	Canned fish, fishmeal/oil	9 187	45	9 085	45
Le Monde Holdings Limited – Seychelles[5]	Canned fish, fishmeal/oil	35	100	116	100
MFV Romano Paulo Vessel Company Proprietary Limited[1]	Rock lobster	3 000	35	3 000	35
Ntabeni Fishing Proprietary Limited	Canned fish, fishmeal/oil	200	74	200	74
Lucky Star Limited	Canned fish, fishmeal/oil	600 000	100	600 000	100
Oceana Africa Holdings Limited – Mauritius	Holding company	–	n/a	100	100
Oceana Empowerment Trust[3]	Empowerment Trust	n/a	n/a	n/a	n/a
Oceana Lobster Limited	Rock lobster	965 500	100	965 500	100
Oceana Boa Pesca Limitada – Angola[1]	Fishmeal/oil	–	n/a	–	–
Ulwandle Inshore Proprietary Limited	Hake	1 000	100	1 000	100
Oceana Saam-Sonke Trust[3]	Empowerment Trust	n/a	n/a	n/a	n/a
Oceana Stakeholder Empowerment Trust[3]	Empowerment Trust	n/a	n/a	n/a	n/a
Oceana Share Trust	Empowerment Trust	–	–	–	–

Only principal trading subsidiaries, joint ventures and the associate company have been included in the above list. Details of all subsidiaries and joint ventures are available upon request from the company secretary. The Group has 16 (2022: 17) wholly-owned subsidiaries and 8 (2022: 15) non-wholly-owned subsidiaries. All subsidiaries and joint ventures are incorporated in South Africa unless otherwise indicated.

1. *Joint venture.*
2. *Associate*
3. *The trust is funded by capital contributions from Oceana Group Limited and participating South African subsidiary companies.*
4. *Asset held for sale in 2022.*
5. *Acquired by the ultimate holding company from CCS in the current year. This company was held indirectly through CCS prior to the disposal of CCS.*

Oceana Group Limited Company Financial Statements

Contents

The audited company financial statements for the year ended 30 September 2023, as set out on pages 98 to 127, were prepared under the supervision of Mr Z Mahomed CA(SA). The financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa No 71 of 2008.

Statement of Comprehensive Income

for the year ended 30 September 2023

	Notes	2023 Rm	2022 Rm
Revenue	1	**342.8**	313.1
Dividends received	2	**994.7**	183.2
Profit on sale of CCS Logistics	23.8	**741.1**	–
Overhead expenditure		**(347.9)**	(337.8)
Net foreign exchange gain		**22.2**	–
Operating profit*	3	**1 752.9**	158.5
Interest income	4	**96.2**	36.9
Interest expense	5	**(97.5)**	(42.2)
Profit before taxation		**1 751.6**	153.2
Taxation expense	6	**(131.4)**	3.8
Profit after taxation		**1 620.2**	157.0
Other comprehensive income		**–**	–
Total comprehensive income for the year		**1 620.2**	157.0

* *Other operating items as well as the subtotals for 'Operating profit before joint ventures and associate profit/(loss)and other operating items' and 'Operating profit before other operating items' have been removed to enhance disclosure. Other operating items have been included in overheads with the supporting disclosure shown in note 3.*

Statement of Financial Position

as at 30 September 2023

	Notes	2023 Rm	2022 Rm
ASSETS			
Non-current assets			
Property, plant and equipment	8	**32.8**	36.7
Right-of-use assets	9	**14.3**	19.6
Intangible assets	10	**68.8**	72.0
Interest in joint ventures and subsidiaries	11	**3 370.9**	3 370.9
Deferred taxation	12	**17.7**	10.6
Investments	13	**0.2**	0.5
Loan to Oceana Group Share Trust	14	**0.3**	0.3
Total non-current assets		**3 505.0**	3 510.6
Current assets			
Trade and other receivables	15	**217.4**	91.0
Loans to share trusts	16	**3.4**	3.4
Amounts owing by related parties	17	**0.5**	2.8
Taxation receivable		**12.5**	2.9
Cash and cash equivalents	23.6	**5.9**	53.3
Total current assets		**239.7**	153.4
Assets held for sale		**–**	57.5
Total assets		**3 744.7**	3 721.5
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	18	**1 184.6**	1 225.0
Share-based payment reserve	24	**33.2**	32.9
Distributable reserve		**782.8**	(317.2)
Total capital and reserves		**2 000.6**	940.7
Non-current liabilities			
Lease liabilities	19	**23.1**	33.7
Liability for share-based payments	24	**10.3**	3.0
Total non-current liabilities		**33.4**	36.7
Current liabilities			
Lease liabilities	19	**10.5**	8.8
Employee Accruals	20	**2.2**	0.5
Trade and other payables	21	**99.4**	71.6
Amounts owing to related parties	17	**1 395.6**	2 285.2
Short-term banking facilities	23.7	**203.0**	76.0
Total current liabilities		**1 710.7**	2 442.1
Liabilities held for sale		**–**	302.0
Total liabilities		**1 744.1**	2 780.8
Total equity and liabilities		**3 744.7**	3 721.5

Statement of Changes in Equity

for the year ended 30 September 2023

	Notes	Share capital	Share-based payment reserve	Distributable reserve	Total
		Rm	Rm	Rm	Rm
Balance at 1 October 2021		1 225.0	26.0	(108.5)	1 142.5
Total comprehensive income for the year		–	–	157.0	157.0
Share-based payment expense		–	15.1	–	15.1
Share-based payment exercised		–	(6.5)	–	(6.5)
Transfers from subsidiaries		–	6.2	–	6.2
Transfer from cash settled share-based payments		–	2.3	–	2.3
Transfers between reserves		–	(10.2)	10.2	–
Dividends	7	–	–	(375.9)	(375.9)
Balance at 30 September 2022		**1 225.0**	**32.9**	**(317.2)**	**940.7**
Changes in equity					
Total comprehensive income for the year		**–**	**–**	**1 620.2**	**1 620.2**
Share-based payment expense		**–**	**13.1**	**–**	**13.1**
Share-based payment exercised		**–**	**(16.8)**	**–**	**(16.8)**
Transfers from subsidiaries		**–**	**1.3**	**–**	**1.3**
Transfer from cash settled share-based payments		**–**	**4.9**	**–**	**4.9**
Transfers between reserves[1]		**–**	**(2.2)**	**2.2**	**–**
Purchase of treasury shares[2]		**(40.4)**			**(40.4)**
Dividends	7	**–**	**–**	**(522.4)**	**(522.4)**
Balance at 30 September 2023		**1 184.6**	**33.2**	**782.8**	**2 000.6**
Notes		18	24		

[1] *The amount transferred representing the amount paid in excess of IFRS 2 costs on vesting of equity settled share options.*

[2] *The purchase of treasury shares relates to the share repurchase plan related to long-term incentives.*

Statement of Cash Flows

for the year ended 30 September 2023

	Notes	2023 Rm	2022 Rm
Cash operating profit	23.1	**54.7**	6.1
Working capital changes	23.2	**(7.1)**	123.1
Cash generated from operations		**47.6**	129.2
Interest received	4	**96.2**	36.9
Interest paid		**(93.2)**	(42.2)
Taxation paid	23.3	**(147.3)**	(10.0)
Dividends received		**877.8**	183.2
Dividends paid	23.4	**(522.4)**	(375.9)
Cash inflow/(outflow) from operating activities		**258.7**	(78.8)
Cash flows from investing activities			
Purchases of property, plant and equipment	8	**(10.8)**	(12.4)
Purchases of intangible assets	10	**(7.6)**	(5.5)
Proceeds on disposal of property, plant and equipment		**5.0**	–
Decrease in shareholding in other investments	13	**0.3**	0.2
Proceeds on disposal on non-current assets held for sale	23.8	**760.0**	–
Related party loans paid on behalf of company		**(479.0)**	(49.0)
Cash inflow/(outflow) from investing activities		**267.9**	(66.7)
Cash flows used in financing activities			
Lease liabilities repaid		**(13.0)**	(7.4)
Purchase of treasury shares	23.5	**(40.4)**	–
Equity-settled share-based payment	23.5	**(18.6)**	(6.5)
Short-term banking facility raised	23.7	**6 852.0**	3 861.0
Short-term banking facility repaid	23.7	**(6 725.0)**	(3 876.0)
Repayment of related party loan		**(629.0)**	–
Cash outflow from financing activities		**(574.0)**	(28.9)
			–
Net decrease in cash and cash equivalents		**(47.4)**	(174.4)
Cash and cash equivalents at the beginning of the year		**53.3**	227.7
Cash and cash equivalents at end of the year		5.9	53.3

Notes to the Company Financial Statements

for the year ended 30 September 2023

1. REVENUE

	2023 Rm	2022 Rm
Rendering of services		
Administration fees from external parties	13.3	–
Administration fees from related parties	329.5	313.1
	342.8	313.1

Refer to note 1.5 of the Group AFS for the Revenue recognition accounting policy outlining revenue streams and performance obligations.

2. DIVIDENDS RECEIVED

	2023 Rm	2022 Rm
Dividends received from group companies	994.7	183.2

3. OPERATING PROFIT

	2023 Rm	2022 Rm
Operating profit before other operating items is arrived at after taking into account the following items:		
Income:		
Profit on disposal of property, plant and equipment		
Property, plant and equipment	2.0	–
Expenditure:		
Employment related expenditure		
Employment costs	110.3	97.6
Retirement costs	10.9	9.5
Share-based payments – cash-settled compensation scheme	0.6	2.6
Share-based payments – equity-settled compensation scheme	13.1	9.6
Share-based payments – equity-settled BEE IFRS 2 charge	0.6	0.8
	135.5	120.1
Depreciation of property, plant and equipment		
Leasehold improvements	0.4	0.4
Furniture, office equipment and computer hardware	11.9	8.6
	12.3	9.0
Lease expenditure		
Depreciation of right-of-use assets	5.3	5.2
Low-value lease expenses	1.2	1.2
Short-term lease expenses	1.5	0.7
	8.0	7.1

3. OPERATING PROFIT continued

	2023 Rm	2022 Rm
Expenditure		
Administrative, technical and secretarial fees	**12.8**	27.0
Software maintenance	**20.9**	17.8
Legal and consulting fees	**2.3**	25.4
Outsourced services	**18.2**	19.4
	54.2	89.6
Amortisation of intangible assets		
Computer software	**8.7**	8.6
	8.7	8.6
Auditors' remuneration		
Fees for audit – current year	**3.2**	17.2
Fees for audit – prior year under accrual	**4.0**	–
	7.2	17.2
Scrapping of computer software		
Computer software	**2.1**	–

4. INTEREST INCOME

	2023 Rm	2022 Rm
Amounts owing by group companies	**92.2**	28.3
Bank and short-term deposits	**4.0**	8.6
	96.2	36.9

5. INTEREST EXPENSE

	2023 Rm	2022 Rm
Amounts owing to group companies	**36.5**	21.7
Bank and short-term borrowing facilities	**57.2**	16.0
Lease liabilities	**3.8**	4.5
	97.5	42.2

6. TAXATION EXPENSE

	2023 Rm	2022 Rm
Current taxation		
South African current taxation		
Current year	13.1	0.5
Capital gains tax	96.1	–
Adjustments in respect of previous years	–	(2.0)
	109.2	(1.5)
Foreign current taxation		
Withholding tax[1]	28.7	–
Total current taxation	137.9	(1.5)
Deferred taxation		
South African deferred taxation		
Current year	(6.5)	(2.1)
Adjustments in respect of previous years	–	(0.1)
Rate change adjustment	–	(0.1)
Total deferred taxation	(6.5)	(2.3)
Total taxation charge	131.4	(3.8)

[1] *Withholding tax is paid on intergroup dividends received from the company's foreign subsidiary in the United States of America.*

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

	2023 %	2022 %
Effective rate of taxation	7.5	(2.5)
Adjustment to rate due to:		
Dividend income	15.3	33.5
Foreign taxation rate differentials and withholding taxes	(1.6)	–
Capital gains tax	6.0	–
Expenses not allowable for taxation	(0.1)	(4.2)
Over provision of prior year tax	(0.1)	1.3
Rate change adjustment	–	(0.1)
South African company income tax rate	27.0	28.0

7. DIVIDENDS

	2023 Rm	2022 Rm
Final dividend of 291 cents (2022: 248 cents) declared on 5 December 2022 paid 27 December 2022	361.2	307.7
Interim of 130 cents (2022: 55 cents) per share declared on 5 June 2023 paid 26 June 2023	161.2	68.2
Dividends paid during the year	522.4	375.9
Final dividend of 305 cents (2022: 291 cents) approved on 24 November 2023 to be declared 27 November 2023 (2022: 5 December 2022)	305.0	361.2
Dividends per share (cents)	435.0	346.0
– Interim paid	130.0	55.0
– Final declared after reporting date	305.0	291.0

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings Rm	Leasehold land and buildings Rm	Computer hardware Rm	Furniture and office equipment Rm	Total Rm
2022					
Cost	1.3	3.7	50.9	10.8	66.7
Accumulated depreciation and impairment losses	–	(1.2)	(26.4)	(5.8)	(33.4)
Net book value at 1 October 2021	1.3	2.5	24.5	5.0	33.3
Movements for the year					
Additions	–	–	11.1	1.3	12.4
Depreciation	–	(0.4)	(7.5)	(1.1)	(9.0)
Balance at 30 September 2022	1.3	2.1	28.1	5.2	36.7
Cost	1.3	3.7	62.0	12.1	79.1
Accumulated depreciation and impairment losses	–	(1.6)	(33.9)	(6.9)	(42.4)
Net book value at 30 September 2022	1.3	2.1	28.1	5.2	36.7
2023					
Movements for the year					
Additions	**–**	**–**	**8.5**	**2.3**	**10.8**
Disposals – cost	**–**	**–**	**(4.2)**	**(1.3)**	**(5.5)**
Disposals – accumulated depreciation	**–**	**–**	**2.8**	**0.3**	**3.1**
Depreciation	**–**	**(0.4)**	**(10.4)**	**(1.5)**	**(12.3)**
Transfer between asset classes	**(1.3)**	**1.3**	**–**	**–**	**–**
Balance at 30 September 2023	**–**	**3.0**	**24.8**	**5.0**	**32.8**
Cost	**–**	**5.0**	**66.3**	**13.1**	**84.4**
Accumulated depreciation and impairment losses	**–**	**(2.0)**	**(41.5)**	**(8.1)**	**(51.6)**
Net book value at 30 September 2023	**–**	**3.0**	**24.8**	**5.0**	**32.8**

9. RIGHT-OF-USE ASSETS

	2023 Rm	2022 Rm
Opening balance at 1 October	**19.6**	24.8
Movements for the year		
Depreciation	**(5.3)**	(5.2)
Net book value at 30 September	**14.3**	19.6
Made up as follows:		
Cost	**35.2**	35.2
Accumulated depreciation and impairment losses	**(20.9)**	(15.6)
Net book value at 30 September	**14.3**	19.6

The Company leases the Oceana House building. The remaining lease term is 2.75 years.

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

10. INTANGIBLE ASSETS

	Computer software Rm
2022	
Cost	131.0
Accumulated amortisation	(55.9)
Net book value 1 October 2021	75.1
Movements for the year	
Amortisation for the year	(8.6)
Additions	5.5
Balance at 30 September 2022	72.0
Made up as follows:	
Cost	136.5
Accumulated amortisation	(64.5)
Net book value at 30 September 2022	72.0
2023	
Movements for the year	
Amortisation for the year	**(8.7)**
Scrapping of intangible assets	**(2.1)**
Additions	**7.6**
Net book value at 30 September 2023	**68.8**
Made up as follows:	
Cost	**142.0**
Accumulated amortisation	**(73.2)**
Net book value at 30 September 2023	**68.8**

The remaining amortisation period for intangible assets are as follows:

Computer software	1 – 7 years

11. INTEREST IN JOINT VENTURES AND SUBSIDIARIES

	2023 Rm	2022 Rm
Opening carrying amount of shares	**3 370.9**	3 377.9
Transfer to assets held for sale	**–**	(7.0)
	3 370.9	3 370.9
Reconciliation of interest in joint ventures and subsidiaries		
Blue Continent Products Proprietary Limited	**1.9**	1.9
Oceana Lobster Limited	**1.0**	1.0
Lucky Star Limited	**1.7**	1.7
Etosha Fisheries Holding Company Proprietary Limited	**11.0**	11.0
Oceana US Investment Holdings Corporation	**3 221.4**	3 221.4
Amawandle Pelagic Proprietary Limited	**133.9**	133.9
Total	**3 370.9**	3 370.9

Refer to note 31 for further details.

12. DEFERRED TAXATION

	2023 Rm	2022 Rm
Deferred tax assets	**17.7**	10.6
Net deferred tax assets	**17.7**	10.6
Net assets at the beginning of the year	**10.6**	6.3
Deferred tax transferred from subsidiaries[1]	**0.6**	2.1
Credited to the statement of comprehensive income	**6.5**	2.2
Net assets at the end of the year	**17.7**	10.6
Comprising:		
Property, plant and equipment	**(14.4)**	(16.2)
Right-of-use asset	**(3.9)**	(5.3)
Employee accruals	**26.9**	20.6
Lease Liabilities	**9.1**	11.5
	17.7	10.6

[1] *Employee accruals transferred from subsidiaries.*

13. INVESTMENTS

	2023 Rm	2022 Rm
Investments	**0.2**	0.5
Total	**0.2**	0.5

The Company holds a 2.8% (2022: 3.5%) equity share in Group Risk Holdings Proprietary Limited.

MOVEMENT IN INVESTMENTS

	2023 Rm	2022 Rm
Balance at the beginning of the year	**0.5**	0.7
Reduction in investment in Group Risk Holdings Proprietary Limited	**(0.3)**	(0.2)
Balance at the end of the year	**0.2**	0.5
Categorised between current and non-current portion		
Current asset	**–**	–
Non-current asset	**0.2**	0.5
	0.2	0.5

14. LOAN TO OCEANA GROUP SHARE TRUST

	2023 Rm	2022 Rm
Interest-bearing at 9.25% per annum (2022: 6.5%)	**0.3**	0.3

The Oceana Share Trust was formed to finance the purchase of shares in the company by employees of the Oceana Group.

The loans are secured by pledge of the shares purchased in terms of the scheme.

Interest is accrued at the repo rate plus 1%.

	2023 Rm	2022 Rm
Categories of current and non-current portions		
Current asset	**–**	–
Non-current asset	**0.3**	0.3
	0.3	0.3

15. TRADE AND OTHER RECEIVABLES

	2023 Rm	2022 Rm
Trade receivables	**5.9**	0.1
Other receivables	**73.4**	105.8
Transfer to assets held for sale	**–**	(36.5)
Financial assets	**79.3**	69.4
Prepayments	**12.9**	10.7
Deposits	**–**	0.5
Value added taxation	**3.4**	10.1
Acrrued income	**121.8**	0.3
Non-financial assets	**138.1**	21.6
Total	**217.4**	91.0

	2023 Rm	2022 Rm
Categories of financial and non-financial assets		
Financial assets	**79.3**	69.4
Non-financial assets	**138.1**	21.6
	217.4	91.0

The Company applied the simplified approach using a provision matrix in calculating the expected credit loss on trade receivables. The expected credit loss for trade receivables has been assessed to be immaterial. A general approach is used to calculate the expected credit loss on other receivables. The expected credit loss for other receivables is assessed as immaterial.

16. LOANS TO SHARE TRUSTS

	2023 Rm	2022 Rm
Oceana Empowerment Trust[1]	3.3	3.3
Oceana Saam-Sonke Trust[1]	0.1	0.1
	3.4	3.4

[1] *The carrying amount of the loans to share trusts approximates their fair value.*

OCEANA EMPOWERMENT TRUST

This relates to funds provided by the Company and participating South African subsidiary companies on formation of the Oceana Empowerment Trust.

A return of 7.46% will be repaid by the Trust from dividends received from the Company and from the proceeds of shares realised on behalf of qualifying employees after the 14 year lock-in period or on behalf of the beneficiaries of deceased qualifying employees. The lock-in period expired in January 2021, accordingly, the Trust commenced with its winding up process in line with the trust deed. The loan is unsecured, does not bear any interest and is payable on demand. The expected credit loss of the loan is assessed to be immaterial.

OCEANA SAAM-SONKE TRUST AND OCEANA STAKEHOLDER EMPOWERMENT TRUST

This relates to the funding provided by the founder Oceana Group Limited enabling the Trust to subscribe for shares in the founder.

The loan does not bear any interest and is payable on demand. The loans expected credit loss is assessed to be immaterial.

	2023 Rm	2022 Rm
Categories of current and non-current portions		
Current asset	3.4	3.4
Non-current asset	–	–
	3.4	3.4

17. AMOUNTS OWING BY/(TO) RELATED PARTIES

	2023 Rm	2022 Rm
Current amounts owing by	0.5	2.8
Current amounts owing to	(1 395.6)	(2 285.2)
Total current amounts owing	(1 395.1)	(2 282.4)

Loans to related parties are unsecured and payable on demand. Loans to wholly-owned South African subsidiaries are interest-free with the exception of when the Company is required to fund subsidiary working capital requirements from available overdraft facilities in which event interest is charged at prevailing market rates. Interest rates on other loans are floating and approximate prevailing market rates. The carrying amount of these loans approximates their fair value. Please refer to note 28 for detailed breakdown of these amounts.

Included in amounts owing to related parties for the Company is a R1 104 million (2022: R1 802 million) loan from Lucky Star Limited. The Company signed a subordination agreement with Lucky Star Limited confirming its intention to continue providing financial and/or other support to Oceana Group Limited with a view to it being able to meet its liabilities as and when they fall due. The subordination agreement shall remain in force and effect for so long as the current liabilities of the Company exceeds its current assets fairly valued.

EXPECTED CREDIT LOSS ALLOWANCE

The Company applies the general approach in calculating ECLs for amounts owing by related parties. Amounts owing by related parties inherently expose the Company to credit risk. Loans receivable were valued based on the risk of the counterparty on the comprehensive method. The expected credit loss of amounts owing by related parties is assessed to be immaterial.

Details of the expected credit loss in relation to loans are disclosed in Note 27.

18. SHARE CAPITAL

18.1 AUTHORISED SHARE CAPITAL

300 000 000 ordinary shares of no par value (2022: 300 000 000 ordinary shares of no par value)

18.2 ISSUED SHARE CAPITAL

130 431 804 ordinary shares of no par value (2022: 130 431 804 ordinary shares of no par value)

	2023 Rm	2022 Rm
Opening balance ordinary share capital	1 225.0	1 225.0
Less: treasury shares repurchased for long term incentives	(40.4)	–
Balance at the end of the year	**1 184.6**	1 225.0

552 800 of treasury shares were acquired at a weighted average price of R73.14 per share.

18.3 UNISSUED SHARES

	2023 Shares	2022 Shares
Authorised ordinary shares of no par value	300 000 000	300 000 000
Issued ordinary shares of no par value	(130 431 804)	(130 431 804)
Unissued shares	**169 568 196**	169 568 196

The unissued ordinary shares are under the control of the directors who may issue them on such terms and conditions as they deem fit until the company's next annual general meeting, subject to the requirements of the Companies Act and/or the JSE Listings Requirements.

19. LEASE LIABILITIES

	2023 Rm	2022 Rm
Balance at 1 October	42.5	49.9
Current year movement		
Interest	3.8	4.5
Lease payments	(12.7)	(11.9)
Balance at 30 September	**33.6**	42.5
Lease liabilities maturity analysis		
Due within one year	13.6	12.6
Due within two years	14.5	13.6
Due within three years	11.4	14.5
Due within four years	–	11.4
Due within and later than five years	–	–
Total minimum lease payments	**39.5**	52.1
Less: future finance charges	**(5.9)**	(9.6)
Present value of lease liability	**33.6**	42.5
Categorised between non-current and current portions		
Non-current liabilities	23.1	33.7
Current liabilities	10.5	8.8
	33.6	42.5

	2023 Rm	2022 Rm
The term varies for each lease entered into the Company with lease periods falling into the following range:		
Weighted average lease term at inception of lease contracts in years	15	15
Weighted average lease term remaining at 30 September in years	3	4

20. EMPLOYEE ACCRUALS

	2023 Rm	2022 Rm
Ex gratia retirement accrual		
Balance at the beginning of the year	**0.5**	0.7
Gain/(Loss) on fair value adjustments	**0.5**	(0.2)
Transferred from subsidiaries	**(0.6)**	–
Balance at the end of the year	**0.4**	0.5

	2023 Rm	2022 Rm
CCS Logistics DBS Accrual		
Balance at the beginning of the year	**–**	–
Transfer of accrual	**1.8**	–
Balance at the end of the year	**1.8**	–

The CCS Logistics DBS accrual relates to the deferred bonus scheme shares awarded to CCS Logistics executive directors transferred to the Company post the sale of CCS Logistics.

21. TRADE AND OTHER PAYABLES

	2023 Rm	2022 Rm
Trade payables	**11.0**	5.3
Accrued expenses	**23.7**	19.0
Audit fee accrued	**2.7**	2.8
Financial liabilities	**37.4**	27.1
Leave pay accrual	**6.2**	6.0
Bonus accrual	**51.0**	34.6
Unclaimed dividends	**4.8**	3.9
Non-financial liabilities	**62.0**	44.5
Total	**99.4**	71.6
Categories of financial and non-financial liabilities		
Financial liabilities	**37.4**	27.1
Non-financial liabilities	**62.0**	44.5
	99.4	71.6

No interest is charged on trade payables. The Company 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 due to them being short term in nature.

22. COMMITMENTS

	2023 Rm	2022 Rm
Capital commitments		
Budgeted capital expenditure is as follows:		
Contracted	**5.0**	9.4
Not contracted	**16.4**	24.2
Total	**21.4**	33.6

23. CASH FLOW INFORMATION

23.1 CASH OPERATING PROFIT

	2023 Rm	2022 Rm
Operating profit	1 752.9	158.5
Adjustment for non-cash and other items	(1 698.2)	(152.4)
Depreciation and amortisation	26.3	22.9
Share-based payment expense (equity settled)	13.8	10.5
Share based payment expense (cash settled)	10.9	(2.6)
Profit on sale of CCS Logistics	(741.1)	–
Scrapping of intangibles	2.1	–
Net surplus on disposal of property, plant and equipment	(2.0)	–
Unrealised foreign exchange gains and losses	(5.4)	–
Non-cash movement in accruals	0.5	–
Dividends received	(994.7)	(183.2)
Transaction costs relating to disposal of CCS Logistics	(8.6)	–
Total cash operating profit	**54.7**	**6.1**

	2023 Rm	2022 Rm
23.2 WORKING CAPITAL CHANGES		
(Increase)/decrease in trade and other receivables (note 15)	(130.9)	25.6
Increase in trade and other payables (note 21)	4.0	83.0
Decrease in loans and receivables	119.8	14.5
Total working capital changes	**(7.1)**	**123.1**
23.3 TAXATION PAID		
Net amount unpaid at the beginning of the year	3.1	(8.4)
Charged to profit or loss (Note 6)	(137.9)	1.5
Net amount overpaid at the end of the year	(12.5)	(3.1)
Cash amounts paid	**(147.3)**	**(10.0)**
23.4 DIVIDEND PAID		
Dividends	(522.4)	(375.9)
Cash amounts paid	**(522.4)**	**(375.9)**
23.5 CASH FLOWS USED IN FINANCING ACTIVITIES		
Repurchase of treasury shares	(40.4)	–
Treasury shares repurchased for long-term incentives	(40.4)	–
Equity-settled share-based payment	(18.6)	(6.5)
Performance shares compensation scheme - exercised	(6.0)	(0.5)
Restricted shares compensation scheme - exercised	(12.6)	(6.0)
23.6 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	5.9	53.3
Balance as per statement of cash flows	**5.9**	**53.3**

23. CASH FLOW INFORMATION continued

23.7 SHORT-TERM BANKING FACILITY

	2023 Rm	2022 Rm
Opening Balance	**76.0**	91.0
Interest accrued	**57.2**	16.0
Cash advances received	**6 852.0**	3 861.0
Cash repayments made (capital and interest)	**(6 782.2)**	(3 892.0)
Closing balance	**203.0**	76.0

23.8 PROFIT ON SALE OF CCS LOGISTICS

	2023 Rm
Proceeds	**760.0**
Investment value	**(7.0)**
Costs incurred directly attributable to the sale	**(11.9)**
	741.1

24. SHARE-BASED PAYMENT PLANS

	2023 Rm	2022 Rm
Equity-settled compensation schemes		
Performance shares compensation scheme (note 24.1)	**19.4**	13.3
Restricted shares compensation scheme (note 24.2)	**4.8**	16.3
Restricted shares elective deferral compensation scheme (note 24.3)	**2.4**	2.0
Bonus Deferral compensation scheme (note 24.4)	**5.3**	0.6
Black economic empowerment (BEE) scheme (note 24.6)	**1.3**	0.7
Share-based payment reserve	**33.2**	32.9
Cash-settled compensation schemes		
Share appreciation rights compensation scheme (note 24.5)	**10.3**	3.0
CEO LTI scheme (note 24.7)		
Liability for share-based payments	**10.3**	3.0

24.1 EQUITY-SETTLED (PERFORMANCE SHARES) COMPENSATION SCHEME

Performance shares - LTI 2013 plan:

Performance shares awarded under the LTI 2013 plan were previously granted to executive and senior managers by the Board on the recommendation of the Remuneration Committee. Shares are issued for no cash consideration.

Performance shares vest on the third anniversary of their grant, to the extent that the Group has met specified performance criteria, linked to the Group's comparative total shareholder return (TSR) in relation to a comparator group, over the intervening period. Shares that have not been exercised in accordance with the rules of the plan are forfeited upon termination of employment, other than on death, retrenchment, retirement or other no-fault terminations.

The performance shares previously granted are valued using the Monte Carlo option model. From 2022 onwards, the LTI 2013 plan is being phased out with no new grants being awarded under this plan.

Performance shares - LTI 2022 plan:

Performance shares awarded under the LTI 2022 plan are granted to executive and senior managers by the Board on the recommendation of the Remuneration Committee. Shares are issued for no cash consideration. Performance shares vest on the third anniversary of their grant, to the extent that the Group has met specified non-market conditions performance criteria, including a mix of financial and ESG measures. Shares that have not been exercised in accordance with the rules of the plan are forfeited upon termination of employment, other than on death, retrenchment, retirement or other no-fault terminations. The performance shares granted are valued using the Monte Carlo option model. Executives receive dividend equivalent shares as and when the Board declares a dividend. Dividend equivalent shares are awarded subject to the same conditions applicable to the underlying performance share award, including the employment conditions and performance conditions.

24. SHARE-BASED PAYMENT PLANS continued

During the year Share Appreciations Rights (SARs) were converted to Replacement Performance Shares (RPS's). The conversion of the SARS into RPS's was previously determined as at 31 March 2022 on a value-equivalent basis.

The value of all outstanding SARS was determined at this date and the number of RPS's was calculated so that the fair value of the RPS's is equivalent to that of the SARS, both determined at the conversion date.

Since the total fair value of RPS's at the conversion date is equal to the total fair value of the original SARS at the same date, no additional modification cost needs to be recognised.

Using the Binomial Tree Pricing Option Model, the fair value of SARs holdings was independently determined and a number of RPS's were issued as replacement shares for the converted SARs.

The following assumptions were applied in the valuation of the replacement shares:

Weighted average price per share (Rands): 57.00
Dividend Yield: 0%
Volatility: 30.36%
Risk free interest rate: 7.06%

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

	2023		2022	
	Number of share options	**Weighted average grant price at award (Rand)**	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	**253 398**	**60.83**	273 233	66.10
Granted during the year	**302 892**	**58.47**	113 200	55.52
Transferred from SARs	**212 122**	**57.00**	27 400	66.08
Forfeited during the year[1]	**(186 678)**	**59.96**	(153 205)	66.42
Exercised during the year[2]	**(110 455)**	**60.6**	(9 230)	72.26
Top-up on vesting during the year[3]	**64 092**	**60.14**	2 000	67.94
Outstanding at the end of the year	**535 371**	**58.31**	253 398	60.83

[1] *Options forfeited during the year includes 85 960 (2022: 126 935) forfeited due to resignations, 100 718 (2022: 26 270) forfeited due to performance conditions not having been achieved.*

[2] *Grant 7A options vested on 1 March 2023 and 7B on 30 June 2023 as the specified performance criteria over the intervening period were achieved. The weighted average share price on settlement was R70.50 and R70.90 (2022: R56.15) per share.*

[3] *A TSR multiplier of 7A 167% and 7B 37% (2022: 26% Grant 5A) was applied for Grant 6A options settled due to Oceana having been placed in the highest quartile of the comparable group. TSR is defined as the increase in the market value of a portfolio of shares on the assumption that dividends are reinvested.*

The weighted average remaining contractual life for the share options outstanding as at 30 September 2023 is 1.6 years (2022: 1.7 years).

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

		2023	2022
	Grant number	**Number of share options**	**Number of share options**
R73.79 per share exercisable after 12 February 2022	6A	–	28 400
R59.78 per share exercisable after 01 March 2023	7A	–	54 500
R58.71 per share exercisable after 30 June 2023	7B	–	9 198
R67.94 per share exercisable after 4 March 2024	8B	**41 800**	48 100
R55.52 per share exercisable until 01 June 2025	9A	**102 281**	113 200
R57.00 per share exercisable until 01 Nov 2024	R1A	**57 336**	–
R57.00 per share exercisable until 01 Nov 2024	R1B	**57 370**	–
R57.00 per share exercisable after 01 November 2023	R1C	**9 165**	–
R58.47 per share exercisable after 21 November 2025	PS9	**175 230**	–
R55.50 per share exercisable after 31 October 2025	PS10A	**75 310**	–
R71.72 per share exercisable after 31 May 2026	PS10B	**16 879**	–
		535 371	253 398

24. SHARE-BASED PAYMENT PLANS continued

24.2 EQUITY-SETTLED (RESTRICTED SHARES) COMPENSATION SCHEME

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

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

	2023		2022	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	**248 875**	**70.70**	372 112	71.18
Transferred during the year	**(10 416)**	**74.95**	57 136	73.05
Forfeited during the year[1]	**(11 000)**	**60.85**	(72 219)	66.67
Exercised during the year	**(171 559)**	**74.29**	(108 154)	76.34
Outstanding at the end of the year	**55 900**	**60.85**	248 875	70.70

1. *Options forfeited during the year amounts to 11 000 (2022: 72 219) forfeited due to employee resignations.*

The weighted average remaining contractual life for the share options outstanding as at 30 September 2023 is 1.4 months (2022: 0.4 years).

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

	Grant number	2023 Number of share options	2022 Number of share options
R85.20 per share exercisable after 13 November 2021	6A	–	26 800
R75.00 per share exercisable after 7 May 2022	6B	–	104 232
R68.26 per share exercisable after 12 November 2022	7A	–	45 700
R58.71 per share exercisable after 30 June 2023	7B	–	6 643
R60.85 per share exercisable after 11 November 2023	8B	**55 900**	65 500
		55 900	248 875

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

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

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

	2023		2022	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	**40 401**	**60.85**	40 401	60.85
Outstanding at the end of the year	**40 401**	**60.85**	40 401	**60.85**

Shares could not be exercised due to executives being in a prohibited period.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2023 is 0.1 years (2022: 1.1 years).

24. SHARE-BASED PAYMENT PLANS continued

24.4 EQUITY-SETTLED (BONUS DEFERRAL) COMPENSATION SCHEME

Bonus deferral shares (BDS) are granted to executive and senior managers by the Board on the recommendation of the Remuneration Committee in terms of the Oceana share incentive plan which was implemented in 2022 (LTI 2022 plan). Bonus deferral shares awarded are directly linked to the short-term incentive (STI) plan, based on a standard 50% matching ratio to the actual earned STI for the previous financial year. For bonus deferral shares, there is no strike price and employees are entitled to cash dividends, the value of these instruments is equal to the share price at the grant date. No assumptions are therefore required for further valuation. Bonus deferral shares will vest on the third anniversary of their grant subject to being actively employed on the vesting date. All no-fault terminations, apart from death, will remain in force and will vest on the original vesting date. Shares that have not been exercised as a result of fault terminations, are forfeited upon termination of employment. Participants are entitled to exercise all shareholder rights such as the right to vote and receiving cash dividends paid subject to dividends being declared by the Board.

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

	2023		2022	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	120 200	55.52		
Granted during the year	190 600	58.47	120 200	55.52
Transferred during the year	7 100	55.52		
Forfeited during the year[1]	(59 700)	57.19	–	–
Outstanding at the end of the year	**258 200**	**57.31**	120 200	55.52

1. *59 700 options were forfeited due to employee resignations*

		2023	2022
	Grant number	Number of share options	Number of share options
R55.52 per share exercisable after 31 May 2025	9	101 300	120 200
R58.47 per share exercisable after 21 November 2025	10	156 900	–
		258 200	120 200

The weighted average remaining contractual life for the share options outstanding as at 30 September 2023 is 2.0 years (2022: 1.1 years).

24.5 CASH-SETTLED (SHARE APPRECIATION RIGHTS) COMPENSATION SCHEME

Share appreciation rights are granted to executive directors and senior managers by the Board on the recommendation of the Remuneration and Nominations Committee in terms of the Oceana share incentive plan which was implemented in 2014. The exercise price and vesting rights of the share appreciation rights are the same as for the share scheme described in note 30.3, but the contractual life of the options is seven years and gains on options are settled in cash. Share appreciation rights allocated have a performance criteria, linked to growth in headline earnings per share, which reduces when the Group's financial performance targets are not met.

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

24. SHARE-BASED PAYMENT PLANS continued

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

	2023		2022	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	783 088	65.13	2 374 892	65.99
Transferred to RPS	(783 088)	65.13	–	–
Transferred during the year	–	–	255 952	67.59
Forfeited during the year	–	–	(1 847 756)	65.79
Outstanding at the end of the year	–	–	783 088	67.00

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

		2023	2022
	Grant number	Number of share options	Number of share options
R116.81 per share exercisable after 14 February 2024	4A	–	14 074
R82.27 per share exercisable after 14 February 2025	5A	–	67 800
R73.79 per share exercisable after 14 February 2026	6A	–	99 300
R59.78 per share exercisable after 1 March 2027	7A	–	365 114
R67.94 per share exercisable after 4 March 2028	8B	–	236 800
		–	783 088

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

The Oceana Saam-Sonke Trust acquired 7 825 908 shares in the Company in March 2021 at a cost of 1 cent per share. The rights to acquire these shares were allocated to qualifying employees of the Company and direct and indirect subsidiaries in 2 allocations made to date, one on 30 September 2021 and one on 30 January 2023.The rights vest in three tranches, one third after a period of eight years, one third over a period of nine years and a final third after ten years providing the employee remains in service. These equity settled rights are valued at fair value on grant date using a Monte Carlo option pricing model taking into account terms and conditions upon which rights have been granted.

The following assumptions were applied in the valuation:

Weighted average price per share (Rands): 68.80
Dividend Yield: 4.91%
Volatility: 31.32%
Risk free interest rate: 7.80%

	2023		2022	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	300 000	66.54	351 000	66.54
Granted during the year	32 112	68.80	–	–
Forfeited during the year	(42 000)	66.63	(51 000)	66.54
Outstanding at the end of the year	290 112	66.63	300 000	66.54

24. SHARE-BASED PAYMENT PLANS continued

24.7 OCEANA GROUP - CEO LTI INCENTIVE SCHEME

The Board on the recommendation of the Remuneration Committee granted the CEO a long-term incentive vesting on the 31 December 2024. The fair value of the cash-settled option is measured using the Monte Carlo option model taking into account the terms and conditions upon which the instrument was granted. The services received and the liability to pay for those services are recognised over the vesting period. Until the liability is settled it is remeasured at each reporting date with the changes in fair value recognised in the statement of comprehensive income.

The following assumptions were applied in the valuation:

Weighted average price per share (Rands): 72.14
Dividend Yield: 5.42%
Volatility: 27.65%
Risk free interest rate: 8.65%

	R'm
Opening Balance	0.0
Amount recognised during the year in profit or loss	10.3
Closing balance	**10.3**

25. RETIREMENT BENEFITS

DEFINED-CONTRIBUTION PLANS

The Company provides a total of five retirement plans that cover all employees. The plans consist of four defined-contribution provident funds and one defined-contribution pension fund. The assets of the funds in South Africa are held in independent funds, administered by their trustees in terms of the Pension Funds Act, 24 of 1956, as amended. In terms of the Pension Funds Act, certain of the retirement funds are exempt from actuarial valuation. The amount expensed for defined contribution plans for the Company was R11.0 million (2022: R9.5 million).

POST-EMPLOYMENT MEDICAL OBLIGATIONS

The Oceana Group operates a post-employment medical benefit scheme that covers certain of its retirees. This benefit is no longer offered by the Company 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 2023.

	2023	2022
	Rm	Rm
Present value of post-employment medical obligations	**2.3**	1.2
Less: Fair value of plan assets	**(1.9)**	(0.7)
Liability at the reporting date	**0.4**	0.5
The principal actuarial assumptions used for accounting purposes relating to post-employment medical obligations:		
Medical inflation p.a.	**7.57%**	8.47%
Discount rate p.a.	**10.78%**	11.03%

A 100 basis point increase or decrease in the rate of medical inflation would lead to an increase or decrease in the present value of obligations of 8.6% and 6.6% (2022: 9.5% and 7.5%) respectively.

A 100 basis point increase or decrease in the discount rate would lead to an increase or decrease in the present value of obligations of 11.8% and 9.8% (2022: 12.03% and 11.03%) respectively.

26. CONTINGENT LIABILITIES AND GUARANTEES

The Company has given cross suretyships in support of bank overdraft facilities of the Company. Lucky Star Limited has subordinated the borrowings to the Company of R1 105 million (2022: R1 802 million) as disclosed in Note 27.

27. FINANCIAL RISK MANAGEMENT

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

RISK MANAGEMENT

The risk management strategy of the Company is conducted in conjunction with that of the Oceana Group of companies given that the financial risks ultimately affect the return of the Company via fluctuations to investment income.

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

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

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

The Company does not speculate in the trading of derivative or other financial instruments.

MARKET RISK

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

The key components of market risk are as follows:

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

EXPOSURE TO CURRENCY RISK

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

The Company is exposed to interest rate risk as detailed below.

EXPOSURE TO INTEREST RATE RISK

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	2023 Rm	2022 Rm
Variable-rate instruments[1]		
Cash and cash equivalents	**5.9**	53.3
Loan to Oceana Group Share Trust	**0.3**	0.3
Short-term banking facility	**203.0**	76.0
	209.2	129.6

[1] *The carrying value approximates their fair value.*

27. FINANCIAL RISK MANAGEMENT continued

INTEREST RATE SENSITIVITY ANALYSIS

Based on the interest-bearing net assets and interest rates ruling at the reporting date, net interest earned would amount to R17.8 million (2022: R2.6 million). A 100 basis point change in the interest rate would result in an increase/(decrease) of R2.0 million (2022: R0.2 million).

LIQUIDITY RISK

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

The Company manages their liquidity risk by monitoring and forecasting cash flows and by maintaining adequate borrowing facilities to meet short-term demands. In this regard, the Company has undrawn working capital facilities of R897 million (2022: R1 024 million) as at the reporting date, assessed and renewed annually. In terms of the Company's Memorandum of Incorporation, the Company's borrowing powers are unlimited. Cash flows are monitored on an ongoing basis to ensure that cash resources are adequate to meet the Company's funding requirements. Sufficient short term facilities have been negotiated to manage any shortfall in these funding requirements. The current liabilities of the Company exceeds the current assets. This is mitigated by the intercompany borrowings which Lucky Star Limited has subordinated to the Company of R1 105 million (2022: 1 802 million) as disclosed in Note 28.

The Company ensures that it complies with the liquidity and solvency requirements for any dividend payments per the Companies Act. Debt covenants, which exist on borrowings, are monitored by management on an ongoing basis and are being met.

EXPOSURE TO LIQUIDITY RISK

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

	Notes	Carrying amount	1 year or less	2 - 5 years
		Rm	Rm	Rm
2023				
Amounts owing to related parties	17	**1 395.6**	**1 395.6**	**–**
Trade and other payables	21	**37.4**	**37.4**	**–**
Lease liabilities	19	**33.6**	**13.6**	**20.0**
Short-term banking facilities	23.7	**203.0**	**203.0**	**–**
Total non-derivatives		**1 669.6**	**1 649.6**	**20.0**
2022				
Amounts owing to related parties	17	2 285.2	2 285.2	–
Trade and other payables	21	27.1	27.1	–
Lease liabilities	19	42.5	12.6	29.9
Short-term banking facilities	23.7	76.0	76.0	–
Total non-derivatives		2 430.8	2 400.9	29.9

The maximum liquidity risk in respect of financial guarantees is the full extent of the Group's facilities and borrowings in South Africa of R2 068.9m million (2022: R2 764.8 million), however the extent of the exposure at year end is R971.9 million (2022: R1 240.8 million) all would be within 1 year or less.

CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables from customers.

The Company is exposed to credit risk on cash and cash equivalents, loan receivable and trade and other receivables.

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

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

27. FINANCIAL RISK MANAGEMENT continued

IMPAIRMENT OF FINANCIAL ASSETS

Trade receivables

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

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

The Company considers that trade, other receivables and loan receivables have low credit risk and expected credit losses assessed were considered immaterial in nature for the 2023 and 2022 financial year.

Cash and cash equivalents

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

LOAN RECEIVABLES

The Company applies the IFRS 9 general approach in measuring expected credit losses on loans receivable.

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

The Company considers a loan receivable to be in default when amounts are 90 days past due. Amounts are written off when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full.

FINANCIAL GUARANTEES

The Company and certain subsidiaries have given cross suretyships in support of bank overdraft facilities of certain subsidiaries and the Company to the value of R1 100 million (2022: R1 100 million), which are assessed and renewed annually. The risks is shared between the Company and certain subsidiaries.

The Company has a subordination agreement from Lucky Star Limited for the amounts owing, the probability of the amount being settled on demand from the Company is low. Refer to note 33 in the Group financial statements for guarantees in place where the Company is part of the Guarantor Group.

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 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 short-term banking facilities when required by short-term borrowing facilities.

The Company manages its capital to ensure that it will be able to continue on the going concern basis, while maximising the return to stakeholders through the optimisation of the debt and equity balances. The capital structure of the Company consists of loans, cash and cash equivalents and equity, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

27. FINANCIAL RISK MANAGEMENT continued

CATEGORIES AND FAIR VALUES OF FINANCIAL INSTRUMENTS

	2023 Rm	2022 Rm
Classification of financial instruments		
Financial assets		
Cash and cash equivalents at amortised cost	**5.9**	53.3
Trade and other receivables at amortised cost	**79.3**	69.4
Loan to Oceana Group Share Trust at amortised cost	**0.3**	0.3
Loans to share trusts at amortised cost	**3.4**	3.4
Investment at fair value through profit or loss	**0.2**	0.5
Amounts owing by related parties at amortised cost	**0.5**	2.8
Financial liabilities		
Amounts owing to related parties at amortised cost	**1 395.6**	2 285.2
Lease liabilities at amortised cost	**33.6**	42.5
Short-term banking facilities at amortised cost	**203.0**	76.0
Trade and other payables at amortised cost	**37.4**	27.1

The carrying amount of loans to Oceana Group Share Trust, share trusts and amounts owing to/by related parties approximate its fair value.

28. RELATED PARTIES

Related party relationships exist between key management, shareholders, subsidiaries, associate and joint venture companies within the Oceana Group of companies.

Details of the Company's subsidiaries, associate and joint ventures are set out in Note 31.

Details of fellow group companies are set out in a separate schedule on pages 127 and 128 of these financial statements.

These transactions are concluded in the normal course of business. Guarantees have been given or received as disclosed in Note 27 between group entities.

28. RELATED PARTIES continued

TRADING BALANCES AND TRANSACTIONS

The following is a summary of material transactions with related parties during the year and the balances of receivables and payables at year end.

	2023 Rm	2022 Rm
Transactions and balances with subsidiaries and joint ventures		
Administration fees received	**328.4**	308.6
Lucky Star Limited	**181.3**	152.2
Etosha Fishing Corporation Proprietary Limited	**0.6**	0.6
Oceana Lobster Limited	**3.8**	6.1
Daybrook Fisheries Incorporated	**39.3**	31.9
Blue Continent Products Proprietary Limited	**52.1**	70.8
Calamari Fishing Proprietary Limited	**6.3**	2.8
Commercial Cold Storage Proprietary Limited	**16.2**	43.6
Oceana Empowerment Trust	**0.6**	0.6
Oceana Saam-Sonke Trust	**0.3**	0.3
Oceana Stakeholder Empowerment Trust	**0.1**	0.1
Erongo Marine Enterprises Proprietary Limited	**27.8**	(0.4)
Dividends received	**994.7**	183.2
Lucky Star Limited	**1.3**	61.2
Blue Continent Products Proprietary Limited	**215.0**	122.0
Commercial Cold Storage Proprietary Limited	**204.2**	–
Oceana US Investment Holdings Corporation	**574.2**	–
Dividends paid	**10.9**	8.1
Lucky Star Limited	**1.3**	0.8
Oceana Share Trust	**0.1**	0.1
Oceana Empowerment Trust	**0.6**	0.8
Oceana Saam-Sonke Trust	**8.2**	5.9
Oceana Stakeholder Empowerment Trust	**0.7**	0.5
Net interest received/(paid)	**55.8**	6.4
Amawandle Pelagic Proprietary Limited	**1.5**	1.7
Lucky Star Limited	**89.4**	26.3
Desert Diamond Fishing Proprietary Limited	**(3.3)**	(2.9)
Erongo Marine Enterprises Proprietary Limited	**(19.1)**	(3.6)
Commercial Cold Storage Proprietary Limited	**(12.7)**	(15.1)
Net amounts (payable)/receivable	**25.3**	**(5.5)**
Amawandle Pelagic Proprietary Limited	**0.5**	2.1
Lucky Star Limited	**18.0**	23.4
Etosha Fishing Corporation Proprietary Limited	**0.1**	0.1
Oceana Lobster Limited	**(2.3)**	(0.5)
Daybrook Fisheries Incorporated	**(2.4)**	–
Amawandle Hake Proprietary Limited	**0.1**	0.2
Blue Continent Products Proprietary Limited	**7.3**	(32.9)
Calamari Fishing Proprietary Limited	**0.2**	(3.1)
Desert Diamond Fishing Proprietary Limited	**0.3**	0.2
Erongo Marine Enterprises Proprietary Limited	**3.0**	0.7
Commercial Cold Storage Proprietary Limited	**–**	4.3
Oceana Empowerment Trust	**0.4**	–
Oceana Saam-Sonke Trust	**0.1**	–

28. RELATED PARTIES continued

	2023 Rm	2022 Rm
Loans (payable)/receivable	**(1 420.4)**	(2 528.1)
Amawandle Pelagic Proprietary Limited	**(10.7)**	(45.9)
Lucky Star Limited	**(1 122.5)**	(1 802.3)
Oceana Lobster Limited	**(55.9)**	(54.1)
Blue Continent Products Proprietary Limited	**(48.6)**	(94.7)
Calamari Fishing Proprietary Limited	**(33.3)**	(17.2)
Desert Diamond Fishing Proprietary Limited	**(22.0)**	(80.8)
Erongo Marine Enterprises Proprietary Limited	**(127.4)**	(116.9)
Commercial Cold Storage Proprietary Limited	**–**	(255.7)
Oceana Empowerment Trust	**–**	2.6
Daybrook Fisheries Incorporated	**–**	(63.1)
Dividends receivable	**116.9**	–
Oceana US Investment Holdings Corporation	**116.9**	–
Goods and services procured from other related parties	**–**	1.0
Obsidian Health Proprietary Limited[1]	**–**	1.0
Compensation of key management personnel	**72.9**	63.5
Short-term employee benefits	**49.9**	42.9
Post-employment benefits	**1.8**	2.1
Share-based payments – cash-settled compensation scheme	**–**	1.6
Share-based payments – equity-settled compensation scheme	**14.8**	7.4
Non-executive directors' emoluments	**6.4**	9.5

[1] *Considered an other related party as a result of the Company's relationship with Brimstone Investment Corporation.*

INTEREST OF DIRECTORS IN CONTRACTS

The directors of Oceana make declarations of interest in terms of section 75 of the Companies Act No. 71 of 2008. These declarations indicate that certain directors hold positions of influence in other entities which are shareholders, customers and/or competitors of the Company. Transactions are at arms length with normal commercial terms as with any other entity and where a director is conflicted, that director recuses themself from Board deliberations.

THE COMPANY'S INTEREST IN SUBSIDIARIES AND JOINT VENTURES

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 with the exception of when the Company is required to fund subsidiary working capital requirements from available overdraft facilities in which event interest is charged at prevailing market rates. Other loan accounts bear interest at rates similar to rates levied by banks. Details of loan balances with related parties are disclosed in Note 17.

POST-RETIREMENT BENEFIT PLANS

The Company is a member of various defined-contribution plans as well as a defined-benefit plan. Further details are shown in Note 25.

DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

Refer to note 36 of the Group financial statements for disclosure relating to executive directors remuneration, executive director's share scheme details and non-executive directors' remuneration.

29. EVENTS AFTER THE REPORTING DATE

Management is not aware of events that occurred beyond the year end up to the date of authorisation that could have a material impact to the Company's reported results as at 30 September 2023 that would require separate disclosure in these financial statements.

30. GOING CONCERN

The assessment of going concern included the consideration of current economic conditions as well as available information about future risks and uncertainties, including the stability of fishing resources and the potential impact of climate change. Management has assessed the fishing resources in the sector’s and geographies the Company, subsidiaries and joint ventures operates in, to be stable and well-managed resources. Climate variation features as one of the Company’s top three environmental risks and management continues to assess the potential effects on the business and value chain. The Company’s diversification strategy and investment along different coastlines enables it to mitigate risk through geographic and specie diversity. Projections for the Company, based on various financial analyses taking the above factors into account, have been prepared, covering its future performance, capital and liquidity for a period of 12 months from the date of approval of the financial statements.

The Company’s forecasts and projections of its current and expected profitability and cash flows, taking account of reasonably possible changes in trading performance, show that the Company will be able to operate within the limits of its existing banking facilities for at least 12 months from the approval date of the financial statements. The financial statements were accordingly prepared on the going-concern basis since the directors have every reason to believe that the Company has adequate resources in place to continue in operation for the foreseeable future.

The Company has undrawn working capital facilities of R897 million (2022: R1 024 million) as at the reporting date, assessed and renewed annually, and an undrawn revolving credit facility of R200 million (2022: R500 million). In terms of the Company’s Memorandum of Incorporation, the Company’s borrowing powers are unlimited. Cash flows are monitored on an ongoing basis to ensure that cash resources are adequate to meet the Company’s funding requirements. Sufficient short term facilities have been negotiated to manage any short fall in these funding requirements.

As at the reporting date, the Company is not considered liquid however a subordination agreement from Lucky Star Limited confirming its intention to continue providing financial and/or other support to Oceana Group Limited with a view to it being able to meet its liabilities as and when they fall due.

31. INTEREST IN PRINCIPAL SUBSIDIARIES AND JOINT VENTURES

for the year ended 30 September 2023

Name of company	Nature of business	Principal place of business
Amawandle Hake Proprietary Limited	Hake	South Africa
Amawandle Pelagic Proprietary Limited	Canned fish, fishmeal/oil	South Africa
Arechanab Fishing & Dev Co Proprietary Limited	Horse mackerel	South Africa
Blue Continent Products Proprietary Limited	Horse mackerel, hake	South Africa
Calamari Fishing Proprietary Limited	Squid	South Africa
Cerocic Fishing Proprietary Limited	Horse mackerel	South Africa
Commercial Cold Storage Proprietary Limited	Cold storage	South Africa
Commercial Cold Storage Limited[4]	Holding company	South Africa
Commercial Cold Storage (Ports) Proprietary Limited	Cold storage	South Africa
Commercial Cold Storage (Namibia) Proprietary Limited – Namibia	Cold storage	Namibia
Compass Trawling Proprietary Limited	Hake	South Africa
Desert Diamond Fishing Proprietary Limited	Horse mackerel	South Africa
Oceana US Investment Holdings Corporation – United States of America	Holding company	United States of America
Oceana US Holdings Corporation – United States of America	Holding company	United States of America
Daybrook investment Incorporated – United States of America	Holding company	United States of America
Daybrook Fisheries Incorporated – United States of America	Holding company	United States of America
Daybrook Holdings Incorporated – United States of America	Fishmeal/oil	United States of America
Westbank Fishing Limited Liability Company – United States of America[2]	Fishmeal/oil	United States of America
Erongo Marine Enterprises Proprietary Limited – Namibia	Horse mackerel	Namibia
Erongo Seafoods Proprietary Limited – Namibia	Horse mackerel	Namibia
Erongo Sea Products Proprietary Limited – Namibia	Horse mackerel	Namibia
Etosha Fisheries Holding Company Proprietary Limited – Namibia[1]	Canned fish, fishmeal/oil	Namibia
Le Monde Holdings Limited – Seychelles[5]	Canned fish, fishmeal/oil	Seychelles
MFV Romano Paulo Vessel Company Proprietary Limited[1]	Rock lobster	South Africa
Ntabeni Fishing Proprietary Limited	Canned fish, fishmeal/oil	South Africa
Lucky Star Limited	Canned fish, fishmeal/oil	South Africa
Oceana Africa Holdings Limited – Mauritius	Holding company	Mauritius
Oceana Empowerment Trust[3]	Empowerment Trust	Mauritius
Oceana Lobster Limited	Rock lobster	South Africa
Oceana Boa Pesca Limitada – Angola[1]	Fishmeal/oil	South Africa
Ulwandle Inshore Proprietary Limited	Hake	Angola
Oceana Saam-Sonke Trust	Empowerment Trust	South Africa
Oceana Stakeholder Empowerment Trust	Empowerment Trust	South Africa
Oceana Share Trust	Empowerment Trust	South Africa

Only principal trading subsidiaries, joint ventures and the associate company have been included in the above list. Details of all subsidiaries and joint ventures are available upon request from the company secretary. The Group has 16 (2022: 17) wholly-owned subsidiaries and 8 (2022: 15) non-wholly-owned subsidiaries. All subsidiaries and joint ventures are incorporated in South Africa unless otherwise indicated.

1. *Joint venture.*
2. *Associate*
3. *The trust is funded by capital contributions from Oceana Group Limited and participating South African subsidiary companies.*
4. *Asset held for sale in 2022.*
5. *Acquired by the Group in the current year post sale of CCS.*

Issued capital	Effective holding	Issued capital	Effective holding	Interest of holding company			
				Cost of shares		Indebtedness	
2023 R	2023 %	2022 R	2022 %	2023 Rm	2022 Rm	2023 Rm	2022 Rm
400	**75**	400	75	**–**	–	**–**	0.2
178 507 494	**75**	178 507 494	75	**133.9**	133.9	**(10.2)**	(43.9)
3 000	**35**	3 000	35	**–**	–	**–**	–
1 000	**100**	1 000	100	**1.9**	1.9	**(41.2)**	(127.6)
4 000	**100**	4 000	100	**–**	–	**(33.1)**	(17.2)
7 500	**48**	7 500	48	**–**	–	**–**	–
–	**n/a**	100	100	**–**	–	**–**	–
–	**n/a**	1 000 000	100	**–**	7.0	**–**	(251.5)
–	**n/a**	100	70	**–**	–	**–**	–
–	**n/a**	15 300	69	**–**	–	**–**	–
1 000	**45**	1 000	45	**–**	–	**–**	–
120	**90**	120	90	**–**	–	**(21.7)**	(80.6)
3 221 400 000	**100**	3 221 400 000	100	**3 221.4**	3 221.4	**–**	–
3 042 682 453	**100**	3 042 682 453	100	**–**	–	**–**	–
44 242 171	**100**	44 242 171	100	**–**	–	**–**	–
57 905 400	**100**	57 905 400	100	**–**	–	**114.5**	(63.1)
54 748 814	**100**	54 748 814	100	**–**	–	**–**	–
520 380 000	**25**	520 380 000	25	**–**	–	**–**	–
100	**100**	100	100	**–**	–	**(124.4)**	(116.3)
4 000	**46**	4 000	46	**–**	–	**–**	–
100	**52**	100	52	**–**	–	**–**	–
9 187	**45**	9 085	45	**11.0**	11.0	**–**	0.1
35	**100**	116	100	**–**	–	**–**	–
3 000	**35**	3 000	35	**–**	–	**–**	–
200	**74**	200	74	**–**	–	**–**	–
600 000	**100**	600 000	100	**1.7**	1.7	**–**	–
–	**n/a**	100	100	**–**	–	**(1 526.6)**	(1 779.0)
n/a	**n/a**	n/a	n/a	**–**	–	**–**	–
965 500	**100**	965 500	100	**1.0**	1.0	**–**	2.6
–	**n/a**	–	–	**–**	–	**(58.1)**	(54.6)
1 000	**100**	1 000	100	**–**	–	**–**	–
–	**–**	–	–	**–**	–	**–**	–
–	**–**	–	–	**–**	–	**–**	–
–	**–**	–	–	**–**	–	**–**	–
				3 370.9	3 377.9	**(1 700.8)**	(2 530.6)

Shareholder Analysis

As at 30 September 2023

	Number of shareholders	%	Number of shares	%
SHAREHOLDER SPREAD				
1 – 1 000 shares	5 623	81.7	732 299	0.6
1 001 – 10 000 shares	757	11.0	2 620 938	2.0
10 001 – 100 000 shares	383	5.6	13 319 397	10.2
100 001 – 1 000 000 shares	98	1.4	32 201 477	24.7
1 000 001 shares and over	18	0.3	81 557 693	62.5
	6 879	100	130 431 804	100
DISTRIBUTION OF SHAREHOLDERS				
Banks	74	1.0	8 361 959	6.5
Brokers	25	0.3	1 208 374	1.0
Close corporations	30	0.4	27 648	–
Empowerment	4	0.1	33 491 960	25.7
Individuals	5 077	73.8	3 281 055	2.5
Insurance companies	30	0.4	1 635 960	1.3
Investment companies	4	0.1	45 695	–
Mutual funds	293	4.3	40 644 006	31.2
Nominees and trusts	603	8.8	691 136	0.5
Other corporate bodies	75	1.1	3 548 980	2.7
Pension funds	508	7.4	26 666 257	20.4
Private companies	148	2.2	379 552	0.3
Public companies	2	–	26 282	–
Sovereign Wealth Fund	1	–	303 495	0.2
Treasury shares held by share trusts	4	0.1	9 163 032	7.0
Treasury shares held by subsidiary	1	–	956 413	0.7
	6 879	100	130 431 804	100
SHAREHOLDER TYPE				
Non-public shareholders	21	0.3	43 687 912	33.5
Directors and employees	12	0.2	76 507	0.1
Treasury shares held by share trusts	4	0.1	9 163 032	7.0
Treasury shares held by subsidiary	1	–	956 413	0.7
Empowerment	3	–	757 829	0.6
Other holdings greater than 10%	1	–	32 734 131	25.1
Public shareholders	6 858	99.7	86 743 892	66.5
	6 879	100	130 431 804	100
SHAREHOLDERS HOLDING 5% OR MORE				
Brimstone Investment Corporation Limited			32 734 131	25.1
M and G Investment Managers (Pty) Ltd			14 888 935	11.4
Public Investment Corporation (SOC) Limited[1]			16 569 737	12.7
Coronation Fund Managers Limited			10 017 238	7.7

[1] *Includes Government Employees Pension Fund, Compensation Commissioner Pension Fund and Unemployment Insurance Fund*

Administration

REGISTERED OFFICE AND BUSINESS ADDRESS

9th Floor, Oceana House
25 Jan Smuts Street
Foreshore, Cape Town, 8001
PO Box 7206, Roggebaai, 8012
Telephone: National 021 410 1400
International: +27 21 410 1400
Facsimile: 021 419 5979
Email: companysecretary@oceana.co.za
Website: **www.oceana.co.za**

COMPANY REGISTRATION NUMBER

1939/001730/06

JSE/A2X SHARE CODE

OCE

NSX SHARE CODE

OCG

COMPANY ISIN

ZAE000025284

TRANSFER SECRETARIES

JSE Investor Services South Africa Proprietary Limited
13th Floor, 19 Ameshoff Street, Braamfontein
(PO Box 4844, Johannesburg, 2000)

COMPANY SECRETARY

Nicole Morgan (Resigned 30 June 2023)
Jayesh Jaga (Appointed 1 July 2023)

BANKERS

The Standard Bank of South Africa Limited
Investec Bank Limited
Rand Merchant Bank Holdings Limited
BMO Harris Bank N.A.
Nedbank Limited

EXTERNAL AUDITORS

Mazars

INTERNAL AUDITORS

BDO Advisory Services Proprietary Limited

JSE SPONSOR

The Standard Bank of South Africa Limited

NSX SPONSOR

Old Mutual Investment Services (Namibia) Proprietary Limited

EXECUTIVE DIRECTORS

Chief Executive Officer
Neville Brink

Chief Financial Officer
Zaf Mahomed (Appointed 1 February 2023)

Interim Chief Financial Officer
Ralph Buddle (Resigned 31 January 2023)

NON-EXECUTIVE DIRECTORS

Chairperson
Mustaq Brey[3, 4]

Lead independent director
Peter de Beyer[2, 3, 4]
Zarina Bassa[2, 4, 5] (Resigned 6 April 2023)
Nisaar Pangarker[1, 5]
Lesego Sennelo[1, 2, 5]
Nomahlubi Simamane[1, 3, 4]
Aboubakar Jakoet[2, 4, 5]
Thoko Mokgosi-Mwantembe[1, 3, 4]
Peter Golesworthy[2, 4, 5]

1. Social, Ethics and Transformation Committee
2. Audit Committee
3. Remuneration Committee
4. Corporate Governance and Nominations Committee
5. Risk Committee