



2013

SHARED VALUE



OCEANA/GROUP

Oceana Group Limited Annual Financial Statements 2013

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Oceana Group Limited
Incorporated in the Republic of South Africa
(Registration number 1939/001730/06)
(Oceana or the company or the group)

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

OCEANA 2013
GROUP ANNUAL FINANCIAL STATEMENTS
www.oceana.co.za

The group annual financial statements and the company annual financial statements for the year ended 30 September 2013, which appear on pages 3 to 44, were approved by the board of directors on 7 November 2013 and signed on its behalf by:



MA Brey
Chairman



FP Kuttel
Chief executive officer

PREPARATION OF ANNUAL FINANCIAL STATEMENTS

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

REPORT OF THE COMPANY SECRETARY

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



JC Marais
Company secretary

7 November 2013

INDEPENDENT AUDITOR'S REPORT

to the shareholders of Oceana Group Limited

We have audited the consolidated and separate financial statements of Oceana Group Limited set out on pages 6 to 43, which comprise the statements of financial position as at 30 September 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Oceana Group Limited as at 30 September 2013, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 30 September 2013, we have read the report of the directors, the report of the audit committee and the report of the company secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.



Deloitte & Touche

Registered auditors

Per GG Fortuin

Partner

7 November 2013

National Executive: LL Bam (Chief Executive); AE Swiegers (Chief Operating Officer);
GM Pinnock (Audit); DL Kennedy (Risk Advisory); NB Kader (Tax); TP Pillay (Consulting);
K Black (Clients & Industries); JK Mazzocco (Talent & Transformation); CR Beukman (Finance); M Jordan (Strategy);
S Gwala (Special Projects); TJ Brown (Chairman of the Board); MJ Comber (Deputy Chairman of the Board);
Regional Leader: MN Alberts

A full list of partners and directors is available on request

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited

REPORT OF THE DIRECTORS

The directors submit their report which forms part of the annual financial statements for the year ended 30 September 2013.

Nature of business and operations

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

Share capital

During the year under review 85 000 shares (2012: 223 000 shares) were allotted in terms of the company's share option scheme, increasing the issued share capital by R85 (2012: R223). Premiums totalling R1,4 million (2012: R3,5 million) in respect of these allotments have been credited to the share premium account.

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

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

Financial results

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

Special resolutions

During the year the company's shareholders passed five special resolutions: to adopt a new memorandum of incorporation; to approve and authorise the provision of financial assistance by the company as contemplated in section 45 of the Companies Act; to approve the non-executive directors' remuneration in their capacity as directors only; to grant general approval and authorisation to repurchase the issued shares by the company or its subsidiaries and to grant specific authority to potentially repurchase issued shares in terms of a call option granted to the company.

Dividends

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

Acquisition

The hake and horse mackerel fishing rights and related assets, as well as its cold storage business, were purchased from the Lusitania group and associated companies, effective 18 September 2012. The total purchase consideration was R116,3 million, of which R105,3 million was paid by 30 September 2012. The outstanding purchase price was settled during the current year. The acquisition was accounted for on a provisional basis in the 2012 annual financial statements and has subsequently been finalised with no adjustments. Regulatory approval was received during the current year for the transfer of additional hake fishing rights from a Lusitania company. This transaction has been disclosed in note 11.

Property, plant and equipment

Capital expenditure during the year amounted to R23,2 million on expansion (2012: R2,1 million) and R109,7 million on replacement assets (2012: R67,7 million). During the year there was no major change in the nature of the assets nor in the policy relating to their use. Further details are disclosed in note 10.

Directors and officers

The names of the present directors can be found on the inside back cover of the annual financial statements, along with the name, business and postal address of the company secretary.

Directors' interests in shares

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

	Direct beneficial	Indirect beneficial	Aggregate
2013			
ABA Conrad	500	123 500	124 000
PG de Beyer	3 000		3 000
2012			
ABA Conrad	500	123 500	124 000
PG de Beyer	3 000		3 000
RG Nicol	147 000	2 000	149 000

There have been no changes in the above interest since the year-end. No director holds 1% or more of the issued share capital of the company. Details of directors' individual interests in options held in terms of the Oceana Group (1985) Share Option and Share Purchase Schemes are set out in note 30.

Subsidiaries and joint ventures

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

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

	2013 R'000	2012 R'000
Total profit after taxation attributable to shareholders of Oceana Group Limited	482 037	433 553
Total losses after taxation attributable to shareholders of Oceana Group Limited	6 050	6 562

Going concern

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

Foodcorp acquisition

Further to the announcement released on the Stock Exchange News Service of the JSE on 4 June 2013 in respect of Oceana's acquisition of the fishing interests of Foodcorp Proprietary Limited (Foodcorp), the Competition Commission has approved the acquisition, subject to certain conditions. One of these conditions is not acceptable to both Oceana and Foodcorp. Accordingly, the parties will file a Request for Consideration with the Competition Tribunal challenging the condition in question. In the interim, Oceana and Foodcorp have agreed to extend the sale of business agreement for a further three months to 31 January 2014.

Events subsequent to the reporting date

No events occurred subsequent to the reporting date that may have an impact on the group's and company's reported financial position at 30 September 2013, or that require separate disclosure.

REPORT OF THE AUDIT COMMITTEE

COMPOSITION OF THE COMMITTEE

The audit committee appointed by the shareholders on 14 February 2013 to hold office until the conclusion of the next annual general meeting (AGM) scheduled for 13 February 2014, comprises three independent non-executive directors of the company, being Mr S Pather (Chairman) [BBusSc; BCom (Hons); MBA], Ms ZBM Bassa [BAcc; CA(SA)] and Mr PG de Beyer [BBusSc; FASSA]. The members possess the necessary expertise to perform the functions of an audit committee.

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

CHARTER

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

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

WORK PLAN AND MEETINGS

The committee adopted a formal work plan designed to structure execution of responsibilities over the year. The audit committee acts as such for Oceana's South African subsidiaries. It met twice during the year under review, with full attendance by all members. Attendance at meetings by directors 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 attend committee meetings and have unrestricted access to the committee and its chairman at all times, ensuring that their independence is not impaired. Both the external and internal auditors have the opportunity of addressing the committee and its chairman at each of the meetings without management being present.

The committee reviews detailed reports from both the external and internal auditors and the chairman of the committee reports on the findings of the external and internal auditors at board meetings.

APPOINTMENT OF EXTERNAL AND INTERNAL AUDITORS

In terms of section 94 of the Companies Act the committee is required to nominate for appointment by the shareholders at the company's annual general meeting an independent registered external auditor. The committee has nominated Deloitte & Touche for such appointment as the company's external auditor at the annual general meeting of the company scheduled for 13 February 2014.

Additionally, in terms of its charter it is responsible for the appointment of the company's internal auditors. KPMG performed this function for the past year and were reappointed as internal auditors for the 2014 financial year.

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

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

INDEPENDENCE OF EXTERNAL AUDITORS

The committee has formal rules regulating the services and conditions of use of non-audit services provided by the external auditors, governing, inter alia, compliance issues, taxation, company structure, information systems, organisational structure, remuneration structure, risk management services, audit certificates in relation to fishing rights, due diligence investigations and such other services as the committee may approve. The company's independent external auditors do not assist in the performance of any internal audit assignments. The nature and extent of all non-audit services provided by the external auditors are pre-approved and reviewed by the committee to ensure compliance with the company's policy. The committee is satisfied that the external auditors are independent of the company. The committee and management maintained a positive, objective and professional relationship with the partner responsible for the supervision and direction of the audit. The committee considered and determined the fees and terms of engagement of the external auditors.

INTERNAL AUDIT

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

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

COMPLAINTS AND/OR CONCERNS

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

GOING CONCERN

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

ASSURANCE

Each year the committee reviews, updates and approves an internal audit plan. The plan is compiled using a risk-based approach and through extensive consultation between the internal auditors and Oceana management, taking into consideration the entire risk universe affecting Oceana. A more advanced Combined Assurance Plan (CAP) which is used for preparation of the internal audit plan was developed this year. The CAP is a matrix of audit areas indicating coverage by external assurance providers. The internal audit plan approved for 2013 included reviews covering, in various entities, compliance with the Marine Living Resources Act, combined assurance, the bonus incentive and phantom share option scheme, raw fish procurement, human resources processes, wages, rebates, customs and excise, reconciliations and journals, revenue and receivables, inventory and production, the disaster recovery process and review of the risk management process.

IS GOVERNANCE

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

INTERNAL CONTROLS

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

RISK MANAGEMENT

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

COMPLIANCE AND ETHICS

An ethics report was provided to the committee during the year under review. The report dealt with principles and issues of a compliance and ethical nature in the group's business. There were no matters of concern arising from the report.

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

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

REVIEW OF INTEGRATED REPORT AND ANNUAL FINANCIAL STATEMENTS

The committee considers the significant estimates, accounting policies and practices used in the preparation of the financial statements to be appropriate. It reviewed the integrated report and annual financial statements for the year ended 30 September 2013 and recommended them to the board for approval.

STATUTORY DUTIES

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

The committee has performed the following specific statutory duties:

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

CONCLUSION

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



S Pather
Audit committee chairman

ACCOUNTING POLICIES

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

1. BASIS OF PREPARATION

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

2. STATEMENT OF COMPLIANCE

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

3. BASIS OF CONSOLIDATION

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

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

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

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

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

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

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are

recognised in profit or loss. Acquisition-related costs are generally expensed as incurred.

4. INTERESTS IN JOINT VENTURES

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

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

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

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

5. FOREIGN CURRENCY TRANSLATION

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

Translation of foreign currency transactions

Initial recognition

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

Subsequent measurement

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

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

Translation of foreign operations

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

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

is included in determining the profit or loss on disposal of that investment and recognised in the statement of comprehensive income.

6. REVENUE

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

Sale of goods

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

Services

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

Interest received

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

Dividend income

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

7. EMPLOYEE BENEFITS

Short-term employee benefits

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

Defined-contribution plans

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

Defined-benefit plans

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

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

Post-retirement medical obligations

The group provides post-retirement health-care benefits to certain of its retirees. This practice has been discontinued and this benefit is no longer offered to current or new

employees. The potential liability in respect of eligible retirees has been provided for in the financial statements using the Projected Unit Credit Method. Independent actuaries carry out annual valuations of these obligations.

8. SHARE-BASED PAYMENTS

Equity-settled compensation benefits

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

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

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

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

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

The effect of outstanding options is reflected in the computation of diluted earnings per share in the note on earnings per share.

Cash-settled transactions

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

9. LEASES

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

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

Contingent rental income and expenses are recognised when incurred.

ACCOUNTING POLICIES continued

10. RESEARCH AND DEVELOPMENT COSTS

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

11. INTEREST PAID

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

12. TAXATION

The income tax expense consists of current tax, deferred tax, secondary tax on companies and foreign withholding taxes.

Current taxation

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

Deferred taxation

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

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

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

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

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

Secondary tax on companies (STC)

STC is recognised as part of the current tax charge in the statement of comprehensive income when the related dividend has been declared. STC was replaced by dividend withholding tax with effect from 1 April 2012.

Foreign withholding taxes

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

13. DIVIDENDS

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

14. PROPERTY, PLANT AND EQUIPMENT

Initial recognition

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

Freehold land and buildings

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

Leasehold land and buildings

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

Plant, equipment, motor vehicles and fishing vessels and nets

Plant, equipment, motor vehicles and fishing vessels and nets are carried at cost less accumulated depreciation and impairment. When plant and equipment comprise major components with different useful lives, these components are depreciated as separate items. In the case of fishing vessel refits, these costs are depreciated over the period between each vessel refit.

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

Depreciation

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

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

Depreciation ceases temporarily when the residual value exceeds the carrying value. The following ranges of depreciation rates apply on initial recognition:

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

Derecognition

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

Impairment

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

15. GOODWILL

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

Initial recognition and measurement

Goodwill is initially measured at cost being the excess of the cost of the business combination over the group's attributable share of the fair value of the net identifiable assets at the date of acquisition. If the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the statement of comprehensive income.

Subsequent measurement

Goodwill is reflected at cost less any accumulated impairment losses.

If the initial accounting for business combinations has been determined provisionally, then adjustments to these values resulting from the emergence of new information within 12 months after the acquisition date are made

against goodwill. In addition, goodwill is adjusted for changes in the estimated value of contingent considerations given in the business combination when they arise.

Impairment

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

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

Derecognition

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

16. INTANGIBLE ASSETS

Intangible assets consist of trademarks and fishing rights.

Initial recognition and measurement

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

Subsequent measurement

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

Impairment

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

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

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

Derecognition

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

17. FINANCIAL INSTRUMENTS

Financial assets

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

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

Loans are stated at their amortised costs, reduced by provisions for estimated irrecoverable amounts.

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

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

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

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

Impairment

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

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

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

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

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

Derivative financial instruments

Derivative financial instruments are initially recorded at cost and are remeasured to fair value at subsequent reporting dates. Gains or losses arising from a change in fair value of financial instruments that are not part of a hedging relationship are recognised in the statement of comprehensive income in the period in which the change arises.

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

18. INVENTORIES

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

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

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

19. NON-CURRENT ASSETS HELD FOR SALE

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

20. TREASURY SHARES

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

21. PROVISIONS

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

22. EVENTS AFTER REPORTING DATE

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

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

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

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

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

ADOPTION OF NEW AND REVISED STANDARDS, INTERPRETATIONS AND CIRCULARS

Accounting Standards, Interpretations and Circulars issued but not yet effective

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

Standards applicable to Oceana for the year ending September 2014:

- IFRS 7 Financial Instruments: Disclosures
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IAS 1 Presentation of Financial Statements
- IAS 16 Property, Plant and Equipment
- IAS 19 Employee Benefits
- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures
- IAS 32 Financial Instruments: Presentation
- IAS 34 Interim Financial Reporting

Standards and Interpretation applicable to Oceana for the year ending September 2015:

- IAS 32 Financial Instruments: Presentation
- IAS 36 Impairment of Assets
- IFRIC 21 Levies

Standard applicable to Oceana for the year ending September 2016:

- IFRS 9 Financial Instruments

The adoption of IFRS 11, with effect from the year ending September 2014, will result in joint ventures being accounted for on the equity basis as opposed to the proportionate consolidation basis. The group is in the process of evaluating the effects of the remaining standards and interpretation, and while they are not expected to have a significant impact on the group's results, additional disclosures may be required.

The group has decided not to early adopt any of these new or revised standards.

Adoption of new and revised standards and circulars

During the year the group adopted the following revised standard and circular:

- IAS 1 Presentation of Financial Statements: Presentation of Other Comprehensive Income
- Circular 2/2013 Headline Earnings.

The adoption of this revised standard and circular has not resulted in any restatement of comparative information.

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 September 2013

	Notes	GROUP		COMPANY	
		2013 R'000	2012 R'000	2013 R'000	2012 R'000
Revenue	1	4 997 354	4 647 951	157 544	117 797
Cost of sales		3 049 222	2 875 765		
Gross profit		1 948 132	1 772 186	157 544	117 797
Sales and distribution expenditure		491 756	428 870		
Marketing expenditure		63 503	51 323		
Overhead expenditure		644 194	580 968	148 034	111 003
Operating profit before abnormal items	2	748 679	711 025	9 510	6 794
Abnormal items	4		(47 955)	(635)	(10 230)
Operating profit/(loss)		748 679	663 070	8 875	(3 436)
Investment income	5	16 330	36 279	242 285	319 461
Interest paid	6	(10 282)	(3 108)	(12 623)	(5 560)
Profit before taxation		754 727	696 241	238 537	310 465
Taxation	7	230 337	232 315	3 071	8 152
Profit after taxation		524 390	463 926	235 466	302 313
Other comprehensive income					
<i>Items that may be re-classified subsequently to profit or loss</i>					
Movement on foreign currency translation reserve		6 228	1 826		
Movement on cash flow hedging reserve		8 788	(1 522)		
Other comprehensive income, net of taxation		15 016	304		
Total comprehensive income for the year		539 406	464 230		
Profit after taxation attributable to:					
Shareholders of Oceana Group Limited		491 016	443 790		
Non-controlling interests		33 374	20 136		
		524 390	463 926		
Total comprehensive income attributable to:					
Shareholders of Oceana Group Limited		506 032	444 094		
Non-controlling interests		33 374	20 136		
		539 406	464 230		
Earnings per share (cents)	8				
– Basic		489,5	443,3		
– Diluted		444,8	408,4		
Dividends per share (cents)	9	322,0	301,0		
– Interim paid		100,0	45,0		
– Final declared after reporting date		222,0	256,0		

STATEMENTS OF FINANCIAL POSITION

at 30 September 2013

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		GROUP		COMPANY	
	Notes	2013 R'000	2012 R'000	2013 R'000	2012 R'000
ASSETS					
Non-current assets		725 407	690 615	171 474	192 528
Property, plant and equipment	10	473 821	435 850	10 722	6 156
Goodwill	11	10 000	10 000		
Trademark	11	8 873	6 229		
Fishing rights	11	83 929	72 409		
Deferred taxation	12	30 360	23 187	19 357	11 511
Investments and loans	13	118 424	142 940	100 611	130 975
Oceana Group Share Trust	14			2 820	5 264
Oceana Empowerment Trust	15			2 603	3 261
Interest in subsidiaries and joint ventures	16			35 361	35 361
Current assets		2 169 999	1 878 113	822 060	626 195
Inventories	17	1 277 781	777 979		
Accounts receivable	18	751 327	819 164	5 674	7 990
Taxation		14 456	4 792	268	
Amounts owing by subsidiaries and joint ventures	16			798 798	438 396
Non-current assets held for sale	10	2 618			
Cash and cash equivalents		123 817	276 178	17 320	179 809
Total assets		2 895 406	2 568 728	993 534	818 723
EQUITY AND LIABILITIES					
Capital and reserves		1 789 375	1 633 242	531 458	719 753
Share capital and premium	19	33 770	30 692	156 042	154 677
Foreign currency translation reserve		5 507	(721)		
Capital redemption reserve		130	130		
Cash flow hedging reserve	20	9 188	400		
Share-based payment reserve		59 337	57 144	6 599	6 536
Distributable reserve		1 620 682	1 496 895	368 817	558 540
Interest of own shareholders		1 728 614	1 584 540	531 458	719 753
Non-controlling interests		60 761	48 702		
Non-current liabilities		183 688	139 270	59 045	37 623
Liability for share-based payments	25.3	143 891	97 427	59 045	37 623
Deferred taxation	12	39 797	41 843		
Current liabilities		922 343	796 216	403 031	61 347
Accounts payable	21	597 088	648 675	44 563	33 116
Amounts owing to subsidiaries and joint ventures	16			101 468	27 864
Provisions	22	10 237	10 767		
Taxation		21 225	92 200		367
Bank overdrafts		293 793	44 574	257 000	
Total equity and liabilities		2 895 406	2 568 728	993 534	818 723

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 September 2013

	Notes	Share capital and premium R'000	Foreign currency translation reserve R'000	Capital redemption reserve R'000	Cash flow hedging reserve R'000	Share-based payment reserve R'000	Distributable reserve R'000	Interest of own shareholders R'000	Non-controlling interests R'000	Total R'000
GROUP										
Balance at 1 October 2011		26 293	(2 547)	130	1 922	49 599	1 283 031	1 358 428	40 923	1 399 351
Total comprehensive income for the year			1 826		(1 522)		443 790	444 094	20 136	464 230
Movement on foreign currency translation reserve			1 826					1 826		1 826
Movement on cash flow hedging reserve	20				(1 522)			(1 522)		(1 522)
Profit after taxation							443 790	443 790	20 136	463 926
Share options exercised		3 524						3 524		3 524
Decrease in treasury shares held by share trusts		875						875		875
Recognition of share-based payments	25					7 545		7 545	69	7 614
Loss on sale of treasury shares							(130)	(130)		(130)
Oceana Empowerment Trust dividend distribution							(1 608)	(1 608)		(1 608)
Dividends	9						(228 188)	(228 188)	(12 426)	(240 614)
Balance at 30 September 2012		30 692	(721)	130	400	57 144	1 496 895	1 584 540	48 702	1 633 242
Total comprehensive income for the year			6 228		8 788		491 016	506 032	33 374	539 406
Movement on foreign currency translation reserve			6 228					6 228		6 228
Movement on cash flow hedging reserve	20				8 788			8 788		8 788
Profit after taxation							491 016	491 016	33 374	524 390
Share options exercised		1 365						1 365		1 365
Decrease in treasury shares held by share trusts		1 713						1 713		1 713
Recognition of share-based payments	25					2 193		2 193	18	2 211
Loss on sale of treasury shares							(470)	(470)		(470)
Acquisition of additional shares in subsidiary							(7 076)	(7 076)	(82)	(7 158)
Oceana Empowerment Trust dividend distribution							(2 711)	(2 711)		(2 711)
Dividends	9						(356 972)	(356 972)	(21 251)	(378 223)
Balance at 30 September 2013		33 770	5 507	130	9 188	59 337	1 620 682	1 728 614	60 761	1 789 375
COMPANY										
Balance at 1 October 2011		151 153				6 395	528 282	685 830		685 830
Total comprehensive income for the year							302 313	302 313		302 313
Share options exercised		3 524						3 524		3 524
Recognition of share-based payments	25					141		141		141
Dividends	9						(272 055)	(272 055)		(272 055)
Balance at 30 September 2012		154 677				6 536	558 540	719 753		719 753
Total comprehensive income for the year							235 466	235 466		235 466
Share options exercised		1 365						1 365		1 365
Recognition of share-based payments	25					63		63		63
Dividends	9						(425 189)	(425 189)		(425 189)
Balance at 30 September 2013		156 042				6 599	368 817	531 458		531 458

STATEMENTS OF CASH FLOWS

for the year ended 30 September 2013

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	Notes	GROUP		COMPANY	
		2013 R'000	2012 R'000	2013 R'000	2012 R'000
Cash flow from operating activities					
Operating profit before abnormal items		748 679	711 025	9 510	6 794
Adjustment for non-cash and other items		149 943	102 832	22 296	23 171
Depreciation, amortisation and impairment		103 619	87 428	4 210	3 323
Share-based payment expense		154 587	83 197	64 592	29 071
Cash-settled share-based payment		(105 912)	(31 850)	(46 506)	(9 205)
Net loss/(surplus) on disposal of property, plant and equipment		67	(1 193)		(18)
Surplus on disposal of fishing right		(2 418)			
Abnormal items			(34 750)		
Cash operating profit before working capital changes		898 622	813 857	31 806	29 965
Working capital changes	A	(473 865)	(357 295)	13 485	18 465
Cash generated from operations		424 757	456 562	45 291	48 430
Investment income received		7 317	25 312	233 272	308 494
Interest paid		(10 282)	(3 108)	(12 623)	(5 560)
Taxation paid	B	(320 209)	(242 588)	(10 522)	(13 273)
Dividends paid	C	(380 934)	(242 222)	(425 189)	(272 055)
Net cash (outflow)/inflow from operating activities		(279 351)	(6 044)	(169 771)	66 036
Cash (outflow) from investing activities		(135 719)	(153 331)	(324 687)	(195 795)
Replacement capital expenditure		(109 726)	(67 661)	(8 776)	(4 686)
Expansion capital expenditure		(23 182)	(2 085)		
Proceeds on disposal of property, plant and equipment		3 800	1 536		35
Proceeds on disposal of fishing right		2 418			
Acquisition of businesses	D	(10 450)	(105 296)		
Acquisition of fishing rights		(26 695)	(1 296)		
Repayment received on preference shares		39 377	11 949	39 377	11 949
Net movement on loans and advances		(5 848)	9 718	2 467	704
Acquisition of additional shares in subsidiary	E	(7 158)			
Loss of control over subsidiary	F	3 490			
Acquisition of joint venture	G	(1 745)			
Acquisition of investment			(196)		(196)
Movement on amounts owing by subsidiaries and joint ventures				(357 755)	(203 601)
Cash inflow from financing activities		11 797	7 987	74 969	4 263
Proceeds from issue of share capital		2 608	4 270	1 365	3 524
Short-term borrowings raised		9 189	3 717		
Movement on amounts owing to subsidiaries and joint ventures				73 604	739
Net decrease in cash and cash equivalents		(403 273)	(151 388)	(419 489)	(125 496)
Net cash and cash equivalents at the beginning of the year		231 604	384 544	179 809	305 305
Effect of exchange rate changes		1 693	(1 552)		
Net cash and cash equivalents at the end of the year	H	(169 976)	231 604	(239 680)	179 809

NOTES TO THE STATEMENTS OF CASH FLOWS

for the year ended 30 September 2013

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
A. WORKING CAPITAL CHANGES				
Inventories	(498 911)	(287 755)		
Accounts receivable	71 858	(283 493)	2 316	(274)
Accounts payable and provisions	(55 600)	215 475	11 169	18 739
Increase/(decrease) in cash flow hedging reserve	8 788	(1 522)		
Total working capital changes	(473 865)	(357 295)	13 485	18 465
B. TAXATION PAID				
Net amount (unpaid)/overpaid at the beginning of the year	(87 408)	(87 872)	(367)	576
Charged to profit or loss (note 7)	(239 556)	(242 124)	(9 887)	(14 216)
Exchange rate difference	(14)			
Net amount unpaid/(overpaid) at the end of the year	6 769	87 408	(268)	367
Cash amounts paid	(320 209)	(242 588)	(10 522)	(13 273)
C. DIVIDENDS PAID				
Oceana Empowerment Trust dividend distribution	(2 711)	(1 608)		
Dividends	(356 972)	(228 188)	(425 189)	(272 055)
Dividends paid to non-controlling interests	(21 251)	(12 426)		
Cash amounts paid	(380 934)	(242 222)	(425 189)	(272 055)
D. ACQUISITION OF BUSINESSES				
Property, plant and equipment		(37 400)		
Goodwill		(10 000)		
Fishing rights		(68 860)		
Contingent purchase consideration	(10 450)	10 450		
Accounts payable and provisions		514		
Cash movement on acquisition of businesses	(10 450)	(105 296)		
E. ACQUISITION OF ADDITIONAL SHARES IN SUBSIDIARY				
In January 2013 the group acquired an additional effective 10% of Erongo Sea Products (Pty) Ltd from a non-controlling shareholder. The group now owns 58% of Erongo Sea Products. Cash consideration transferred	7 158			
Less: value of non-controlling interest acquired	(82)			
Excess paid	7 076			
The excess paid has been taken directly to equity as required by IAS 27 Consolidated and Separate Financial Statements.				
F. LOSS OF CONTROL OVER SUBSIDIARY				
Property, plant and equipment	12			
Inventories	802			
Accounts receivable	22 850			
Accounts payable and provisions	(20 174)			
Bank overdrafts	(3 490)			
Proceeds received on loss of control over subsidiary				
Add: bank overdrafts disposed	3 490			
Net cash inflow on loss of control over subsidiary	3 490			
G. ACQUISITION OF JOINT VENTURE				
Property, plant and equipment	(6)			
Inventories	(401)			
Accounts receivable	(11 425)			
Accounts payable and provisions	10 087			
Bank overdrafts	1 745			
Proceeds paid on acquisition of joint venture				
Less: bank overdrafts acquired	(1 745)			
Net cash outflow on acquisition of joint venture	(1 745)			
H. NET CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	123 817	276 178	17 320	179 809
Bank overdrafts	(293 793)	(44 574)	(257 000)	
	(169 976)	231 604	(239 680)	179 809

Explanatory notes to D. Acquisition of businesses

On 18 September 2012, the group acquired certain hake and horse mackerel fishing rights and related assets, as well as the cold storage business from the Lusitania group and associated companies. The initial accounting for the acquisition, which was only provisionally determined as at 30 September 2012, has now been finalised. No adjustments were effected to the provisional values.

Explanatory notes to F and G. Change of control of subsidiary to joint venture

With effect from 31 January 2013, the group's interest in Oceana International Limited reduced from 100% to 50% through the issue of new shares to an outside party. Oceana International Limited has been proportionately consolidated since the change in shareholding.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2013

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	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
1. REVENUE				
The main categories of revenue are set out below:				
Sale of goods				
Canned fish and fishmeal	2 657 106	2 582 636		
Horse mackerel and hake	1 639 556	1 435 082		
Lobster, squid and French fries	374 372	350 443		
Rendering of services				
Commercial cold storage	326 320	279 790		
Management fees from subsidiaries and joint ventures			157 544	117 797
	4 997 354	4 647 951	157 544	117 797
2. OPERATING PROFIT BEFORE ABNORMAL ITEMS				
Operating profit before abnormal items is arrived at after taking into account the following items:				
Income				
Directors' fees from a joint venture			54	44
Foreign exchange gain	43 430	18 395	1 395	8
Net surplus on disposal of property, plant and equipment		1 193		18
Surplus on disposal of fishing right	2 418			
Expenditure				
Auditor's remuneration				
Fees for audit – current year	5 331	4 732	896	839
Fees for audit – prior year underprovision	47	54	2	8
Expenses	34	18	8	
Other services	1 759	2 097	730	585
	7 171	6 901	1 636	1 432
Depreciation of property, plant and equipment				
Buildings	5 983	6 100		
Plant, equipment and motor vehicles	48 711	47 710	4 210	3 323
Fishing vessels and nets	33 750	32 529		
	88 444	86 339	4 210	3 323
Amortisation of fishing rights	15 175	853		
Administrative, technical and secretarial fees	18 375	15 765	3 921	3 478
Operating lease expenses				
Properties	45 171	33 335	2 874	2 426
Equipment and vehicles	8 581	6 280		
Employment costs	576 753	547 373	46 304	48 106
Net loss on disposal of property, plant and equipment	67			
Retirement costs	36 487	31 711	4 675	3 709
Share-based payments – cash-settled compensation scheme	152 376	75 583	64 529	28 930
Share-based payments – Oceana Empowerment Trust	2 211	7 614	63	141

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
for the year ended 30 September 2013

	GROUP	
	2013 R'000	2012 R'000
3. SEGMENTAL RESULTS		
Revenue		
Canned fish and fishmeal	2 657 106	2 582 636
Horse mackerel and hake	1 639 556	1 435 082
Lobster, squid and French fries	374 372	350 443
Commercial cold storage	326 320	279 790
Total	4 997 354	4 647 951
Operating profit before abnormal items		
Canned fish and fishmeal	219 646	318 941
Horse mackerel and hake	422 906	296 578
Lobster, squid and French fries	23 329	29 538
Commercial cold storage	82 798	65 968
Total	748 679	711 025
Total assets		
Canned fish and fishmeal	1 773 289	1 362 685
Horse mackerel and hake	509 979	427 057
Lobster, squid and French fries	103 930	95 680
Commercial cold storage	235 608	241 002
Financing	242 240	419 117
	2 865 046	2 545 541
Deferred taxation	30 360	23 187
Total	2 895 406	2 568 728
Total liabilities		
Canned fish and fishmeal	467 077	515 752
Horse mackerel and hake	177 684	220 055
Lobster, squid and French fries	43 364	44 808
Commercial cold storage	67 129	60 456
Financing	310 980	52 572
	1 066 234	893 643
Deferred taxation	39 797	41 843
Total	1 106 031	935 486
Revenue per region¹		
South Africa and Namibia	3 440 483	3 097 288
Other Africa	981 368	880 734
Europe	329 242	381 716
Far East	211 687	251 807
Other	34 574	36 406
	4 997 354	4 647 951

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

Revenue excludes the following inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation: Canned fish and fishmeal R5,4 million (2012: R0,3 million), horse mackerel and hake R29,1 million (2012: R27,3 million) and commercial cold storage R30,4 million (2012: R30,5 million).

Note:

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

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
4. ABNORMAL ITEMS				
Competition Commission administrative penalty		34 750		
Trademark impairment		13 205		
Impairment of investment in subsidiary				9 933
Impairment of investment in Oceana Empowerment Trust			635	297
		47 955	635	10 230
5. INVESTMENT INCOME				
Dividend income				
Subsidiaries			220 437	285 514
Interest received				
Subsidiaries			7 691	401
Bank and short-term deposits	5 688	22 910	4 802	21 952
Preference share dividends	9 013	10 967	9 013	10 967
Unlisted investments	1 182	1 095		
Other	447	1 307	342	627
	16 330	36 279	242 285	319 461
6. INTEREST PAID				
Subsidiaries			6 800	5 549
Bank	9 148	2 898	5 823	11
Other	1 134	210		
	10 282	3 108	12 623	5 560
7. TAXATION				
7.1 South African				
Current year	130 348	139 300	9 773	13 199
Adjustments in respect of previous years	(5 078)	(50)	(21)	33
Secondary taxation on companies		2 401		928
	125 270	141 651	9 752	14 160
7.2 Foreign				
Current year	110 284	93 152		
Adjustments in respect of previous years	192	(245)		
Withholding tax	3 810	7 566	135	56
	239 556	242 124	9 887	14 216
7.3 South African deferred taxation				
Current year	(14 432)	(9 323)	(6 802)	(6 064)
Adjustments in respect of previous years	3 404	(656)	(14)	
7.4 Foreign deferred taxation				
Current year	3 008	201		
Adjustments in respect of previous years	(451)	(33)		
Adjustment in respect of change in tax rate	(748)	2		
Taxation charge	230 337	232 315	3 071	8 152

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
for the year ended 30 September 2013

	GROUP		COMPANY	
	2013 %	2012 %	2013 %	2012 %
7. TAXATION continued				
7.5 The reconciliation of the effective rate of taxation charge with the South African company income tax rate is as follows:				
Effective rate of taxation	30,5	33,4	1,3	2,6
Adjustment to rate due to:				
Dividend income	1,3	1,1	27,0	26,7
Net effect of tax losses	(0,1)	0,1		
Adjustment in respect of previous years	0,3	0,1		
Adjustment in respect of change in tax rate	0,1			
Foreign taxation rate differentials and withholding taxes	(3,2)	(3,8)	(0,1)	
Secondary taxation on companies		(0,3)		(0,3)
Abnormal items		(1,9)	(0,1)	(0,9)
Expenses not allowable for taxation and other	(0,9)	(0,7)	(0,1)	(0,1)
South African company income tax rate	28,0	28,0	28,0	28,0

	R'000	R'000
7.6 The group's share of tax losses in subsidiaries and joint venture companies available as a deduction from their future taxable incomes amounted to:		
South African	15 647	9 257
Foreign	25 681	39 013
Total	41 328	48 270
Tax savings effect:		
Before deferred taxation	13 105	15 537
After deferred taxation	883	1 395

	Number of shares	
8. EARNINGS PER SHARE		
8.1 Calculation of weighted average number of ordinary shares		
Weighted average number of ordinary shares	119 451 349	119 331 836
Less:		
Treasury shares held by Oceana Empowerment Trust	(14 038 527)	(14 121 277)
Treasury shares held by Oceana Brands Limited	(5 094 350)	(5 094 350)
Treasury shares held by Oceana Group Share Trust	(16 500)	(16 500)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	100 301 972	100 099 709
Shares deemed to be issued for no consideration in respect of unexercised share options	10 100 067	8 559 497
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	110 402 039	108 659 206

	GROUP		Gross of tax 2012 R'000	Net of tax 2012 R'000
	Gross of tax	Net of tax		
	2013 R'000	2013 R'000		
8. EARNINGS PER SHARE continued				
8.2 Determination of headline earnings				
Profit after taxation attributable to shareholders of Oceana Group Limited		491 016		443 790
Adjusted for:				
Trademark impairment			13 205	13 205
Surplus on disposal of fishing right	(2 418)	(1 741)		
Net loss/(surplus) on disposal of property, plant and equipment	67	50	(1 193)	(837)
Headline earnings for the year		489 325		456 158
Headline earnings per share (cents)				
– Basic		487,9		455,7
– Diluted		443,2		419,8

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
9. DIVIDENDS				
Final of 256 cents per share declared on 8 November 2012, paid 14 January 2013 (2012: 183 cents)	256 643	183 119	305 739	218 341
Interim of 100 cents per share declared on 9 May 2013, paid 1 July 2013 (2012: 45 cents)	100 329	45 069	119 450	53 714
Dividends paid during the year	356 972	228 188	425 189	272 055
Final of 222 cents (2012: 256 cents) per share declared on 7 November 2013, payable on 13 January 2014 based on number of shares in issue on 7 November 2013				
Dividend declared after reporting date	222 951	256 560	265 348	305 739

	GROUP				Total R'000
	Freehold land and buildings R'000	Leasehold land and buildings R'000	Plant, equipment and vehicles R'000	Fishing vessels and nets R'000	
10. PROPERTY, PLANT AND EQUIPMENT					
Cost					
At 1 October 2011	62 170	98 872	570 980	395 539	1 127 561
Additions	4 480	1 502	41 986	21 778	69 746
Business acquisition		3 075	9 325	25 000	37 400
Disposals	(15)	(408)	(9 165)	(9 176)	(18 764)
Exchange differences			(6)		(6)
At 30 September 2012	66 635	103 041	613 120	433 141	1 215 937
At 1 October 2012	66 635	103 041	613 120	433 141	1 215 937
Additions	925	7 486	59 486	65 017	132 914
Disposals			(8 988)	(26 352)	(35 340)
Transfer to non-current assets held for sale				(6 696) ¹	(6 696)
Exchange differences			7	1	8
At 30 September 2013	67 560	110 527	663 625	465 111	1 306 823

Note:

¹ A fishing vessel has been transferred to non-current assets held for sale as the group will dispose of the vessel within the next financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
for the year ended 30 September 2013

	GROUP				
	Freehold land and buildings R'000	Leasehold land and buildings R'000	Plant, equipment and vehicles R'000	Fishing vessels and nets R'000	Total R'000
10. PROPERTY, PLANT AND EQUIPMENT continued					
Accumulated depreciation and impairment					
At 1 October 2011	14 870	74 781	382 334	239 953	711 938
Depreciation for the year	1 937	4 163	47 710	32 529	86 339
Impairment charge			237		237
Disposals	(15)	(408)	(9 048)	(8 950)	(18 421)
Exchange differences			(6)		(6)
At 30 September 2012	16 792	78 536	421 227	263 532	780 087
At 1 October 2012	16 792	78 536	421 227	263 532	780 087
Depreciation for the year	1 941	4 042	48 711	33 750	88 444
Disposals			(8 586)	(22 875)	(31 461)
Transfer to non-current assets held for sale ¹				(4 078)	(4 078)
Exchange differences			10		10
At 30 September 2013	18 733	82 578	461 362	270 329	833 002
Carrying value					
At 1 October 2011	47 300	24 091	188 646	155 586	415 623
At 30 September 2012	49 843	24 505	191 893	169 609	435 850
At 30 September 2013	48 827	27 949	202 263	194 782	473 821

The insured value of the group's property, plant and equipment at 30 September 2013 amounted to R3,5 billion (2012: R3,3 billion).

Details of land and buildings mentioned above are included in registers which are available on request for inspection at the registered office of the company. The group holds no investment properties.

	COMPANY R'000
Plant, equipment and motor vehicles	
Cost	
At 1 October 2011	20 764
Additions	4 686
Intercompany transfer	(51)
Disposals	(1 052)
At 30 September 2012	24 347
At 1 October 2012	24 347
Additions	8 776
At 30 September 2013	33 123
Accumulated depreciation	
At 1 October 2011	15 955
Depreciation for the year	3 323
Intercompany transfer	(51)
Disposals	(1 036)
At 30 September 2012	18 191
At 1 October 2012	18 191
Depreciation for the year	4 210
At 30 September 2013	22 401
Carrying value	
At 1 October 2011	4 809
At 30 September 2012	6 156
At 30 September 2013	10 722

	GROUP			
	Goodwill R'000	Trademark R'000	Fishing rights R'000	Total R'000
11. GOODWILL, TRADEMARK AND FISHING RIGHTS				
Cost				
At 1 October 2011	17 630	18 101		35 731
Additions			4 402	4 402
Business acquisition	10 000		68 860	78 860
Exchange difference		1 333		1 333
At 30 September 2012	27 630	19 434	73 262	120 326
At 1 October 2012	27 630	19 434	73 262	120 326
Additions			26 695	26 695
Exchange difference		2 644		2 644
At 30 September 2013	27 630	22 078	99 957	149 665
Accumulated amortisation and impairment				
At 1 October 2011	17 630			17 630
Amortisation for the year			853	853
Impairment		13 205		13 205
At 30 September 2012	17 630	13 205	853	31 688
At 1 October 2012	17 630	13 205	853	31 688
Amortisation for the year			15 175	15 175
At 30 September 2013	17 630	13 205	16 028	46 863
Carrying value				
At 1 October 2011		18 101		18 101
At 30 September 2012	10 000	6 229	72 409	88 638
At 30 September 2013	10 000	8 873	83 929	102 802

Goodwill

Goodwill arose during the 2012 financial year on the acquisition of the V&A Cold Store from the Lusitania group. Goodwill relating to the acquisition of Glenryck Foods Limited, in the United Kingdom (UK), has been impaired in full.

Trademark

The trademark relates to the Glenryck brand of canned fish in the UK market. The recoverable amount of the trademark was determined by assessing the present value of the future cash flows of royalty income to be derived from the Glenryck brand. During the 2012 year, as a result of difficult trading conditions and the poor economic circumstances prevailing in the UK, an impairment was recognised. The key assumptions used in the calculation were the sales volume and price growth rates, which were based on forecasts of performance in terms of the revised business model, and a royalty fee. A discount rate of 20% was used which reflected the operating characteristics of the business and the environment in which it operates. No further impairment was required in the current year.

Fishing rights

During the financial year, additional hake fishing rights were purchased from an associate company of the Lusitania group and pilchard and anchovy rights were acquired from another rights holder. Fishing rights are amortised over the remaining period of the respective rights. Hake, pilchard and anchovy rights are due for renewal in December 2020.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
for the year ended 30 September 2013

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
12. DEFERRED TAXATION				
Deferred tax assets	30 360	23 187	19 357	11 511
Deferred tax liabilities	(39 797)	(41 843)		
Net deferred tax (liability)/asset	(9 437)	(18 656)	19 357	11 511
Net (liability)/asset at the beginning of the year	(18 656)	(28 465)	11 511	5 447
Transferred from subsidiary			1 030	
Adjustment in respect of change in tax rate	748	(2)		
Credited to the statement of comprehensive income	8 471	9 811	6 816	6 064
Net (liability)/asset at the end of the year	(9 437)	(18 656)	19 357	11 511
Comprising:				
Property, plant and equipment	(33 724)	(44 900)		
Taxation loss relief	12 222	14 142		
Provisions and other credit balances	27 759	26 426	19 357	11 511
Section 14(1)(c) allowances, prepayments and other	(15 694)	(14 324)		
	(9 437)	(18 656)	19 357	11 511
Aggregate amount of unused tax losses for which no deferred tax asset is recognised in the statement of financial position	14 522	5 410		
13. INVESTMENTS AND LOANS				
Gross loans	25 814	19 782	328	328
Less: Provisions for irrecoverable loans	(7 695)	(7 511)		
Net loans	18 119	12 271	328	328
Preference shares	99 680	130 044	99 680	130 044
Other investments	625	625	603	603
	118 424	142 940	100 611	130 975

Interest amounting to R77 179 (2012: R73 187) was recognised in respect of impaired loans.

Company loans consist of an unsecured, interest-free loan with no fixed terms of repayment to a company in which the group holds a 5,3% (2012: 5,3%) equity share. No impairment provision is required in respect of this loan.

Loans on which repayments are overdue or for which recoverability is in doubt, based on information at hand, have been impaired.

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
13. INVESTMENTS AND LOANS continued				
Movement on net loans				
Balance at the beginning of the year	12 271	21 989	328	273
Advances	14 648	4 246		55
Interest charged	998	995		
Loans repaid	(9 614)	(7 659)		
Movement on provisions for irrecoverable loans	(184)	(7 300)		
Balance at the end of the year	18 119	12 271	328	328
Movement on provisions for irrecoverable loans				
Balance at the beginning of the year	7 511	211		
Impairment losses recognised	184	7 300		
Balance at the end of the year	7 695	7 511		

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

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Movement on preference shares				
Balance at the beginning of the year	130 044	131 026	130 044	131 026
Accrued preference dividends	9 013	10 967	9 013	10 967
Repayments received	(39 377)	(11 949)	(39 377)	(11 949)
Balance at the end of the year	99 680	130 044	99 680	130 044

14. OCEANA GROUP SHARE TRUST

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

Interest-bearing at 6,5% per annum (2012: 6,5%)	2 820	5 264
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15. OCEANA EMPOWERMENT TRUST

Capital contribution	2 603	3 261
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The Oceana Empowerment Trust (formerly Khula Trust) was formed in 2006 to hold shares in the company for allocation to qualifying black employees. The trust is funded by capital contributions from the company and participating South African subsidiary companies.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
for the year ended 30 September 2013

	COMPANY	
	2013 R'000	2012 R'000
16. INTEREST IN SUBSIDIARIES AND JOINT VENTURES		
Shares at cost, less amounts written off	35 361	35 361
Amounts owing by	798 798	438 396
	834 159	473 757
Amounts owing to	(101 468)	(27 864)
	732 691	445 893

Loans to and from subsidiaries and joint ventures are unsecured and have no fixed terms of repayment. A working capital loan to Oceana Brands Limited to fund stock purchases bears interest at rates in line with the prevailing market rate, which was 6,1% at the reporting date. Other loans to and from wholly owned South African subsidiaries are interest-free. Interest rates on other loans are floating and approximate prevailing market rates.

Details of subsidiary and joint venture companies are set out in separate schedules on pages 42 and 43 of these financial statements.

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
17. INVENTORIES				
Raw materials	43 181	43 250		
Finished goods	1 174 692	689 267		
Consumable stores and work in progress	59 908	45 462		
	1 277 781	777 979		
Finished goods include inventory held at net realisable value of R19 680 000 (2012: R1 910 000).				
18. ACCOUNTS RECEIVABLE				
Net trade receivables	575 971	584 103		
Gross trade receivables	585 199	593 476		
Less: Allowance for credit notes	(8 209)	(6 949)		
Less: Provisions for irrecoverable trade receivables	(1 019)	(2 424)		
Net short-term loans and advances	6 889	4 149		
Gross short-term loans and advances	9 922	9 676		
Less: Provisions for irrecoverable loans and advances	(3 033)	(5 527)		
Amount owing by foreign suppliers	55 437	130 195		
Value added taxation	32 328	40 351		
Accrued income and other	44 169	27 352	3 759	6 560
Prepayments	36 533	33 014	1 915	1 430
	751 327	819 164	5 674	7 990

	GROUP	
	Trade receivables 2013 R'000	Trade receivables 2012 R'000
18. ACCOUNTS RECEIVABLE continued		
The analysis of group trade receivables is as follows:		
Not past due	547 158	554 875
Ageing of trade and other receivables which are past due and not impaired		
30 days	22 143	25 622
60 days	4 506	2 237
90 days	799	1 152
120 days	376	107
150 days and over	989	110
	575 971	584 103

The granting of credit is controlled by application and credit-vetting procedures which are reviewed and updated on an ongoing basis. Credit risk is reduced by other measures depending on the nature of the customer and market. Credit exposure relating to the domestic fast-moving consumer goods (FMCG) and retail market, other than blue-chip customers, is largely covered by credit guarantee insurance. Exports are normally on letter of credit and in some cases are on a prepaid basis. Exports to African countries in which satisfactory credit guarantee insurance or letter of credit facilities are not available are on open account and are subject to strict credit limits. Cold storage trade receivables are covered by a lien over customer's product held in storage. Individual customer default risks as well as country risks are closely monitored and provisions adjusted accordingly.

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

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

	GROUP	
	2013 R'000	2012 R'000
Movement in provisions for irrecoverable trade receivables		
Balance at the beginning of the year	2 424	2 582
Irrecoverable amounts written off against the provision	(319)	(274)
Impairment losses (reversed)/recognised	(1 086)	116
Balance at the end of the year	1 019	2 424
Concentration of credit risk in trade receivables		
<i>By geographical region</i>		
South Africa and Namibia	450 664	451 140
Other Africa	57 481	87 362
Europe	50 012	26 376
Far East and other	17 814	19 225
Trade receivables	575 971	584 103

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
for the year ended 30 September 2013

	GROUP	
	2013 R'000	2012 R'000
18. ACCOUNTS RECEIVABLE continued		
<i>By customer sector</i>		
Domestic FMCG, wholesale, retail (blue-chip or insured)	466 836	455 157
Cold storage (secured by lien)	51 101	43 398
Exports on letter of credit/cash with documents	29 718	66 266
Open account	28 316	19 282
Trade receivables	575 971	584 103
Movement in provisions for irrecoverable loans and advances		
Balance at the beginning of the year	5 527	6 437
Impairment losses reversed	(1 383)	(910)
Irrecoverable accounts written off against the provision	(1 111)	
Balance at the end of the year	3 033	5 527

There was one customer (2012: one customer) with a balance in excess of 10% of the total trade receivables at the reporting date.

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

Provisions are raised for all trade receivables and short-term loans and advances which are considered irrecoverable.

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
19. SHARE CAPITAL AND PREMIUM				
19.1 Ordinary shares of 0,1 cent each				
Authorised share capital:				
200 000 000 (2012: 200 000 000) shares	200	200	200	200
Issued share capital:				
119 514 157 (2012: 119 429 157) shares	120	119	120	119
Shares	155 922	154 558	155 922	154 558
Share premium	156 042	154 677	156 042	154 677
Less: Treasury shares				
19 097 817 (2012: 19 210 233) shares	(122 272)	(123 985)		
	33 770	30 692	156 042	154 677

Number of shares

Treasury shares comprise shares held by:

Oceana Empowerment Trust	13 986 967	14 099 383
Oceana Brands Limited	5 094 350	5 094 350
Oceana Group Share Trust	16 500	16 500
	19 097 817	19 210 233

	GROUP		COMPANY	
	2013	2012	2013	2012
			Number of shares	
19. SHARE CAPITAL AND PREMIUM continued				
19.2 Unissued shares				
Authorised			200 000 000	200 000 000
Issued			119 514 157	119 429 157
Unissued			80 485 843	80 570 843
Under option in terms of the company's share scheme			12 000	97 000
Balance of unissued shares			80 473 843	80 473 843

	R'000	R'000	R'000	R'000
20. CASH FLOW HEDGING RESERVE				
Balance at the beginning of the year	400	1 922		
Movement on the cash flow hedge reserve	8 788	(1 522)		
Gain/(loss) recognised on cash flow hedges	382	(2 584)		
Transferred from/(to) profit or loss	1 983	(54)		
Transferred to initial carrying amount of hedged item	6 423	1 116		
Balance at the end of the year	9 188	400		

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

21. ACCOUNTS PAYABLE				
Trade payables	310 226	309 767	19 795	3 587
Payroll-related accruals	51 106	83 639	11 675	17 398
Leave pay accrual	20 809	17 889	2 163	1 803
Contingent purchase consideration		10 450		
Short-term loans and advances	17 187	7 998		
Value added taxation payable	3 108	6 651		1 845
Accruals and other payables	194 652	212 281	10 930	8 483
	597 088	648 675	44 563	33 116

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

22. PROVISIONS

Supplier claims

Balance at the beginning of the year	2 592	5 541
Net charge to operating profit	636	4 415
Utilised during the year	(1 431)	(7 364)
Balance at the end of the year	1 797	2 592

Ex gratia retirement provision

Balance at the beginning of the year	4 088	3 994
Net charge to operating profit	208	262
Utilised during the year	(191)	(168)
Balance at the end of the year	4 105	4 088

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
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	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
22. PROVISIONS continued				
Other				
Balance at the beginning of the year	4 087	2 383		
Net charge to operating profit	2 979	4 097		
Utilised during the year	(2 731)	(2 393)		
Balance at the end of the year	4 335	4 087		
Total				
Balance at the beginning of the year	10 767	11 918		
Net charge to operating profit	3 823	8 774		
Utilised during the year	(4 353)	(9 925)		
Balance at the end of the year	10 237	10 767		
23. COMMITMENTS				
23.1 Capital commitments				
Budgeted capital expenditure is as follows:				
Contracted	44 005	21 879		
Not contracted	174 524	159 280	6 713	6 654
	218 529	181 159	6 713	6 654
Capital expenditure will be financed from the group's cash resources and short-term borrowing facilities.				
23.2 Operating lease commitments				
The future minimum lease payments under operating leases are as follows:				
Not later than one year	43 770	29 652	2 233	1 729
Later than one year but not later than five years	178 524	140 511	10 935	8 467
Later than five years	344 791	418 259	5 960	7 566
	567 085	588 422	19 128	17 762
24. NUMBER OF EMPLOYEES				
Permanent employees at year-end	1 848	1 849	72	55

25. SHARE-BASED PAYMENT PLANS

25.1 Equity-settled compensation scheme

The group operates the Oceana Group (1985) Share Option Scheme (the scheme), which is an equity-settled compensation scheme. The provisions of the scheme provide that the aggregate number of unissued shares that may be reserved for the scheme may not exceed 20% of the company's current issued share capital. Share options were granted to executive directors and senior managers by the board on the recommendation of the remuneration and nominations committee. The last grant of options in terms of the scheme was on 25 November 2004 and it is not intended to grant any further options. The exercise price of the options is equal to the 30-day average closing market price of the shares prior to the date of grant. Provided the employee remains in service, the options vest in three tranches, one-third after a period of three years from the date of grant, a further third after four years and the final third after five years. The contractual life of each option granted is 10 years, after which the option lapses. There are no cash alternatives. Options that have not been exercised in accordance with the rules of the scheme are forfeited upon termination of employment, other than on death or retirement.

25. SHARE-BASED PAYMENT PLANS continued

25.1 Equity-settled compensation scheme continued

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

	GROUP		2012	
	2013			
	Number of share options	VWAP rand	Number of share options	VWAP rand
Outstanding at the beginning of the year	97 000 ¹	16,08	320 000 ¹	15,89
Exercised during the year	85 000 ²	16,06	223 000 ³	15,80
Outstanding at the end of the year	12 000 ¹	16,24	97 000 ¹	16,08
Exercisable at the end of the year	12 000		97 000	

Notes:

¹ There are no options (2012: none) over shares in the end of the year balance that have not been recognised in accordance with IFRS 2 as the options were granted on or before 7 November 2002.

² The weighted average share price at the date of exercise for the options exercised was R84,88.

³ The weighted average share price at the date of exercise for the options exercised was R45,48.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2013 is 0,1 years (2012: 1,8 years).

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

	GROUP	
	2013	2012
	Number of share options	Number of share options
R16,24 per share exercisable until 11 November 2013	12 000	32 000
R16,00 per share exercisable until 24 November 2014		65 000
	12 000	97 000

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

25.2 Black economic empowerment (BEE) scheme – Oceana Empowerment Trust

Oceana Empowerment Trust acquired 14 380 465 Oceana shares at a cost of R15,21 per share in 2006 as part of the group's BEE transaction. Options to acquire these shares are allocated to qualifying black employees by the trustees of the trust. Provided the employee remains in service, the options vest in three tranches, one third after a period of three years from the date of allocation, a further third after four years and the final third after five years. After vesting the employee acquires a right to take up the share, but will only take transfer of the share after a lock-in period of 10 years from the date of the initial allocation. Earlier vesting and transfer of benefits is allowed in the event of the death of the employee. Options not exercised will be available for future allocation to other qualifying employees.

The first allocation of options was made on 15 January 2007, followed by a second allocation on 1 May 2010, both at an option price of R15,21 per share. The second allocation was made to new eligible employees, who had joined the group since 15 January 2007, and as a top-up to employees who received options in the first allocation. The number of allocated options has reduced in terms of the scheme rules due to retrenchments, resignations and dismissals.

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25. SHARE-BASED PAYMENT PLANS continued

25.2 Black economic empowerment (BEE) scheme – Oceana Empowerment Trust continued

During the year 112 416 options (2012: 57 416) were realised on behalf of beneficiaries of deceased employees.

A third allocation of 2 264 550 options was made on 1 September 2013, at an option price of R15,21 per share, to new eligible employees who had not participated in the first or second allocations and as a top-up to certain employees who had been promoted since the second allocation was made.

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

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

25.3 Cash-settled (phantom) compensation scheme

Phantom share options are granted to executive directors and senior managers by the board on the recommendation of the remuneration and nominations committee in terms of the phantom share scheme which was implemented in 2006. The exercise price and vesting rights of the phantom share options are the same as for the share scheme described in note 25.1, but the contractual life of the options is six years and gains on options are settled in cash. Phantom share options granted in 2008 and thereafter have an additional performance-related hurdle rate, linked to growth in headline earnings per share, which applies to half of the options granted.

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

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

	GROUP		2012	VWAP rand
	2013			
	Number of share options	VWAP rand	Number of share options	VWAP rand
Outstanding at the beginning of the year	6 239 764	30,56	6 774 387	26,08
Granted during the year	961 000	71,33	1 063 000	44,77
Forfeited during the year	55 000	36,60	347 665	27,16
Exercised during the year	2 066 768 ¹	23,44	1 249 958 ²	19,28
Outstanding at the end of the year	5 078 996	41,11	6 239 764	30,56
Exercisable at the end of the year	291 341		649 777	

Notes:

¹ The weighted average share price at the date of exercise for the options exercised was R74,69.

² The weighted average share price at the date of exercise for the options exercised was R44,74.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2013 is 3,4 years (2012: 3,4 years).

25. SHARE-BASED PAYMENT PLANS continued

25.3 Cash-settled (phantom) compensation scheme continued

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

		2013 Number of share options	2012 Number of share options
R19,26 per share exercisable until 7 February 2014	3	51 332	615 699
R22,65 per share exercisable until 5 February 2015	4A	774 997	1 576 066
R25,06 per share exercisable until 1 July 2015	4B	166 667	500 000
R29,59 per share exercisable until 11 February 2016	5	913 000	1 277 000
R37,52 per share exercisable until 10 February 2017	6	1 177 000	1 220 000
R44,77 per share exercisable until 16 February 2018	7	1 035 000	1 051 000
R67,49 per share exercisable until 14 February 2019	8A	760 000	
R85,86 per share exercisable until 1 July 2019	8B	201 000	
		5 078 996	6 239 765

The significant inputs into the model used to value the liability for share-based payments were a 30-day volume weighted average share price of R84,43 (2012: R53,02), an expected option life of six years and expected dividend yield of 5,26% (2012: 5,8%). The interest rate yield used was the Standard Bank Closing Swap Curve. Risk-free rates ranged from 5,1% to 7,5% (2012: 5,1% to 6,0%). Expected volatility of 29,7% (2012: 31,5%) was based on historical share price volatility.

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

26. RETIREMENT BENEFITS

The group provides a total of seven retirement plans that cover all employees. The plans consist of four defined-contribution provident funds, one defined-contribution retirement fund and an umbrella fund. There is also a defined-benefit pension fund which had one active member who transferred to a defined-contribution fund during the year. The assets of the funds are held in independent funds, administered by their trustees in terms of the Pension Funds Act, 24 of 1956, as amended. In terms of the Pension Funds Act, certain of the retirement funds are exempt from actuarial valuation.

The Oceana Group Pension Fund which is not exempt from valuation must, in terms of the Pension Funds Act, be valued at least every three years. At the date of the last valuation on 30 September 2011, the fund was confirmed to be in a financially sound condition. The last active member has been converted to a defined-contribution fund and the pensioners liability has been outsourced. There is therefore no liability remaining in the fund.

Members of one provident fund and one pension fund transferred to a new umbrella fund with effect from 1 July 2013. Transfer of the assets of the two funds to the umbrella fund is expected to be completed in 2014.

	GROUP				
	2013 R'000	2012 R'000	2011 R'000	2010 R'000	2009 R'000
Balance at the end of the year					
Present value of defined-benefit obligations and surplus apportionment to former members		(1 497)	(10 790)	(10 176)	(9 495)
Fair value of plan assets in respect of defined-benefit obligations and surplus apportionment to former members	8 990	8 682	16 185	17 573	13 702
Funded status of defined-benefit plan	8 990	7 185	5 395	7 397	4 207
Unrecognised actuarial gains/(losses)		638	2 127	(722)	(3 056)
Asset not recognised at the reporting date	(8 990)	(7 823)	(7 522)	(6 675)	(1 151)
Liability at the reporting date					

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
for the year ended 30 September 2013

	GROUP				
	2013 R'000	2012 R'000	2011 R'000	2010 R'000	2009 R'000
26. RETIREMENT BENEFITS continued					
Movement in the liability recognised in the statement of financial position					
Opening balance					
Asset not recognised at the beginning of the year	7 823	7 522	6 675	1 151	14 966
Contributions paid	36 104	30 087	24 675	22 670	20 400
Other expenses included in staff costs	(43 927)	(37 609)	(31 350)	(23 821)	(35 366)
Current service cost	(36 124)	(30 115)	(24 669)	(22 667)	(20 389)
Interest (cost)/income	(135)	(534)	(910)	(756)	160
Expected return on plan assets	521	1 108	1 751	1 455	1 227
Surplus allocation – former members and related reserves				4 409	(15 213)
Net actuarial gains/(losses) unrecognised during the year	801	(245)		413	
Asset not recognised at the reporting date	(8 990)	(7 823)	(7 522)	(6 675)	(1 151)
Balance at the end of the year					
The principal actuarial assumptions used for accounting purposes relating to the defined-benefit obligations were:					
Discount rate net of tax	n/a	8,65%	8,50%	9,00%	8,50%
Inflation rate	6,00%	6,25%	6,00%	6,00%	6,00%
Expected return on plan assets	6,00%	9,65%	9,50%	10,00%	9,50%
Future salary increases	6,75%	7,25%	6,75%	6,75%	6,75%
Future pension increases	n/a	6,25%	6,00%	6,00%	6,00%

Post-employment medical obligations

The group operates a post-employment medical benefit scheme that covers certain of its retirees. This benefit is no longer offered by the group to current employees or new employees. The liabilities are valued annually using the Projected Unit Credit Method and have been funded by contributions to an independently administered insurance plan. The latest full actuarial valuation was performed at 30 September 2013.

	2013 R'000	2012 R'000
Present value of obligations	8 297	8 145
Less: Fair value of plan assets	(7 470)	(8 145)
Liability at the reporting date	827	

The principal actuarial assumptions used for accounting purposes relating to post-employment medical obligations:

Discount rate	7,97%	7,25%
Medical inflation	7,91%	7,10%

A 100 basis point increase or decrease in the rate of medical inflation would lead to an increase or decrease in the present value of obligations of 8,4% and 7,4% 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 8,2% and 7,1% respectively.

27. CONTINGENT LIABILITIES

The company and its subsidiaries have given cross suretyships in support of bank overdraft facilities of certain subsidiaries and the company. The company has subordinated its loan to Blue Atlantic Trading Proprietary Limited and given a letter of support to Calamari Fishing Proprietary Limited.

28. FINANCIAL RISK MANAGEMENT

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

Capital risk

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

Currency risk

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

Foreign currency balances and exposure

	GROUP				
	US dollar '000	Euro '000	Sterling '000	Yen '000	Australian dollar '000
2013					
Trade receivables	5 383	1 915	828	13 147	295
Other accounts receivable	5 466	30			
Cash and cash equivalents	4 344				
Accounts payable	(10 766)	(27)	(53)		
	4 427	1 918	775	13 147	295
Year-end exchange rate	10,15	13,70	16,41	9,69	9,42
2012					
Trade receivables	11 790	968	1 155		189
Other accounts receivable	16 613				
Cash and cash equivalents	5 324		4		
Accounts payable	(16 392)	(217)	(95)		
	17 335	751	1 064		189
Year-end exchange rate	8,28	10,64	13,36		8,60

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

The group holds FECs which have been marked to market in the statement of financial position. For FECs designated as cash flow hedges, the gains and losses transferred from equity into profit or loss are included in cost of sales. Those which relate to foreign currency commitments not yet due and assets not yet receivable (therefore not yet recognised in the statement of financial position) are shown in the following table. The contracts will be utilised for purposes of trade in the 2014 financial year.

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	GROUP			
	US dollar '000	Euro '000	Sterling '000	Norwegian krone
28. FINANCIAL RISK MANAGEMENT continued				
Foreign currency balances and exposure continued				
2013				
Foreign currency bought	37 645	61		3 055
Foreign currency sold	570			0
Average exchange rate	10,08	13,56		1,69
 2012				
Foreign currency bought	14 484	106	12	
Foreign currency sold	1 594	65	1 339	
Average exchange rate	8,26	10,61	13,24	

Foreign currency sensitivity analysis

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

	GROUP	
	2013 R'000	2012 R'000
Increase in profit before taxation		
US dollar	4 493	14 348
Euro	2 627	799
Sterling	1 271	1 421
Australian dollar	278	163
Yen	136	
 The following table shows the group's sensitivity to a 10% weaker rand on the translation of foreign subsidiaries, with all other variables held constant. For a 10% stronger rand there would be an equal and opposite impact on the FCTR.		
Increase in FCTR		
US dollar	2 235	1 031
Sterling	1 953	832

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

Interest rate risk and liquidity risk

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

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

All non-derivative financial liabilities mature within one year in both the group and the company.

28. FINANCIAL RISK MANAGEMENT continued

Interest rate sensitivity analysis

For the group, based on the interest-bearing net assets and interest rates ruling at the reporting date, net interest paid would amount to R4,0 million (2012: earned R20,3 million). A 100 basis point change in the interest rate would result in an increase or decrease of R0,6 million (2012: R3,6 million). The group's sensitivity to interest rates has decreased since the previous year due to a reduction in the absolute value of net cash and cash equivalents.

For the company, based on the interest-bearing net assets and interest rates ruling at the reporting date, net interest paid would amount to R16,8 million (2012: earned R18,9 million). A 100 basis point change in the interest rate would result in an increase or decrease of R1,4 million (2012: R3,1 million). The company's sensitivity to interest rates has decreased since the previous year due to a reduction in the absolute value of net cash and cash equivalents.

Credit risk

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

Potential concentrations of credit risk consist principally of trade receivables, loans and advances and short-term cash investments. Long-term loans are secured by cession of shares and fishing rights and bonds over assets as appropriate. Advances are short-term and usually recoverable within the fishing season to which they relate. The group and company deposit short-term cash surpluses only with major financial institutions of high-quality credit standing. At 30 September 2013, the directors did not consider there to be any significant concentration of credit risk which had not been adequately provided for. Details are disclosed in note 18 of how credit risk relating to accounts receivable is managed.

Fair values

The carrying amounts of financial assets and liabilities approximate their fair values at year-end because they are either of a short-term nature or bear interest at market-related rates.

All forward exchange contracts recorded in the cash flow hedging reserve are regarded as level 2 financial instruments. Level 2 fair value measurements are those derived from inputs that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).

Classification of financial instruments

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Financial assets				
Loans and receivables	924 082	1 164 292	919 885	755 137
Financial liabilities				
At amortised cost	866 964	668 709	400 868	59 177

29. RELATED-PARTY DISCLOSURES

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

The company provides financing to subsidiary companies and joint ventures and invests surplus cash on their behalf. A working capital loan to Oceana Brands Limited to fund stock purchases bears interest at rates in line with prevailing market rates. Other loan accounts between wholly owned group companies in South Africa are interest-free. Other loan accounts bear interest at rates similar to rates levied by banks. Details of loan balances with, and interests in, subsidiary and joint venture companies are disclosed on pages 42 and 43. Details of treasury shares held by share trusts are disclosed in note 19.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
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29. RELATED-PARTY DISCLOSURES continued

Details of the transactions between the group and the company with related parties are as follows.

	GROUP		COMPANY	
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
Transactions				
Transactions with joint ventures				
Administration fees received	1 972	2 146	1 324	1 253
Net interest received	315	404	310	495
Transactions with subsidiaries				
Administration fees received			156 220	116 544
Dividends received			220 437	285 514
Net interest received/(paid)			891	(5 148)
Transactions with shareholders				
Dividends receivable from Oceana SPV Proprietary Limited	9 013	10 967	9 013	10 967
Goods and services sold to Tiger Brands Limited subsidiaries	3 932	5 886		
Goods and services sold to Brimstone Investment Corporation Limited subsidiaries	8 480	9 403		
Goods and services bought from Brimstone Investment Corporation Limited subsidiaries	1 479	1 812		
Compensation of key management personnel				
Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities, directly or indirectly, including any director of that entity.				
Short-term employee benefits	24 721	47 557	14 668	29 661
Post-employment benefits	3 316	3 045	2 015	1 863
Share-based payments – cash-settled compensation scheme	65 934	32 135	50 073	23 378
Share-based payments – Oceana Empowerment Trust	55	66	52	66
Termination benefits	381		381	
Non-executive directors' emoluments	2 592	2 404	2 592	2 404
Total compensation of key management	96 999	85 207	69 781	57 372

Interest of directors in contracts

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

Post-retirement benefit plans

The group is a member of various defined-contribution plans as well as a defined-benefit plan. Further details are shown in note 26.

30. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION

Executive directors' remuneration

2013 Name	COMPANY					Total emoluments R'000
	Salary R'000	Allowances R'000	Retirement fund contributions R'000	Incentive bonuses ¹ R'000	Gain on exercise of phantom share options R'000	
ABA Conrad	1 507	144	350	415	2 095	4 511
FP Kuttel	3 654	189	556	937	20 356	25 692
RG Nicol ²	2 121	136	359	478	12 845	15 939
I Soomra ³	576	23	101	850		1 550
Total	7 858	492	1 366	2 680	35 296	47 692
2012						
ABA Conrad	1 265	144	302	1 874	1 397	4 982
FP Kuttel	3 349	174	512	4 414		8 449
RG Nicol	2 215	100	443	3 044	2 006	7 808
Total	6 829	418	1 257	9 332	3 403	21 239

Note:

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

² RG Nicol retired 30 June 2013.

³ I Soomra appointed 1 July 2013.

Executive directors' phantom share option details

2013 Name	Options as at 30 Sept 2012	Option price (cents)	Options granted during the year	Options exercised during the year	Exercise price (cents)	Options as at 30 Sept 2013	Expiry date
ABA Conrad	15 000	1 926		15 000	6 742		07.02.2014
	61 333	2 265		30 666	6 742	30 667	05.02.2015
	38 000	2 959				38 000	11.02.2016
	33 000	3 752				33 000	10.02.2017
	30 000	4 477				30 000	16.02.2018
		6 749	39 000			39 000	14.02.2019
	177 333		39 000	45 666		170 667	
FP Kuttel	500 000	2 506		166 666	6 926	166 667	01.07.2015
		2 506		166 667	8 586		
	136 000	2 959		45 334	9 259	90 666	11.02.2016
	119 000	3 752				119 000	10.02.2017
	107 000	4 477				107 000	16.02.2018
		6 749	129 000			129 000	14.02.2019
	862 000		129 000	378 667		612 333	
RG Nicol	100 000	1 926		66 667	6 926		07.02.2014
		1 926		33 333	6 816		
	188 000	2 265		62 667	6 926	62 666	05.02.2015
		2 265		62 667	8 581		
	78 000	2 959		26 000	6 816	52 000	11.02.2016
	68 000	3 752				68 000	10.02.2017
	61 000	4 477				61 000	16.02.2018
	495 000			251 334		243 666	
I Soomra		8 586	180 000			180 000	01.07.2019
			180 000			180 000	

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30. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION continued

Executive directors' phantom share option details continued

2012 Name	Options as at 30 Sept 2011	Option price (cents)	Options granted during the year	COMPANY		Options as at 30 Sept 2012	Expiry date
				Options exercised during the year	Exercise price (cents)		
ABA Conrad	13 333	1 691		13 333	4 235		10.11.2012
	30 000	1 926		15 000	4 470	15 000	07.02.2014
	92 000	2 265		30 667	4 470	61 333	05.02.2015
	38 000	2 959				38 000	11.02.2016
	33 000	3 752				33 000	10.02.2017
		4 477	30 000			30 000	16.02.2018
	206 333		30 000	59 000		177 333	
FP Kuttel	500 000	2 506				500 000	01.07.2015
	136 000	2 959				136 000	11.02.2016
	119 000	3 752				119 000	10.02.2017
		4 477	107 000			107 000	16.02.2018
	755 000		107 000			862 000	
RG Nicol	38 333	1 539		38 333	4 250		08.02.2012
	30 000	1 691		30 000	4 914		10.11.2012
	100 000	1 926				100 000	07.02.2014
	188 000	2 265				188 000	05.02.2015
	78 000	2 959				78 000	11.02.2016
	68 000	3 752				68 000	10.02.2017
		4 477	61 000			61 000	16.02.2018
	502 333		61 000	68 333		495 000	

Executive directors' share option details

2013 Name	Balance as at 30 Sept 2012 Number	Share options deemed to be exercised during the year ¹ Number	Gains on options exercised R'000	Exercise price (cents)	Deemed exercise dates	Lapsed options Number	Balance as at 30 Sept 2013 Number
RG Nicol	187 000	(187 000)					
2012 Name	Balance as at 30 Sept 2011 Number						Balance as at 30 Sept 2012 Number
RG Nicol	187 000						187 000

Note:

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

RG Nicol retired on 30 June 2013 and exercised his share options after his retirement date. Gains on options exercised are therefore not included above.

30. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION continued

Non-executive directors' remuneration

	2013			2012		
	Board fees R'000	Committee fees R'000	Total R'000	Board fees R'000	Committee fees R'000	Total R'000
ZBM Bassa	172	137	309	160	106	266
MA Brey	487	56	543	455	52	507
PG de Beyer	172	159	331	160	149	309
NP Doyle ^{1, 2}	82	27	109			
PB Matlare ¹	172	55	227	160	52	212
S Pather	230	191	421	215	155	370
PM Roux ^{1, 3}	68	37	105	160	80	240
NV Simamane	172	148	320	160	132	292
TJ Tapela	172	55	227	160	48	208
Total	1 727	865	2 592	1 630	774	2 404

Note:

¹ Paid to Tiger Brands Limited.

² NP Doyle appointed 8 April 2013.

³ PM Roux resigned 22 February 2013.

31. EVENTS AFTER THE REPORTING DATE

No events occurred after the reporting date that may have an impact on the group's reported financial position at 30 September 2013 or require separate disclosure in these financial statements.

INTEREST IN PRINCIPAL SUBSIDIARIES AND JOINT VENTURES

at 30 September 2013

Name of company	Notes	Nature of business	Issued capital	Effective holding		Interest of holding company		Indebtedness	
			2013 R	2013 %	2012 %	Cost of shares 2013 R'000	2012 R'000	2013 R'000	2012 R'000
Blue Atlantic Trading (Pty) Ltd	1	Fish trading	100	50	50			5 000	11 362
Blue Continent Products (Pty) Ltd		Horse mackerel, hake	1 000	100	100	1 932	1 932	97 665	95 272
Calamari Fishing (Pty) Ltd		Squid	4 000	100	100			14 662	15 918
Commercial Cold Storage (Pty) Ltd		Cold storage	100	100	100			(4 622)	11 490
Commercial Cold Storage Group Ltd		Holding company	1 000 000	100	100	6 986	6 986		
Commercial Cold Storage (Ports) (Pty) Ltd		Cold storage	100	70	70				
Commercial Cold Storage (Namibia) (Pty) Ltd – Namibia		Cold storage	10 000	100	100			(33 208)	(18 234)
Compass Trawling (Pty) Ltd		Hake	1 000	60,53	60,53				
Desert Diamond Fishing (Pty) Ltd		Horse mackerel	120	90	90			13 854	(2 507)
Erongo Marine Enterprises (Pty) Ltd – Namibia		Horse mackerel	100	100	100			(63 440)	(6 890)
Erongo Seafoods (Pty) Ltd – Namibia		Horse mackerel	40 000	49	49				
Erongo Sea Products (Pty) Ltd – Namibia	2	Horse mackerel	100	58	48				
Etosha Fisheries Holding Company (Pty) Ltd – Namibia	1	Canned fish, fishmeal/oil	9 085	44,9	44,9	10 988	10 988		
Glenryck Foods Ltd – United Kingdom		Canned fish	6 080 000	100	100	12 713	12 713		
Lamberts Bay Foods Ltd		French fries	52 700	100	100	22	22	16 934	12 667
MFV Romano Paulo Vessel Company (Pty) Ltd	1	Rock lobster	3 000	35	35				
Oceana Brands Ltd		Canned fish, fishmeal/oil	600 000	100	100	1 706	1 706	648 364	277 881
Oceana International Ltd – Isle of Man	1, 3	Horse mackerel	46 000	50	100	23	23		
Oceana Lobster Ltd		Rock lobster	965 500	100	100	966	966	2 319	13 806
Stephan Rock Lobster Packers Ltd		Rock lobster	200 000	51	51	25	25	(198)	(233)
						35 361	35 361	697 330	410 532

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

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

Note:

¹ Joint venture.

² Additional shares in Erongo Sea Products (Pty) Ltd were acquired from a minority shareholder in 2013.

³ Oceana International Ltd changed from being a wholly owned subsidiary to a joint venture through the issue of new shares by this company to an outside party.

INTEREST IN JOINT VENTURES

at 30 September 2013

OCEANA 2013
GROUP ANNUAL FINANCIAL STATEMENTS
www.oceana.co.za

EFFECTIVE HOLDING	2013 %	2012 %
The amounts below are included in the group's financial statements as a result of the proportionate consolidation of joint ventures. Significant joint ventures include:		
Blue Atlantic Trading Proprietary Limited	50,00	50,00
Etosha Fisheries Holding Company Proprietary Limited	44,90	44,90
MFV Romano Paulo Vessel Company Proprietary Limited	26,95	26,95
Oceana International Limited	50,00	
Realeka/Premier JV (unincorporated joint venture of Blue Continent Products Proprietary Limited)	52,00	52,00
	R'000	R'000
STATEMENT OF COMPREHENSIVE INCOME		
Revenue	389 328	175 006
Expenses	(347 983)	(156 288)
Operating profit	41 345	18 718
Net interest	(2 730)	(1 414)
Profit before taxation	38 615	17 304
Taxation	2 202	(228)
Profit after taxation	36 413	17 532
STATEMENT OF FINANCIAL POSITION		
Property, plant and equipment	18 239	13 744
Investments	22	22
Current assets	157 216	121 193
Current liabilities		
– Interest-bearing	(36 794)	(44 574)
– Interest-free	(39 891)	(30 145)
Deferred taxation	(1 252)	(128)
STATEMENT OF CASH FLOWS		
Operating profit	41 345	18 718
Adjustments for non-cash items	1 254	972
Working capital changes	(11 525)	(30 775)
Cash flows from operations	31 074	(11 085)
Net interest paid	(2 730)	(1 414)
Taxation paid	(2 336)	(297)
Net cash flows from operating activities	26 008	(12 796)
Cash flows from investing activities	(5 747)	(2 467)
Cash flows from financing activities	23	
Net increase/(decrease) in cash and cash equivalents	20 284	(15 263)

SHAREHOLDER ANALYSIS

at 30 September 2013

SHAREHOLDER SPREAD	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	1 308	61,3	584 237	0,5
1 001 – 10 000 shares	614	28,8	2 147 030	1,8
10 001 – 100 000 shares	154	7,2	4 941 058	4,1
100 001 – 1 000 000 shares	47	2,2	12 484 744	10,5
1 000 001 shares and over	10	0,5	99 357 088	83,1
	2 133	100,0	119 514 157	100,0

DISTRIBUTION OF SHAREHOLDERS

Banks	42	2,0	4 525 063	3,8
Brokers	21	1,0	621 407	0,5
Close corporations	30	1,4	77 109	0,0
Empowerment	1	0,0	20 096 755	16,8
Individuals	1 637	76,8	3 244 969	2,7
Insurance companies	8	0,4	728 196	0,6
Investment companies	11	0,5	205 312	0,2
Mutual funds	81	3,8	9 557 121	8,0
Nominees and trusts	175	8,2	693 155	0,6
Other corporate bodies	18	0,8	190 097	0,2
Pension funds	49	2,3	9 801 842	8,2
Private companies	53	2,5	559 427	0,5
Public companies	4	0,2	50 115 887	41,9
Treasury shares held by share trusts	2	0,1	14 003 467	11,7
Treasury shares held by subsidiary	1	0,0	5 094 350	4,3
	2 133	100,0	119 514 157	100,0

SHAREHOLDER TYPE

Non-public shareholders	77	3,5	89 681 949	75,0
Directors and employees	72	3,4	388 500	0,3
Treasury shares held by share trusts	2	0,1	14 003 467	11,7
Treasury shares held by subsidiary	1	0,0	5 094 350	4,3
Empowerment	1	0,0	20 096 755	16,8
Other holdings greater than 10%	1	0,0	50 098 877	41,9
Public shareholders	2 056	96,5	29 832 208	25,0
	2 133	100,0	119 514 157	100,0

SHAREHOLDERS HOLDING IN EXCESS OF 5%

Tiger Brands Limited	50 098 877	41,9
Brimstone Investment Corporation Limited	20 096 755	16,8
Oceana Empowerment Trust	13 986 967	11,7
Government Employees Pension Fund	6 711 327	5,6

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
E-mail: info@oceana.co.za
Website: www.oceana.co.za

Company registration number

1939/001730/06

JSE share code

OCE

NSX share code

OCG

Company ISIN

ZAEO00025284

Transfer secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg 2001
PO Box 61051, Marshalltown 2107
Telephone: 011 370 5000
Facsimile: 011 688 5216

Secretary

JC Marais (41)
BA LLB
Appointed in 2011

Bankers

The Standard Bank of South Africa Limited
FirstRand Bank Limited
Nedbank Limited

Auditors

Deloitte & Touche

JSE sponsor

The Standard Bank of South Africa Limited

NSX sponsor

Old Mutual Investment Services (Namibia) Proprietary Limited

DIRECTORS

Chairman

Mustaq Ahmed Brey[†] (59)

Chief executive officer

Francois Paul Kuttel^{°♦} (45)

Financial director

Imraan Soomra^{°♦} (38)

Group strategic services director

Alethea Berenice Anne Conrad^{°♦} (49)

NON-EXECUTIVE DIRECTORS

Lead independent director

Saamsodein Pather^{*†} (63)

Zarina Bibi Mahomed Bassa^{*♦} (49)

Peter Gerard de Beyer^{*†} (58)

Noel Patrick Doyle[♦] (47)

Peter Bambatha Matlare[†] (54)

Nomahlubi Victoria Simamane^{*†} (54)

Takula Jenkins Tapela^{*} (45)

* Audit committee

♦ Risk committee

† Remuneration and nominations committee

° Executive director

• Social, ethics and transformation committee

