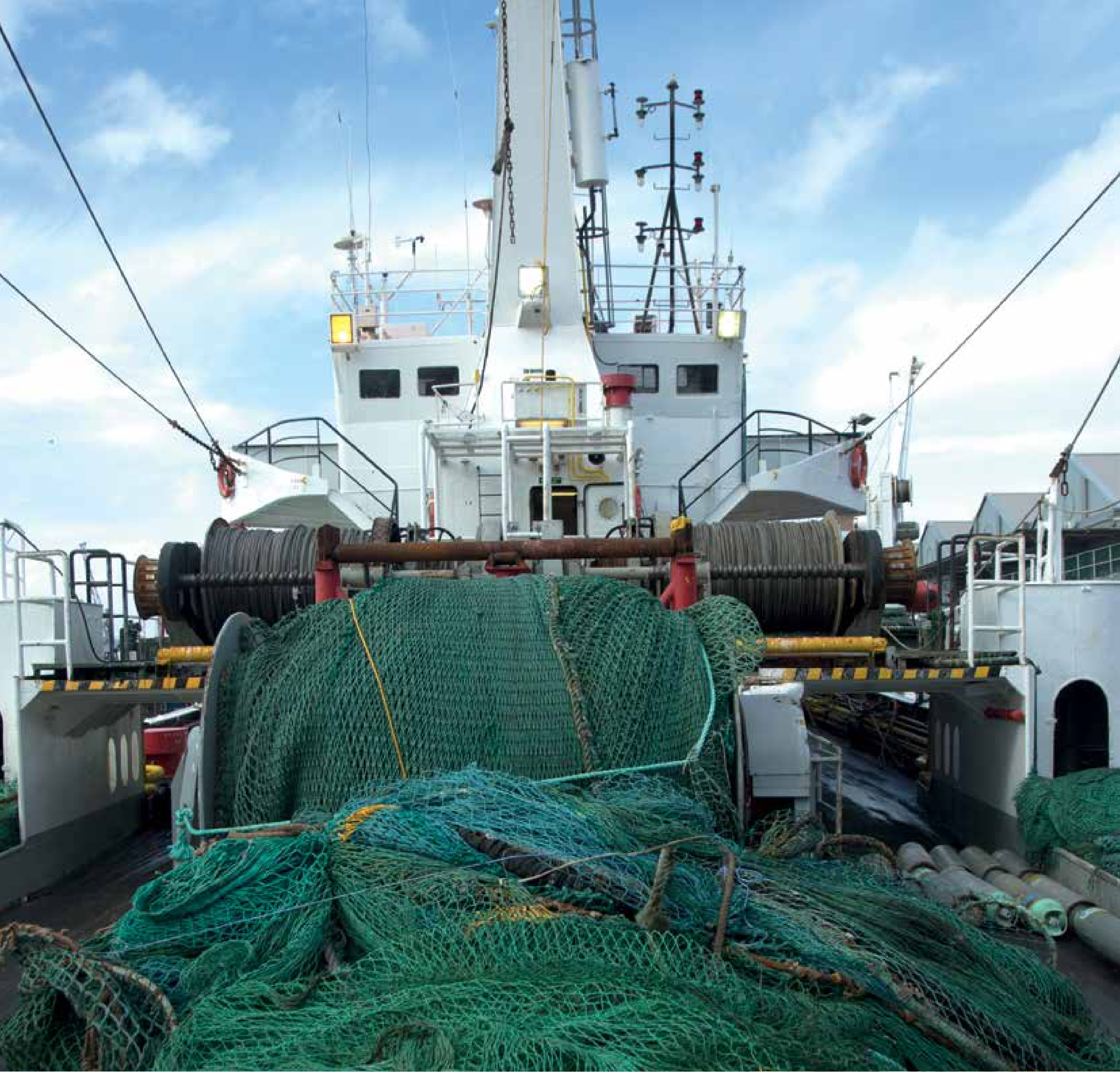

OCEANA GROUP

AUDITED ANNUAL FINANCIAL STATEMENTS 2016

CONTENTS

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

The group annual financial statements and the company annual financial statements for the year ended 30 September 2016, which appear on pages 3 to 68, were approved by the Board of Directors on 17 November 2016 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 (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
17 November 2016

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OCEANA GROUP LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the consolidated and separate financial statements of Oceana Group Limited set out on pages 6 to 67, which comprise the statements of financial position as at 30 September 2016, 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 2016, 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 2016, 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.

REPORT ON OTHER AND REGULATORY REQUIREMENTS

In terms of the Independent Regulatory Board for Auditors (IRBA) Rule published in Government Gazette 39475 dated 04 December 2015, we report that Deloitte & Touche has been the auditor at Oceana Group Limited for 74 years.

Deloitte & Touche.

Deloitte & Touche
Registered auditors
Per C Ringwood
Partner
17 November 2016

REPORT OF THE DIRECTORS

The directors submit their report which forms part of the annual financial statements for the year ended 30 September 2016.

Nature of business and operations

The group consists of a number of operating subsidiaries, associates and joint ventures in the fishing and Commercial cold storage and logistics industries. The group engages in the catching, processing and procurement of various marine species, including pilchard, anchovy, redeye herring, gulf menhaden, 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

No shares were issued for the year under review. During the prior year 15 999 997 shares were issued in respect of a rights issue increasing the stated capital by R1 151 million.

Details of the authorised and issued share capital of the company are set out in note 21.

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 16.

Special resolutions

During the year the company's shareholders passed four special resolutions: to approve and authorise the provision of financial assistance by the company as contemplated in section 45 of the Companies Act; to approve the non-executive directors' remuneration in their capacity as directors only; to grant general approval and authorisation to repurchase the issued shares by the company or its subsidiaries; to approve and authorise the company to reduce the number of authorised ordinary shares from 1 400 000 000 ordinary shares with no par value to 300 000 000 ordinary shares of no par value and to amend the company's memorandum of incorporation to reflect the change from 1 400 000 000 to 300 000 000 ordinary shares of no par value.

Dividends

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

Property, plant and equipment

Capital expenditure during the year amounted to R13.9 million on expansion (2015: R54.0 million) and R196.4 million on replacement assets (2015: R106.6 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

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:

	Number of shares		
2016	**Direct beneficial**	**Indirect beneficial**	**Aggregate**
FP Kuttel		**136 284**	**136 284**
I Soomra		**69 893**	**69 893**
2015			
ABA Conrad	570	135 458	136 028
PG de Beyer	3 420		3 420
FP Kuttel		44 018	44 018
I Soomra		48 493	48 493

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 and remuneration are set out in note 35.

Subsidiaries, associates and joint ventures

Details of subsidiaries, associates, joint ventures and joint operations are given in separate schedules on pages 66 and 67.

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

	2016 R'000	2015 R'000
Total profit after taxation attributable to shareholders of Oceana Group Limited	**855 332**	610 975
Total losses after taxation attributable to shareholders of Oceana Group Limited	**11 620**	14 991

Going concern

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

Disposals

During the year under review the company disposed of two fishing vessels, the Mfv Desert Rose and the Mfv Maria Marine. As part of the drive to focus on core strengths the CCS fruit business in Maydon Wharf and the French fries operations in Lambert's Bay were also disposed of.

Changes to directorate

ABA Conrad resigned from the Board of Directors ("the Board") on 30 April 2016. TJ Tapela resigned from the Board on 12 May 2016 and GG Fortuin was appointed to the Board on the same date. LC MacDougall was appointed as a non-executive director to the Board on the 13 July 2016. PB Matlare resigned from Tiger Brands Limited and having remained on the Board, is now regarded as an independent non-executive director of the company.

Events subsequent to the reporting date

Effective 1 November 2016, the remaining shareholders of Westbank Fishing Limited Liability Company exercised the put option in terms of the Westbank operating agreement. The exercise of the put option triggers the payment of the put option strike price plus the put option premium as well as any unpaid distributions on the put closing date, being 15 November 2017 (please refer to note 24). The exercise of the put option has no financial effect on the group's financial position at 30 September 2016. No other 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 2016, or require separate disclosure in these financial statements. For additional information please refer to note 38.

REPORT OF THE AUDIT COMMITTEE

Composition of the committee

The audit committee, appointed by the shareholders on 18 February 2016 to hold office until the conclusion of the next annual general meeting (AGM) scheduled for 16 February 2017, comprises three independent non-executive directors of the company, being Mr S Pather (Chairman) [BBusSc; BCom (Hons); MBA (Cape Town)], Ms ZBM Bassa [BAcc (UDW); CA(SA)] and Mr PG de Beyer [BBusSc (Cape Town); FASSA]. The members possess the necessary expertise to perform the functions of an audit committee.

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

Charter

The audit committee has a charter, approved by the Board. The charter is reviewed annually and was updated this year.

The committee's responsibilities are detailed in the charter which can be viewed on our 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 public company subsidiaries. It met twice during the year, 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. 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 an independent registered external auditor, for appointment by the shareholders at the company's AGM. The committee has nominated Deloitte & Touche, with Mrs C Ringwood as the designated partner for such appointment at the AGM scheduled for 16 February 2017.

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 2017 financial year.

The committee approves the fees of external and internal auditors and the policy, level of and scope of external non-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 and which are permitted by legislation and regulations. 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 or the internal financial controls of the company or on any other related matter during the year under review. The company received a list of questions from the JSE Limited as part of the JSE's pro-active monitoring of Annual Financial Statements programme. The company answered and addressed the questions raised and the matter was closed.

Going concern

The committee reviewed the going concern assumptions 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.

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. The priority IS strategic initiative for 2016 and 2017 is the implementation of the SAP business application. A steering committee including key stakeholders has been established to provide executive level leadership and to steer the project to completion. The steering committee meets monthly to approve project deliverables, resolve issues and policy decisions, review and approve scope changes and provide direction and guidance to the project.

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 group'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. No incidents of fraud were identified.

The provisions of the King III code, as they pertain to audit committees, were adhered to. The group commissioned an independent gap analysis with regard to implementing the provisions of the King IV code which is effective in respect of financial years commencing on or after 1 April 2017. An internal implementation plan has been documented for action to ensure the provisions of the King IV code are adhered to within the legislated time frame.

The committee has considered the expertise and experience of the group financial director in terms of the Listings Requirements of the JSE and concluded that the financial director's expertise and experience meet the appropriate requirements. The committee is satisfied that the expertise, resources and experience of the company's finance function is satisfactory.

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

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 auditor 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;
- satisfied itself with respect to external auditor independence;
- 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
17 November 2016

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 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 are prepared in accordance with the JSE Listings Requirements and the requirements of the Companies Act.
The listings requirements require annual financial statements to be prepared in accordance with International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

3. BASIS OF CONSOLIDATION

The group AFS represents consolidated financial statements and incorporates the AFS of the company and entities (including structured entities) controlled by the company and its subsidiaries.

Control is achieved when the company has power over the investee, is exposed, or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary.

Profit or loss and total comprehensive income are attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the AFS of subsidiaries to bring their accounting policies in line with the group's accounting policies. All subsidiaries, with the exception of the Oceana Share Trust, have the same financial year-end. The results of the Trust are compiled for a rolling 12-month year ending September and all entities are consolidated to this date.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

Changes in the group's ownership interests in subsidiaries that do not result in the group losing control over the subsidiaries are accounted for as equity transactions.

When the group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (1) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (2) the previous carrying amount at the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

4. INTERESTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity over which the group has significant influence. Significant influence includes the power to participate in the financial and operating policy decisions of the investee.

A joint venture is a joint arrangement whereby the parties of the arrangement have rights to the net assets of the arrangement. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is carried at cost less any accumulated impairment in the consolidated statement of financial position plus the group's share of the net post-acquisition profit or loss and other comprehensive income, if applicable, of the associate or joint venture. In the statement of comprehensive income the group recognises its share of after-tax profits or losses and other comprehensive income. When the group's share of losses exceeds the group's interest in that associate or joint venture, the group discontinues recognising its share of further losses.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investment becomes an associate or joint venture. Application of the equity method ceases when an associate or joint venture no longer qualifies as such.

An investment in an associate or joint venture is tested for impairment, in accordance with IAS 36, when the group has determined that indicators of impairment exist. Where indicators of impairment exist, the group recognises an impairment loss in the statement of comprehensive income being the difference between the recoverable amount and the carrying value of the affected associate or joint venture.

When the group reduces its ownership interest in an associate or joint venture but the group continues to use the equity method, the group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Unrealised profits or losses from transactions between group entities and an associate or joint venture are eliminated to the extent of the group's interest.

5. INTERESTS IN JOINT OPERATIONS

A joint operation is a joint arrangement, as defined in policy 4 *Interests in Associates and Joint Ventures*, whereby the parties of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

When a group entity undertakes its activities under joint operations, the group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly.
- Its liabilities, including its share of any liabilities incurred jointly.
- Its revenue from the sale of its share of the output arising from the joint operation.
- Its share of the revenue from the sale of the output by the joint operation.
- Its expenses, including its share of any expenses incurred jointly.

The group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the group's consolidated AFS only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the group does not recognise its share of the gains and losses until it resells the assets to a third party.

6. FOREIGN CURRENCY TRANSLATION

The financial results of entities in the group are accounted for in its functional currency. The functional currency of the company is the South African Rand. Certain individual entities in the group have different functional currencies and are translated on consolidation.

Translation of foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated 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, while 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 equity 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 operation are translated at the closing rate on the reporting date.

Exchange differences arising on translation are recognised in other comprehensive income 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.

7. 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 as the service is rendered.

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.

8. OTHER OPERATING ITEMS

Exceptional transactions outside the ordinary course of business that are substantially capital or non-recurring in nature and are identified by management as warranting separate disclosure are disclosed under other operating items in the statement of comprehensive income. These comprise profits and losses on disposal and scrapping of property, plant and equipment, intangibles assets and assets held for sale, impairments or reversal of impairments, profits or losses on disposal of investments, operations or subsidiaries and business combination related costs or gains.

9. 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.

Post-retirement medical obligations

The group provides post-retirement healthcare 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.

10. SHARE-BASED PAYMENTS

Equity-settled compensation benefits

In terms of the group's share schemes certain employees, including executive directors of the group, are granted rights to the company's listed shares. Refer to note 29 for a detailed description of each of the schemes.

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

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

The effect of outstanding options is reflected in the computation of diluted earnings per share in the note on earnings per share (refer to note 8).

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.

11. 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 (refer to note 27).

12. 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.

13. TAXATION

The income tax expense consists of current tax, deferred tax 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 for deductible temporary differences 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 and reduced to the extent that 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.

Deferred tax is not recognised for temporary differences from the initial recognition of goodwill and the initial recognition of assets and liabilities that is not a business combination, and at the time of the transaction affects neither accounting nor taxable profit or loss.

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 offset 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.

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.

14. DIVIDENDS

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

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

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

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

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

Residual value as percentage of cost:

	%
Buildings – freehold	1 – 13
Buildings – leasehold	0
Plant and equipment	1 – 2
Office equipment	0
Motor vehicles	8 – 20
Fishing vessels and nets	1 – 16

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.

Dry-docking

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

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

16. BUSINESS COMBINATIONS

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration paid for each acquisition is measured at fair value at the date of acquisition as the aggregate of assets transferred, liabilities incurred or assumed, and the equity instruments issued by the group, in exchange for control of the acquiree. Acquisition costs are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the first reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts or circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

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

17. GOODWILL

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

Initial recognition and measurement

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

Subsequent measurement

After initial recognition goodwill arising on an acquisition of a business is reflected at cost as established at the date of acquisition less any accumulated impairment 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 the measurement period are made against goodwill. In addition, goodwill is adjusted for changes in the fair value of contingent considerations that qualify as measurement period adjustments.

Impairment

For the purpose of impairment testing, goodwill is allocated to cash-generating units. The allocation can be made to a single cash-generating unit or to a group of cash-generating units.

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 is allocated. Where the cash-generating unit's recoverable amount is less than its carrying value an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then to other-assets of the unit pro rata, based on the carrying amount of each asset in the unit. In assessing the value-in-use, the future expected cash flows to be derived from the cash-generating unit are discounted to their present value using a pre-tax discount rate that reflects current market assessments. Any impairment loss for goodwill is recognised directly in profit and loss. Impairment losses recognised for goodwill cannot be reversed in subsequent periods.

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.

18. INTANGIBLE ASSETS (OTHER THAN GOODWILL – SEE ACCOUNTING POLICY NOTE 17)

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

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

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

	Years
Fishing rights	7 – 11
Customer relations	6
Non-competes	5 – 10
Computer software	2 – 3

Impairment

Intangible assets 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 intangible assets, which is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows expected to be derived from the asset or cash-generating unit are discounted to their present value using a pre-tax discount rate that reflect current market assessments.

Where the recoverable amount is less than the asset's or cash-generating-unit's carrying amount, an impairment loss is recognised in profit and loss.

Derecognition

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

19. FINANCIAL INSTRUMENTS

Financial instruments are initially recognised if the group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. For instruments not recognised at fair value through profit and loss, any directly attributable transaction cost are included.

Financial assets

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

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 and short-term deposits held with banks and are available for use by the group, are measured at fair value. Cash and cash equivalents are subsequently measured at amortised cost. For purposes of the statement of cash flows, cash and cash equivalents are stated net of bank overdrafts.

Trade and other receivables are recognised at originated cost less allowance for credit notes to be issued. Provisions for irrecoverable amounts are recognised in profit and loss 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 profit and loss.

Derivative financial assets are initially recognised at cost and are remeasured to fair value at subsequent reporting dates. Gains and losses that are part of a hedging relationship are recognised in other comprehensive income. The ineffective portion is recognised in profit and loss under overheads.

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

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 are recorded at the amount of the proceeds received.

Financial liabilities

Financial liabilities consist of long-term loans, trade and other payables, put option and other derivative 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.

Transaction costs capitalised to the carrying value of financial liabilities are amortised to profit and loss using the effective interest rate method.

Trade and other payables

Subsequent to initial recognition, trade and other payables are measured at amortised cost.

Long term loans

Long term loans are financial liabilities with fixed or determinable payments. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

Put arrangements over remaining shareholders of an associate company

Written put options on shares of an associate held give rise to a financial liability. The liability that may be payable under the arrangement is initially recognised at fair value. Subsequent changes to the fair value of the liability are recognised in profit and loss.

Derivative financial liabilities

Derivative financial liabilities 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 profit and loss in the period in which the change arises.

20. HEDGE ACCOUNTING

When a derivative instrument is designated as a hedging instrument in an effective hedge, the effective part of any gain or loss arising in the derivative instrument are recognised in other comprehensive income as a hedging reserve in the statement of changes in equity and recycled to profit and loss when the hedge cash flows impact profit or loss. The ineffective part of any gain or loss is immediately recognised in profit and loss. 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.

21. INVENTORIES

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

The cost of inventories comprises the cost of raw materials, direct labour and other direct cost and related production overheads. Indirect cost allocated to inventories includes depreciation and certain other operating expenses.

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

22. 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.

23. 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.

24. 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.

25. FAIR VALUE MEASUREMENT

Where another IFRS requires or the group has chosen fair value measurement for assets or liabilities, the group has applied the principles of IFRS 13 to determine the fair value to be used. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of quoted instruments is determined with reference to closing market prices on the date of measurement. Where there is no active market, fair value is determined using applicable valuation techniques. Valuation techniques include discounted cash flow models, pricing models and recent arm's-length transactions for similar instruments.

26. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM has been identified as the group chief executive officer and the group financial director who are responsible for allocating resources and assessing performance of the operating segments. The CODM examines the group's performance from both a product and a geographic perspective and has identified five operating segments:

- Canned fish and fishmeal (Africa): harvests, procures and processes small pelagic species, and markets and sells canned fish, mainly pilchard, across South Africa and several other African markets and fishmeal and fish oil in South Africa and internationally.
- Fishmeal and fish oil (USA): harvests and processes the gulf menhaden species, and markets and sells the derived fishmeal and fish oil products in the United States and internationally.
- Horse mackerel and hake: harvests and processes horse mackerel at sea and markets and sells the derived products to targeted markets in Southern, Central and Western Africa. Additionally this segment harvests and processes hake and markets and sells frozen and fresh products in South Africa and to international markets.
- Lobster, squid and French fries: harvests and processes lobster and squid and markets and sells derived products to international markets. The French fries part of this segment was disposed of during the current year.
- Commercial cold storage and logistics: stores and handles mainly perishable products on behalf of major manufacturers, exporters and importers across South Africa.

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

In preparing the AFS in conformity with IFRS, management is required to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of income, expenses, assets and liabilities. Estimates and assumptions are based on historical experience and expectation of future events and are reviewed on an ongoing basis. Actual results 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 carrying amounts recognised in the financial statements include:

- **Property, plant and equipment**

  The depreciation charge is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the assets are determined by management when the asset is acquired and then reviewed annually thereafter. The lives are based on management's historical experience with similar assets as well as management's anticipation of future events or market conditions which may impact their life. Refer to note 10 for further detail.

- **Share-based payments**

  The value attached to share-based payments is estimated through the use of option pricing valuation models which requires inputs such as share price volatility, dividend yield, risk-free interest rate and expected option life. Some of the inputs used are based on estimates derived from available data. Refer to note 29 for further details.

- **Business combinations**

  The recognition of business combinations requires the excess of the purchase price of acquisitions over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity. Management have made judgements and estimates in determining the fair value allocation of the purchase price.

- **Impairment of intangible assets**

  An annual assessment is made, as set out in note 11, as to whether the carrying value of goodwill, intellectual property, customer relations, non-competes, trademarks and fishing rights are impaired. Judgements are made by management in determining the present value of future cash flows of cash-generating units used to test impairment.

- **Fair value of financial instruments**

  The fair value for the majority of the group's financial instruments that are designated at fair value through profit or loss or that are classified as held for hedging are based on observable market prices or derived from observable market parameters. The most significant element of groups financial instruments in which observable prices are not available relates to the put option between Daybrook Fisheries Incorporated and the remaining shareholders in Westbank Fishing Limited Liability Company (refer to note 24). Judgements are made by management in determining the present value of future cash flows used to determine the fair value of the put option.

- **Taxation**

  The group is subject to income tax in a number of jurisdictions. The calculation of the group's tax charge involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority. Refer to note 7 for further details.

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

ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

Accounting Standards and Interpretations issued but not yet effective

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

Standards and Interpretation applicable to Oceana for the year ending 30 September 2017:

- IFRS 1 First-time Adoption of International Financial Reporting Standards (amendments)
- IFRS 5 Non-current Assets Held For Sale and Discontinued Operations (amendments)
- IFRS 7 Financial Instruments: Disclosure (amendments)
- IFRS 10 Consolidated Financial Statements (amendments)
- IFRS 11 Joint Arrangements (amendments)
- IFRS 12 Disclosure of Interests in Other Entities (amendments)
- IAS 1 Presentation of Financial Statements (amendments)
- IAS 16 Property, Plant and Equipment (amendments)
- IAS 19 Employee Benefits (amendments)
- IAS 28 Investment in Associates and Joint Ventures (amendments)
- IAS 38 Intangible Assets (amendments)

Standards applicable to Oceana for the year ending 30 September 2018:

- IAS 7 Cash Flow Statement (amendments)
- IAS 12 Income Taxes (amendments)

Standards applicable to Oceana for the year ending 30 September 2019:

- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial Instruments

Standards applicable to Oceana for the year ending 30 September 2020:

- IFRS 16 Leases

The group is currently assessing the impact of the above standards and plans to adopt the new standards on the required effective dates.

Adoption of new and revised standards

During the year the group adopted the following revised standards:

- IFRS 7 Financial Instruments: Disclosures (amendments)
- IAS 39 Financial Instruments (amendments)

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 September 2016

	Notes	Group 2016 R'000	Group Restated* 2015 R'000	Company 2016 R'000	Company Restated* 2015 R'000
Revenue	1	**8 243 988**	6 168 777	**867 112**	529 220
Cost of sales		**5 051 014**	3 832 997		
Gross profit		**3 192 974**	2 335 780	**867 112**	529 220
Sales and distribution expenditure		**599 036**	513 241		
Marketing expenditure		**62 702**	69 775		
Overhead expenditure		**1 022 029**	812 148	**216 194**	183 275
Net foreign exchange (gain)/loss		**(72 723)**	(40 542)	**1 126**	(5 160)
Operating profit before associate and joint venture income	2	**1 581 930**	981 158	**649 792**	351 105
Associate and joint venture income	15	**47 561**	26 097		
Operating profit before other operating items		**1 629 491**	1 007 255	**649 792**	351 105
Other operating items	4	**100 187**	18 346	**67 409**	21 325
Operating profit		**1 729 678**	1 025 601	**717 201**	372 430
Investment income	5	**22 089**	61 558	**22 578**	17 835
Interest paid	6	**(385 202)**	(158 442)	**(17 942)**	(22 904)
Profit before taxation		**1 366 565**	928 717	**721 837**	367 361
Taxation	7	**408 276**	286 515	**8 213**	9 526
Profit after taxation		**958 289**	642 202	**713 624**	357 835
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Movement on foreign currency translation reserve		**716**	422 910		
Movement on foreign currency translation reserve from associate and joint ventures		**(24 847)**	9 422		
Movement on cash flow hedging reserve		**(49 517)**	23 511		
Movement on fuel hedging reserve		**1 757**	(1 757)		
Income tax related to loss recognised in equity		**2 508**			
Other comprehensive (loss)/income, net of taxation		**(69 383)**	454 086		
Total comprehensive income for the year		**888 906**	1 096 288		
Profit after taxation attributable to:					
Shareholders of Oceana Group Limited		**916 446**	611 224		
Non-controlling interests		**41 843**	30 978		
		958 289	642 202		
Total comprehensive income attributable to:					
Shareholders of Oceana Group Limited		**847 063**	1 065 310		
Non-controlling interests		**41 843**	30 978		
		888 906	1 096 288		
Earnings per share (cents)	8				
– Basic		**785.8**	587.7		
– Diluted		**715.5**	531.7		

** Refer to note 37.*

STATEMENTS OF FINANCIAL POSITION

at 30 September 2016

	Notes	Group 2016 R'000	Group Restated* 2015 R'000	Company 2016 R'000	Company 2015 R'000
ASSETS					
Non-current assets		**6 735 686**	6 784 569	**3 433 661**	3 354 198
Property, plant and equipment	10	**1 669 373**	1 678 406	**19 751**	11 503
Intangible assets	11	**4 605 275**	4 609 802	**31 917**	2 925
Derivative assets	12	**7 636**			
Deferred taxation	13	**27 714**	25 583	**21 986**	17 117
Investments and loans	14	**105 024**	111 270	**783**	466
Interest in subsidiaries, associates and joint ventures	15	**320 664**	359 508	**3 310 425**	3 300 369
Loan receivable from Oceana Group Share Trust	16			**689**	1 095
Loan receivable from Oceana Empowerment Trust	17			**48 110**	20 723
Current assets		**4 371 115**	3 989 315	**592 971**	434 289
Inventories	18	**1 393 337**	1 316 266		
Accounts receivable	19	**1 551 170**	1 463 836	**46 880**	18 603
Taxation		**113 666**	27 940	**1 754**	
Amounts owing by subsidiaries, associates and joint ventures	15			**186 433**	146 492
Cash and cash equivalents		**1 312 942**	1 181 273	**357 904**	269 194
Non-current assets held for sale	20		39 478		
Total assets		**11 106 801**	10 813 362	**4 026 632**	3 788 487
EQUITY AND LIABILITIES					
Capital and reserves		**4 007 699**	3 564 286	**1 845 164**	1 616 587
Stated capital	21	**1 188 680**	1 187 399	**1 307 234**	1 307 234
Foreign currency translation reserve		**419 909**	444 040		
Capital redemption reserve		**130**	130		
Cash flow hedging reserve	22	**(21 656)**	25 353		
Fuel hedging reserve	22		(1 757)		
Share-based payment reserve	29	**102 083**	73 111	**28 393**	10 639
Distributable reserve		**2 215 919**	1 755 638	**509 537**	298 714
Interest of own shareholders		**3 905 065**	3 483 914	**1 845 164**	1 616 587
Non-controlling interests	31	**102 634**	80 372		
Non-current liabilities		**5 121 783**	5 300 996	**48 873**	33 981
Liability for share-based payments	29	**100 126**	86 147	**48 873**	33 981
Long-term loan	23	**4 145 142**	4 374 483		
Derivative liabilities	24	**176 301**	209 963		
Deferred taxation	13	**700 214**	630 403		
Current liabilities		**1 977 319**	1 948 080	**2 132 595**	2 137 919
Accounts payable	25	**1 284 262**	1 141 247	**91 536**	66 846
Current portion – Long-term loan	23	**584 652**	277 207		
Interest in subsidiaries, associates and joint ventures	15			**2 041 059**	2 070 794
Provisions	26	**57 676**	207 120		
Taxation		**50 729**	322 506		279
Total equity and liabilities		**11 106 801**	10 813 362	**4 026 632**	3 788 487

** Refer to note 37.*

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 September 2016

	Notes	Stated capital R'000	Foreign currency translation reserve R'000	Capital redemption reserve R'000
Group				
Balance at 1 October 2014		35 245	11 708	130
Total comprehensive income for the year			432 332	
Movement on foreign currency translation reserve			422 910	
Movement on foreign currency translation reserve from associate and joint ventures			9 422	
Movement on cash flow hedging reserve	22			
Movement on fuel hedging reserve	22			
Profit after taxation				
Shares issued		1 150 997		
Decrease in treasury shares held by share trusts		1 157		
Recognition of share-based payments	29			
Profit on sale of treasury shares				
Additional non-controlling interest arising on acquisition				
Special distribution of profits to Oceana Empowerment Trust beneficiaries				
Oceana Empowerment Trust dividend distribution				
Dividends	9			
Balance at 30 September 2015		1 187 399	444 040	130
Total comprehensive income for the year			**(24 131)**	
Movement on foreign currency translation reserve			**716**	
Movement on foreign currency translation reserve from associate and joint ventures			**(24 847)**	
Movement on cash flow hedging reserve	22			
Movement on fuel hedging reserve	22			
Income tax related to loss recognised in equity	22			
Profit after taxation				
Decrease in treasury shares held by share trusts		**1 281**		
Recognition of share-based payments	29			
Profit on sale of treasury shares				
Non-controlling interest on disposal of business				
Oceana Empowerment Trust dividend distribution				
Dividends	9			
Balance at 30 September 2016		**1 188 680**	**419 909**	**130**
Company				
Balance at 1 October 2014		156 237		
Total comprehensive income for the year				
Shares issued		1 150 997		
Recognition of share-based payments	29			
Dividends	9			
Balance at 30 September 2015		1 307 234		
Total comprehensive income for the year				
Recognition of share-based payments	29			
Dividends	9			
Balance at 30 September 2016		**1 307 234**		

Fuel hedging 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
	1 842	65 202	1 563 243	1 677 370	69 536	1 746 906
(1 757)	23 511		611 224	1 065 310	30 978	1 096 288
				422 910		422 910
				9 422		9 422
	23 511			23 511		23 511
(1 757)				(1 757)		(1 757)
			611 224	611 224	30 978	642 202
				1 150 997		1 150 997
				1 157		1 157
		7 909		7 909	8	7 917
			1 078	1 078		1 078
					2 807	2 807
			(15 469)	(15 469)		(15 469)
			(25 506)	(25 506)		(25 506)
			(378 932)	(378 932)	(22 957)	(401 889)
(1 757)	25 353	73 111	1 755 638	3 483 914	80 372	3 564 286
1 757	**(47 009)**		**916 446**	**847 063**	**41 843**	**888 906**
				716		**716**
				(24 847)		**(24 847)**
	(49 517)			**(49 517)**		**(49 517)**
1 757				**1 757**		**1 757**
	2 508			**2 508**		**2 508**
			916 446	**916 446**	**41 843**	**958 289**
				1 281		**1 281**
		28 972		**28 972**	**1**	**28 973**
			1 136	**1 136**		**1 136**
					(56)	**(56)**
			(24 632)	**(24 632)**		**(24 632)**
			(432 669)	**(432 669)**	**(19 526)**	**(452 195)**
	(21 656)	**102 083**	**2 215 919**	**3 905 065**	**102 634**	**4 007 699**
		8 072	391 491	555 800		555 800
			357 835	357 835		357 835
				1 150 997		1 150 997
		2 567		2 567		2 567
			(450 612)	(450 612)		(450 612)
		10 639	298 714	1 616 587		1 616 587
			713 624	**713 624**		**713 624**
		17 754		**17 754**		**17 754**
			(502 801)	**(502 801)**		**(502 801)**
		28 393	**509 537**	**1 845 164**		**1 845 164**

STATEMENTS OF CASH FLOWS

for the year ended 30 September 2016

	Notes	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company Restated 2015 R'000
Cash flow from operating activities					
Operating profit before associate and joint venture income		**1 581 930**	981 158	**649 792***	351 105*
Adjustment for non-cash and other items		**144 647**	206 716	**28 877**	34 385
Depreciation and amortisation		**260 385**	177 281	**6 719**	5 243
Share-based payment expense		**87 512**	94 155	**40 603**	37 328
Cash-settled share-based payment		**(44 561)**	(83 301)	**(16 415)**	(36 154)
Net loss/(profit) on disposal of property, plant and equipment		**3 494**	(1 293)	**10**	
Cash settled deferred compensation payments		**(121 519)**			
Fair value movements		**(39 891)**			
Other comprehensive income recycled to profit and loss		**1 267**			
Loss on the dissolution of foreign subsidiary			3 455		
Profit on disposal of investment			(500)		(500)
Net transaction (costs)/gains (other items)		**(2 040)**	16 919	**(2 040)**	28 468
Cash operating profit before working capital changes		**1 726 577**	1 187 874	**678 669**	385 490
Working capital changes	A	**(95 483)**	(92 760)	**(5 671)**	12 330
Cash generated from operations		**1 631 094**	1 095 114	**672 998**	397 820
Investment income received		**86 470**	59 264	**22 578**	12 278
Interest paid		**(337 497)**	(158 442)	**(17 942)**	(22 904)
Taxation paid	B	**(707 658)**	(221 986)	**(13 031)**	(4 771)
Special distribution of profits to Oceana Empowerment Trust beneficiaries		**(15 469)**			
Dividends paid	C	**(476 827)**	(427 395)	**(502 801)**	(450 612)
Net cash inflow/(outflow) from operating activities		**180 113**	346 555	**161 802**	(68 189)
Cash outflow from investing activities		**(56 352)**	(4 747 216)	**(43 357)**	(2 943 521)
Replacement capital expenditure		**(196 424)**	(106 618)	**(12 710)**	(9 843)
Expansion capital expenditure		**(13 883)**	(53 995)		
Replacement of intangible assets		**(31 281)**	(3 429)	**(31 259)**	(3 093)
Proceeds on disposal of property, plant and equipment		**1 382**	12 909		
Proceeds on disposal of non-current assets held for sale	D	**114 314**			
Proceeds on disposal of businesses	E	**73 371**		**69 471**	
Acquisition of businesses	F		(4 544 426)		(3 221 400)
Acquisition of fishing rights			(2 812)		
Repayment received on preference shares			105 049		105 049
Movement on loans and advances		**6 564**	(97 099)		916
Acquisition of additional shares in subsidiary	G		(1 276)		
Proceeds on return on capital of investment	H				6 078
Increased contribution/acquisition of joint venture	I	**(10 078)**	(56 321)	**(10 078)**	(56 321)
(Increase)/decrease of investment		**(317)**	802	**(317)**	802
Movement on amounts owing by subsidiaries and joint ventures				**(58 464)**	234 291
Cash inflow/(outflow) from financing activities		**1 954**	5 146 173	**(29 735)**	3 183 247
Proceeds from issue of share capital		**2 417**	1 154 615		1 152 381
Short-term borrowings repaid		**(281 438)**	(33 743)		
Long-term loan raised		**300 000**	4 025 301		
Cost associated with debt raising		**(19 025)**			
Movement on amounts owing to subsidiaries and joint ventures				**(29 735)**	2 030 866
Net increase in cash and cash equivalents		**125 715**	745 512	**88 710**	171 537
Net cash and cash equivalents at the beginning of the year		**1 181 273**	344 003	**269 194**	97 459
Effect of exchange rate changes		**5 954**	91 758		198
Net cash and cash equivalents at the end of the year	J	**1 312 942**	1 181 273	**357 904**	269 194

** Includes dividend received R640.9 million (2015: R342.6 million)*

NOTES TO THE STATEMENTS OF CASH FLOWS

for the year ended 30 September 2016

		Group		Company	
		2016 R'000	2015 R'000	2016 R'000	2015 R'000
A.	**WORKING CAPITAL CHANGES**				
	Increase in inventories	**(106 587)**	(73 877)		
	Increase in accounts receivable	**(118 179)**	(227 925)	**(30 361)**	(8 559)
	Increase in accounts payable and provisions	**162 329**	187 288	**24 690**	20 889
	(Decrease)/increase in hedging reserves	**(33 046)**	21 754		
	Total working capital changes	**(95 483)**	(92 760)	**(5 671)**	12 330
B.	**TAXATION PAID**				
	Net amount (unpaid)/overpaid at the beginning of the year	**(294 566)**	15 005	**(279)**	4 205
	Charged to profit or loss (note 7)	**(337 036)**	(283 236)	**(10 998)**	(9 255)
	Business combination		(212 344)		
	Business disposal	**1 292**			
	Foreign currency translation reserve	**(14 411)**	(35 977)		
	Net amount (overpaid)/unpaid at the end of the year	**(62 937)**	294 566	**(1 754)**	279
	Cash amounts paid	**(707 658)**	(221 986)	**(13 031)**	(4 771)
C.	**DIVIDENDS PAID**				
	Oceana Empowerment Trust dividend distribution	**(24 632)**	(25 506)		
	Dividends	**(432 669)**	(378 932)	**(502 801)**	(450 612)
	Dividends paid to non-controlling interests	**(19 526)**	(22 957)		
	Cash amounts paid	**(476 827)**	(427 395)	**(502 801)**	(450 612)

D. DISPOSAL OF NON-CURRENT ASSETS HELD FOR SALE

D.1 Seasonal fruit business (CCS)

On 30 April 2016, the group disposed of the Commercial Cold Storage fruit business.

	Group 2016	Group 2015	Company 2016	Company 2015
Non-current assets held for sale	**13 163**			
Consideration received	**69 609**			
Net profit on disposal	**56 446**			

D.2 Vessel – Desert Rose

On 27 October 2015, the group disposed of the Mfv Desert Rose fishing vessel

	Group 2016	Group 2015	Company 2016	Company 2015
Non-current assets held for sale	**26 315**			
Consideration received	**44 705**			
Net profit on disposal	**18 390**			
Net cash inflow from non-current assets held for sale	**114 314**			

E DISPOSAL OF BUSINESSES

E.1 Lamberts Bay Foods Limited

On 1 August 2016, the group disposed of its 100% shareholding in Lamberts Bay Foods Limited.

	Group 2016	Group 2015	Company 2016	Company 2015
Assets and liabilities disposed of:				
Property, plant and equipment	**13 017**			
Investments			**22**	
Inventories	**38 361**			
Accounts receivables	**36 934**			
Provisions	**(435)**			
Trade and other payables	**(43 624)**			
Taxation	**(1 324)**			
Deferred taxation	**(1 268)**			
Net assets disposed	**41 661**		**22**	
Consideration received	**69 471**		**69 471**	
Bank overdraft disposed of	**3 531**			
Net cash inflow	**73 002**		**69 471**	
Net profit on disposal	**31 341**		**69 449**	

NOTES TO THE STATEMENTS OF CASH FLOWS CONTINUED

for the year ended 30 September 2016

	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
E.2 Nommer Sewe Bootbelange Eiendoms Beperk				
On 1 February 2016, the group disposed of its 74% interest in Nommer Sewe Bootbelange Eiendoms Beperk a subsidiary of Oceana Lobster Limited.				
Assets and liabilities disposed of:				
Property, plant and equipment	22			
Accounts receivables	361			
Taxation	32			
Trade and other payables	(170)			
Non-controlling interest	(56)			
Net assets disposed	189			
Consideration received	369			
Net profit on disposal	180			
Net cash inflow from disposal of businesses	73 371		69 471	
F. ACQUISITION OF BUSINESSES				
F.1 Foodcorp acquisition				
The group acquired hake, pelagic and lobster fishing rights and related assets from Foodcorp Proprietary Limited for a consideration of R355 million in the prior year. Foodcorp Proprietary Limited was acquired to enhance the group's hake, pelagic and lobster footprint.				
Assets acquired and liabilities recognised at date of acquisition:				
Property, plant and equipment		148 037		
Intangible assets		90 890		
Goodwill		62 835		
Accounts receivables		26 745		
Taxation		97		
Inventories		39 815		
Cash and cash equivalents		52 899		
Non-controlling interest		(2 807)		
Deferred taxation		(26 840)		
Short-term loan		(170)		
Provisions		(2 114)		
Trade and other payables		(34 011)		
Consideration paid in cash		355 376		
Net cash flow on acquisition of business				
Consideration paid in cash		355 376		
Less: Cash and cash equivalents balances acquired		(52 899)		
		302 477		
Goodwill on acquisition				
Consideration		355 376		
Less: Fair value of identifiable assets acquired and liabilities		(292 541)		
		62 835		

The goodwill arising on the acquisition is attributable to the processing locations, as well as knowledgeable employees that did not meet the criteria for recognition as other intangible assets on the date of acquisition.

	Group 2016 R'000	Group 2015 R'000
F.2 Daybrook acquisition		

The group acquired a 100% beneficial shareholding in Daybrook Fisheries for a consideration of R4 641 million in the prior year. Daybrook was acquired to enhance the group's operations internationally in order to diversify its fishing rights and licences, fish species, operational geography and currency exposure.

At the time of reporting the results for the year ended 30 September 2015, the purchase price allocation of the Daybrook acquisition was not yet completed and hence the fair values of the identifiable assets and liabilities were provisional due to the uncertainty and nature in classifying intangibles and determining the useful life of the identified intangibles. The purchase price allocation was completed within the 12 months measurement period and the final fair value of the identified assets and liabilities are shown below. The statement of financial position at 30 September 2015 has been restated. (refer to note 37 for details regarding the purchase price allocation finalisation).

	2016 R'000	2015 R'000
Assets acquired and liabilities recognised at date of acquisition:		
Property, plant and equipment		907 083
Intangible assets		1 029 411
Investment in associate		127 733
Goodwill		2 787 759
Accounts receivables		266 700
Inventories		322 678
Cash and cash equivalents		399 304
Taxation		(212 441)
Provisions		(160 344)
Deferred taxation		(477 466)
Derivative liability		(182 475)
Trade and other payables		(166 689)
Consideration paid in cash		4 641 253
Net cash flow on acquisition of business		
Consideration paid in cash		4 641 253
Less: Cash and cash equivalents balances acquired		(399 304)
		4 241 949
Goodwill on acquisition		
Consideration		4 641 253
Less: Fair value of identifiable assets acquired and liabilities assumed		(1 853 494)
		2 787 759

The goodwill arising on the acquisition is attributable to the strategic business advantages acquired, key fishing and processing locations, as well as knowledgeable employees and management strategies that did not meet the criteria for recognition as other intangible assets on the date of acquisition.

	2016 R'000	2015 R'000
Net cash outflow from acquisition of businesses		4 544 426

NOTES TO THE STATEMENTS OF CASH FLOWS CONTINUED

for the year ended 30 September 2016

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
G. ACQUISITION OF ADDITIONAL SHARES IN SUBSIDIARY				
In the prior year the group acquired an additional effective 20% of Le Monde Holdings Limited from a non-controlling shareholder. The group now owns 100% of Le Monde Holdings Limited.				
Cash consideration paid		1 276		
H. PROCEEDS ON RETURN ON CAPITAL OF INVESTMENT				
The company reduced its investment in Glenryck Foods Limited by reducing its share capital to £1 in the prior year which was subsequently dissolved.				
Cash consideration received				6 078
I. ACQUISITION OF JOINT VENTURE				
The company invested in a newly formed joint venture Oceana Boa Pesca, Limitada in the prior year. The company increased its contribution in the 2016 financial year. Oceana Boa Pesca, Limitada started operations in January 2016. The company owns 50% of Oceana Boa Pesca, Limitada.				
Cash consideration paid	**10 078**	56 321	**10 078**	56 321
J. NET CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	**1 312 942**	1 181 273	**357 904**	269 194

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2016

	Group		Company	
	2016 R'000	2015 R'000	**2016 R'000**	2015 R'000
1. REVENUE				
The main categories of revenue are set out below:				
Sale of goods				
Canned fish and fishmeal (Africa)	**4 275 576**	3 408 988		
Fishmeal and fish oil (USA)	**1 930 923**	574 328		
Horse mackerel and hake	**1 227 310**	1 314 747		
Lobster, squid and French fries	**373 849**	412 147		
Rendering of services				
Commercial cold storage and logistics	**436 330**	458 567		
Management fees from subsidiaries, associates and joint ventures			**226 222**	186 625
Dividends received from subsidiaries, associates and joint ventures			**640 890**	342 595
	8 243 988	6 168 777	**867 112**	529 220
2. OPERATING PROFIT BEFORE ASSOCIATE AND JOINT VENTURE INCOME (excluding other operating items)				
Operating profit before associate and joint venture income is arrived at after taking into account the following items:				
Income				
Directors' fees from a joint venture			**25**	22
Foreign exchange gain	**72 723**	40 542		5 160
Gain on fair value movements arising from derivative instruments	**42 623**			
Net profit on disposal of property, plant and equipment and intangible assets		1 293	**10**	
Profit on disposal of investment		500		500
Expenditure				
Foreign exchange loss			**1 126**	
Loss on fair value movements arising from derivative instruments	**2 732**			
Net loss on disposal of property, plant and equipment and intangible assets	**3 494**			
Auditors' remuneration				
Fees for audit – current year	**8 938**	7 771	**1 995**	1 344
Fees for audit – prior year underprovision/(overprovision)	**866**	95		(16)
Expenses	**243**	41		2
Other services	**6 942**	3 250	**1 293**	600
	16 989	11 157	**3 288**	1 930
Depreciation of property, plant and equipment				
Buildings	**36 083**	12 313		
Plant, equipment and motor vehicles	**103 156**	58 476	**4 452**	2 786
Fishing vessels and nets	**64 095**	65 634		
	203 334	136 423	**4 452**	2 786
Amortisation of intangible assets				
Fishing rights	**27 015**	27 611		
Computer software	**6 056**	6 262	**2 267**	2 457
Non-competes	**17 796**	3 298		
Customer relations	**6 184**	3 577		
	57 051	40 748	**2 267**	2 457
Administrative, technical and secretarial fees	**38 308**	23 792	**9 957**	7 479
Operating lease expenses				
Properties	**94 014**	62 289	**5 282**	3 406
Equipment and vehicles	**18 025**	13 270		
Employment costs	**1 063 768**	849 194	**93 014**	83 226
Loss on the dissolution of foreign subsidiary		3 455		
Retirement costs	**57 142**	43 635	**7 697**	6 454
Share-based payments – cash-settled compensation scheme	**58 539**	86 339	**26 476**	34 777
Share-based payments – equity-settled compensation scheme	**26 600**	4 747	**13 811**	2 226
Share-based payments – Oceana Empowerment Trust	**2 373**	3 069	**316**	325

	Group 2016 R'000	2015 R'000
3. SEGMENTAL RESULTS		
Revenue		
Canned fish and fishmeal (Africa)	**4 275 576**	3 408 988
Fishmeal and fish oil (USA)	**1 930 923**	574 328
Horse mackerel and hake	**1 227 310**	1 314 747
Lobster, squid and French fries	**373 849**	412 147
Commercial cold storage and logistics	**436 330**	458 567
Total	**8 243 988**	6 168 777
Operating profit before other operating items		
Canned fish and fishmeal (Africa)	**528 464**	452 504
Fishmeal and fish oil (USA)	**668 152**	179 612
Horse mackerel and hake	**269 384**	211 020
Lobster, squid and French fries	**30 943**	46 574
Commercial cold storage and logistics	**132 548**	117 545
Total	**1 629 491**	1 007 255
Other operating items		
Canned fish and fishmeal (Africa)	**28 707**	28 357
Fishmeal and fish oil (USA)		(11 549)
Horse mackerel and hake	**14 863**	
Lobster, squid and French fries	**180**	1 557
Commercial cold storage and logistics	**56 437**	(19)
Total	**100 187**	18 346
Interest revenue		
Canned fish and fishmeal (Africa)	**18 413**	53 060
Fishmeal and fish oil (USA)	**68**	135
Horse mackerel and hake	**2 919**	2 312
Lobster, squid and French fries	**312**	330
Commercial cold storage and logistics	**377**	164
Total	**22 089**	56 001
Interest expense		
Canned fish and fishmeal (Africa)	**285 649**	141 412
Fishmeal and fish oil (USA)	**95 695**	15 901
Horse mackerel and hake	**3 597**	777
Lobster, squid and French fries	**22**	225
Commercial cold storage and logistics	**239**	127
Total	**385 202**	158 442
Depreciation and amortisation		
Canned fish and fishmeal (Africa)	**62 771**	55 035
Fishmeal and fish oil (USA)	**104 210**	21 779
Horse mackerel and hake	**62 857**	67 769
Lobster, squid and French fries	**4 344**	5 576
Commercial cold storage and logistics	**26 203**	27 012
Total	**260 385**	177 171
Tax expense		
Canned fish and fishmeal (Africa)	**85 081**	105 703
Fishmeal and fish oil (USA)	**186 756**	64 283
Horse mackerel and hake	**74 843**	68 658
Lobster, squid and French fries	**9 484**	11 597
Commercial cold storage and logistics	**52 112**	36 274
Total	**408 276**	286 515

	Group 2016 R'000	Group 2015 R'000
3. SEGMENTAL RESULTS *continued*		
Total assets		
Canned fish and fishmeal (Africa)	**2 500 368**	2 069 746
Fishmeal and fish oil (USA)	**6 301 086**	6 326 364
Horse mackerel and hake	**550 458**	679 403
Lobster, squid and French fries	**40 958**	125 703
Commercial cold storage and logistics	**268 871**	294 642
	9 661 741	9 495 858
Deferred taxation	**27 714**	25 583
Financing[3]	**1 417 346**	1 291 921
Total	**11 106 801**	10 813 362
Total liabilities		
Canned fish and fishmeal (Africa)	**829 927**	700 772
Fishmeal and fish oil (USA)	**413 793**	934 466
Horse mackerel and hake	**289 200**	175 755
Lobster, squid and French fries	**25 455**	43 854
Commercial cold storage and logistics	**90 170**	88 507
	1 648 545	1 943 354
Deferred taxation	**700 214**	630 403
Financing[3]	**4 750 343**	4 675 319
Total	**7 099 102**	7 249 076
Interest in associates and joint venture		
Canned fish and fishmeal (Africa)	**138 415**	141 555
Fishmeal and fish oil (USA)	**181 420**	160 828
Horse mackerel and hake	**828**	57 124
Lobster, squid and French fries	**1**	1
Total	**320 664**	359 508
Revenue per region[1]		
South Africa and Namibia	**4 305 056**	3 937 878
Other Africa	**480 669**	476 096
North America	**1 218 840**	400 470
Europe	**1 139 988**	710 302
Far East	**959 091**	546 955
Other	**140 344**	97 076
Total	**8 243 988**	6 168 777
Non-current assets per region[2]		
South Africa and Namibia	**873 666**	863 285
North America	**5 400 982**	5 424 923
Total	**6 274 648**	6 288 208

The segments have been identified based on both the geographic region of primary group operations and the different products and services sold by the group.

Revenue excludes the following inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation:

Canned fish and fishmeal R1.2 million (2015: R0.6 million), horse mackerel and hake R16.8 million (2015: R50.0 million) and Commercial cold storage and logistics R108.0 million (2015: R77.6 million).

Notes:

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

[2] *Non-current asset per region discloses where the subsidiary is located, includes property, plant and equipment and intangible assets.*

[3] *Financing includes cash and cash equivalents and loans receivable and payable.*

	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
4. OTHER OPERATING ITEMS				
Transaction costs arising from business combination	**(2 040)**	(80 815)	**(2 040)**	(69 266)
Forex gain on transaction arising from business combination		97 734		97 734
Profit on the disposal of immovable property		1 537		
Loss on disposal of fishing vessel	**(3 536)**			
Profit on disposal of non-current assets held for sale	**74 836**			
Profit on disposal of business interests	**31 521**		**69 449**	
Impairment of equipment	**(594)**	(110)		
Impairment of investment in Glenryck Foods Limited				(6 635)
Impairment of investment in Oceana Empowerment Trust				(508)
	100 187	18 346	**67 409**	21 325
Transaction costs and forex gain related to the acquisition of Daybrook which was acquired in the prior year.				
5. INVESTMENT INCOME				
Preference share dividends		5 557		5 557
Interest received				
Subsidiaries			**13 503**	6 304
Bank and short-term deposits	**10 759**	49 391	**9 075**	5 968
Loans to joint ventures and supply partners	**10 603**	2 229		
Other loans	**279**	3 706		
Other	**448**	675		6
	22 089	61 558	**22 578**	17 835
6. INTEREST PAID				
Subsidiaries			**15 033**	4 124
Bank	**55 751**	100 153	**2 731**	18 776
Interest on amortised loans	**328 557**	56 889		
Other	**894**	1 400	**178**	4
	385 202	158 442	**17 942**	22 904
7. TAXATION				
7.1 South African current taxation				
Current year	**163 458**	160 151	**11 844**	3 270
Adjustments in respect of previous years	**(1 418)**	266	**(946)**	
Capital gains tax	**8 609**	8 821	**274**	5 816
	170 649	169 238	**11 172**	9 086
7.2 Foreign current taxation				
Current year	**205 041**	110 653		
Adjustments in respect of previous years	**(47 659)**	1		
Withholding tax	**9 005**	3 344	**(174)**	169
	337 036	283 236	**10 998**	9 255
7.3 South African deferred taxation				
Current year	**(10 229)**	(6 547)	**(2 833)**	271
Adjustments in respect of previous years	**(4 195)**	(1 307)	**48**	
7.4 Foreign deferred taxation				
Current year	**47 378**	11 133		
Adjustments in respect of previous years	**39 351**			
Adjustments in respect of change in tax rate	**(1 065)**			
Taxation charge	**408 276**	286 515	**8 213**	9 526

	Group		Company	
	2016 %	2015 %	**2016 %**	2015 %
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	**29.9**	30.9	**1.1**	2.6
Adjustment to rate due to:				
Dividend income		0.6	**24.9**	26.5
Net effect of tax losses	**(0.1)**	0.1		
Adjustment in respect of previous years	**1.0**	0.1	**0.1**	
Adjustment in respect of change in tax rate	**0.1**			
Tax effect of unprovided temporary differences		0.1		
Foreign taxation rate differentials and withholding taxes	**(4.7)**	(4.4)		
Associate and joint venture income	**0.3**	0.7		
Exempt income arising from capital profits and foreign exchange gains	**2.2**	4.8	**2.7**	6.9
Capital gains tax	**(0.6)**	(0.9)		(1.6)
Expenses not allowable for taxation and other	**(0.1)**	(4.0)	**(0.8)**	(6.4)
South African company income tax rate	**28.0**	28.0	**28.0**	28.0

	Group		Company	
	2016 R'000	2015 R'000	**2016 R'000**	2015 R'000
7.6 The group's and company's share of tax losses available as a deduction from their future taxable incomes amounted to:				
South African	**70 089**	67 765		
Foreign	**17 117**	43 019		
Total	**87 206**	110 784		
Tax savings effect:				
Before deferred taxation	**25 274**	33 170		
After deferred taxation	**172**	1 839		

	Number of shares	
	2016	2015
8. **EARNINGS PER SHARE**		
8.1 Calculation of weighted average number of ordinary shares		
Weighted average number of ordinary shares	**135 526 154**	120 226 586
Plus: Bonus issue on rights offer		2 774 917
Less: weighted average:		
Treasury shares held by Oceana Empowerment Trust	**(13 789 077)**	(13 885 458)
Treasury shares held by Lucky Star 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	**116 626 227**	104 005 195
Shares deemed to be issued for no consideration in respect of unexercised share options	**11 449 705**	10 954 221
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**128 075 932**	114 959 416

	Group			
	Gross of tax 2016 R'000	Net of tax and non-controlling interest 2016 R'000	Gross of tax 2015 R'000	Net of tax 2015 R'000
8. EARNINGS PER SHARE *continued*				
8.2 Determination of headline earnings				
Profit after taxation attributable to shareholders of Oceana Group Limited		**916 446**		611 224
Adjusted for:				
Profit on the disposal of immovable property			(1 537)	(1 543)
Insurance proceeds	**(1 330)**	**(718)**		
Profit on disposal of non-current assets held for sale	**(74 836)**	**(52 640)**		
Headline earnings adjustments – joint venture	**(16 030)**	**(16 035)**	99	67
Profit on change of interest in investment			(500)	(407)
Profit on disposal of business interests	**(31 521)**	**(31 243)**		
Loss on the dissolution of foreign subsidiary			3 455	3 455
Impairment of equipment	**594**	**446**	110	110
Net loss/(profit) on disposal of property, plant and equipment and intangible assets	**7 030**	**4 052**	(1 293)	(1 128)
Headline earnings for the year		**820 308**		611 778
Headline earnings per share (cents)				
– Basic		**703.4**		588.2
– Diluted		**640.5**		532.2

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
9. DIVIDENDS				
Final of 259 cents per share declared on 11 November 2015, paid 18 January 2016 (2015: 271 cents)	**302 027**	272 389	**351 012**	323 916
Interim of 112 cents per share declared on 12 May 2016, paid 4 July 2016 (2015: 106 cents)	**130 642**	106 543	**151 789**	126 696
Dividends paid during the year	**432 669**	378 932	**502 801**	450 612
Final of 357 cents (2015: 259 cents) per share declared on 18 November 2016, payable on 18 January 2017 based on number of shares in issue on 18 November 2016				
Dividend declared and not accrued after reporting date	**416 519**	301 964		351 013
Dividends per share (cents)	**469**	365		
– Interim paid	**112**	106		
– Final declared after reporting date	**357**	259		

	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					
2015					
Cost	64 305	119 031	617 637	529 702	1 330 675
Accumulated depreciation	(18 835)	(85 663)	(438 988)	(274 847)	(818 333)
Net book value at 1 October 2014	45 470	33 368	178 649	254 855	512 342
Current year movement					
Additions	5 852	1 569	81 078	72 114	160 613
Business combination – cost*	627 219	4 939	735 296	77 611	1 445 065
Business combination – accumulated depreciation	(123 326)	(2 244)	(256 559)	(7 816)	(389 945)
Disposals – cost	(344)	(56)	(12 431)	(16 486)	(29 317)
Disposals – accumulated depreciation	245	42	5 211	13 741	19 239
Depreciation	(8 534)	(3 779)	(58 476)	(65 634)	(136 423)
Impairment charge			(110)		(110)
Transfer to non-current assets held for sale		(5 473)	(7 676)	(26 315)	(39 464)
Foreign exchange differences*	68 094	155	68 157		136 406
Balance at 30 September 2015	614 676	28 521	733 139	302 070	1 678 406
Made up as follows:					
Cost	784 051	93 356	1 469 828	619 185	2 966 420
Accumulated depreciation	(169 375)	(64 835)	(736 689)	(317 115)	(1 288 014)
Net book value at 1 October 2015	614 676	28 521	733 139	302 070	1 678 406
2016					
Current year movement					
Additions	**14 715**	**7 234**	**116 458**	**71 900**	**210 307**
Business disposal – cost	**(1 309)**	**(2 146)**	**(56 753)**	**(1 010)**	**(61 218)**
Business disposal – accumulated depreciation	**370**	**1 162**	**45 661**	**988**	**48 181**
Disposals – cost	**(2 976)**	**(2 993)**	**(35 812)**	**(28 143)**	**(69 924)**
Disposals – accumulated depreciation	**3 352**	**2 955**	**33 619**	**21 692**	**61 618**
Depreciation	**(33 845)**	**(2 238)**	**(103 156)**	**(64 095)**	**(203 334)**
Impairment charge			**(594)**		**(594)**
Foreign exchange differences	**3 096**	**(162)**	**2 997**		**5 931**
Balance at 30 September 2016	**598 079**	**32 333**	**735 559**	**303 402**	**1 669 373**
Made up as follows:					
Cost	**797 178**	**95 411**	**1 496 556**	**661 932**	**3 051 077**
Accumulated depreciation	**(199 099)**	**(63 078)**	**(760 997)**	**(358 530)**	**(1 381 704)**
Net book value at 30 September 2016	**598 079**	**32 333**	**735 559**	**303 402**	**1 669 373**

The cost of fully depreciated assets amounts to R430.2 million (2015: R330.6 million).

The insured value of the group's property, plant and equipment at 30 September 2016 amounts to R6.4 billion (2015: R6.8 billion).

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

** The prior year numbers have been restated due to finalisation of the Daybrook purchase price allocation (please refer to note 37).*

	Company R'000
10. PROPERTY, PLANT AND EQUIPMENT *continued*	
2015	
Property, plant and equipment	
Cost	14 552
Accumulated depreciation	(10 106)
Net book value at 1 October 2014	4 446
Current year movement	
Additions	9 843
Depreciation	(2 786)
Balance at 30 September 2015	11 503
Made up as follows:	
Cost	24 395
Accumulated depreciation	(12 892)
Net book value at 1 October 2015	11 503
2016	
Current year movement	
Additions	**12 710**
Depreciation	**(4 452)**
Disposals – cost	**(508)**
Disposals – accumulated depreciation	**498**
Balance at 30 September 2016	**19 751**
Made up as follows:	
Cost	**36 597**
Accumulated depreciation	**(16 846)**
Net book value at 30 September 2016	**19 751**

	Group							
	Goodwill R'000	Trademark R'000	Intellectual property R'000	Fishing rights R'000	Customer relations R'000	Non-Competes R'000	Computer software R'000	Total R'000
11. INTANGIBLE ASSETS								
2015								
Balance at the beginning of the year								
Cost	27 630	22 078		99 957			49 725	199 390
Accumulated amortisation				(33 009)			(37 921)	(70 930)
Accumulated impairment	(17 630)	(13 205)						(30 835)
Net book value 1 October 2014	10 000	8 873		66 948			11 804	97 625
Current year movements								
Additions	1 276			2 812			3 429	7 517
Business combination – cost*	2 850 594	161 795	740 849	90 890	42 577	83 939	1 527	3 972 171
Business combination – accumulated amortisation							(1 275)	(1 275)
Amortisation for the year				(27 611)	(3 577)	(3 298)	(6 262)	(40 748)

	Group							
	Goodwill R'000	Trademark R'000	Intellectual Property R'000	Fishing rights R'000	Customer relations R'000	Non-Competes R'000	Computer software R'000	Total R'000
11. INTANGIBLE ASSETS *continued*								
Transfer to non-current assets held for sale							(14)	(14)
Exchange difference*	419 940	24 372	111 599		6 164	12 414	37	574 526
Balance at 30 September 2015	3 281 810	195 040	852 448	133 039	45 164	93 055	9 246	4 609 802
Made up as follows:								
Cost	3 299 440	208 245	852 448	193 659	48 990	96 583	54 591	4 753 956
Accumulated amortisation				(60 620)	(3 826)	(3 528)	(45 345)	(113 319)
Accumulated impairment	(17 630)	(13 205)						(30 835)
Net book value at 30 September 2015	3 281 810	195 040	852 448	133 039	45 164	93 055	9 246	4 609 802
Current year movements								
Additions							**31 281**	**31 281**
Disposal – cost							**(1 840)**	**(1 840)**
Disposal – accumulated amortisation							**1 732**	**1 732**
Amortisation for the year				**(27 015)**	**(6 184)**	**(17 796)**	**(6 056)**	**(57 051)**
Exchange difference	**14 896**	**865**	**3 959**		**462**	**1 158**	**11**	**21 351**
Balance at 30 September 2016	**3 296 706**	**195 905**	**856 407**	**106 024**	**39 442**	**76 417**	**34 374**	**4 605 275**
Made up as follows:								
Cost	**3 314 336**	**209 110**	**856 407**	**167 507**	**49 218**	**97 032**	**84 114**	**4 777 724**
Accumulated amortisation				**(61 483)**	**(9 776)**	**(20 615)**	**(49 740)**	**(141 614)**
Accumulated impairment	**(17 630)**	**(13 205)**						**(30 835)**
Net book value at 30 September 2016	**3 296 706**	**195 905**	**856 407**	**106 024**	**39 442**	**76 417**	**34 374**	**4 605 275**

Amortisation of intangible assets are disclosed in the cost of sales R27.0 million (2015: R27.6 million) and overheads expenditure R30.1 million (2015: R13.1 million) lines on the face of the statement of comprehensive income.

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

Hake fishing rights	4.3 years
Pelagic fishing rights	4.3 years
Lobster fishing rights	4.3 years
Customer relations	4.8 years
Non-competes	3.8 – 8.8 years
Computer software	1.0 – 3.0 years

* *The prior year numbers have been restated due to finalisation of the Daybrook purchase price allocation (please refer to note 37).*

11. INTANGIBLE ASSETS *continued*

11.1 Allocation of goodwill, trademarks, intellectual property, fishing rights, customer relations and non-competes to cash generating units

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

	Group					
	Goodwill R'000		Trademarks R'000		Intellectual property R'000	
	2016	2015	**2016**	2015	**2016**	2015
Glenryck Brand (UK)						
Canned fish and fishmeal (Africa)			**8 873**	8 873		
Lusitania business combination						
Commercial cold storage and logistics	**10 000**	10 000				
Le Monde business combination						
Commercial cold storage and logistics	**1 276**	1 276				
Foodcorp business combination						
Horse mackerel and hake	**44 862**	44 862				
Canned fish and fishmeal (Africa)	**17 669**	17 669				
Lobster, squid and French fries	**304**	304				
Daybrook business combination						
Fishmeal and fish oil (USA)	**3 222 595**	3 207 699	**187 032**	186 167	**856 407**	852 448
	3 296 706	3 281 810	**195 905**	195 040	**856 407**	852 448

	Group					
	Fishing rights R'000		Customer relations R'000		Non-competes R'000	
	2016	2015	**2016**	2015	**2016**	2015
Lusitania business combination						
Horse mackerel and hake	**35 780**	46 121				
Foodcorp business combination						
Horse mackerel and hake						
Canned fish and fishmeal (Africa)	**62 879**	78 805				
Lobster, squid and French fries	**875**	1 076				
Daybrook business combination						
Fishmeal and fish oil (USA)			**39 442**	45 164	**76 417**	93 055
Other fishing rights acquired						
Horse mackerel and hake	**1 874**	2 421				
Canned fish and fishmeal (Africa)	**4 616**	4 616				
	106 024	133 039	**39 442**	45 164	**76 417**	93 055

Glenryck Brand (United Kingdom (UK))

The Glenryck brand (UK) is allocated entirely to the canned fish and fishmeal (Africa) cash generating unit (CGU) and the recoverable amount has been determined on a value in use calculation using royalty income cash flow projections approved by management. Sales volumes and prices in aggregate are assumed to grow by 3.0% (2015: 3.0%) per annum at an operating profit percentage of 7.5% (2015: 7.5%). A post-tax discount rate of 25.0% (2015: 25.0%) and a long-term growth rate of 1.0% (2015: 1.0%) have been applied to cash flow projections. The recoverable amount exceeded the carrying value during the current year.

The directors estimate that an increase in the discount rate by 45% would result in the aggregate carrying value exceeding the recoverable amount.

11. INTANGIBLE ASSETS *continued*

11.1 Allocation of goodwill, trademarks, intellectual property, fishing rights, customer relations and non-competes to cash generating units (continued)

Lusitania business combination

The goodwill arising on the acquisition of the Lusitania business has been allocated entirely to the Commercial cold storage and logistics CGU (refer to table 11.1 on page 34).

The recoverable amount of the CGU is determined based on a value in use calculation using cash flow forecasts approved by executive management, covering a period of four years followed by an extrapolation of expected cash flows for year five using assumptions determined by management.

Stable occupancy levels at 90.0% based on historical averages have been assumed. Revenue growth rates are based on average forecast revenue growth rates for the forecast period, and are between 7.0% and 9.0%.

The present value of the expected future cash flows for the Commercial cold storage and logistics CGU was determined using pre-tax discount rates of 13.2%. The discount rates were derived from the weighted average cost of capital (WACC) for comparable entities, based on market data and include appropriate adjustments relating to market risk and specific risk factors for the CGU.

A long-term growth rate of 3.0% has been used based on the longer term core inflation expectations for the South African economy.

The directors estimate that if occupancy levels deviate by more than 25.0% the CGU carrying amount would exceed its recoverable amount.

Foodcorp business combination

The goodwill arising on the acquisition of the Foodcorp fishing business has been allocated to three CGU's, namely horse mackerel and hake, canned fish and fishmeal (Africa) and lobster, squid and French fries (refer to table 11.1 on page 34).

The recoverable amount of each of these CGU's is determined based on a value in use calculation using cash flow forecasts approved by executive management, covering a period of four years followed by an extrapolation of expected cash flows for year five using assumptions determined by management.

Stable fish catch volumes and production yields based on historical averages have been assumed. Gross margins are based on the average forecast gross margin for the forecast period, and are between 40.3% and 45.8% for the horse mackerel and hake CGU and 15.0% (canned fish) and 36.0% (fishmeal) for the canned fish and fishmeal (Africa) CGU.

The present value of the expected future cash flows for the horse mackerel and hake CGU and canned fish and fishmeal (Africa) CGU were determined using pre-tax discount rates of 16.5% and 13.4% respectively. The discount rates were derived from the WACC for comparable entities, based on market data and include appropriate adjustments relating to market risk and specific risk factors for each CGU.

A long-term growth rate of 3.0% has been used based on the longer term core inflation expectations for the South African economy.

The directors estimate that an increase in the discount rate by 21.0% for the canned fish and fishmeal (Africa) CGU and 17.0% for the horse mackerel hake CGU would result in the aggregate carrying value of each CGU exceeding the recoverable amount. It is further estimated that if the assumed margins deviate by more than 15.0% for hake and 9.0% for canned fish and fishmeal, the carrying amount would exceed its recoverable amount.

Daybrook business combination

The goodwill arising on the acquisition of Daybrook Fisheries has been allocated entirely to the fishmeal and fish oil (USA) CGU (refer to table 11.1 on page 34).

Trademarks (R187.0 million) and intellectual property (R856.4 million) both with indefinite useful lives arising on the acquisition of Daybrook Fisheries are included in the fishmeal and fish oil (USA) CGU.

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

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

The recoverable amount of the CGU is determined based on a value in use calculation using cash flow forecasts approved by executive management, covering a period of four years followed by an extrapolation of expected cash flows for year five using assumptions determined by management.

11. INTANGIBLE ASSETS *continued*

11.1 Allocation of goodwill, trademarks, intellectual property, fishing rights, customer relations and non-competes to cash generating units continued

Daybrook business combination *continued*

Stable fish catch volumes and production yields based on historical averages have been assumed. Gross margins are based on the average forecast gross margin for the forecast period, and are between 45.0% and 47.0% for fishmeal and fish oil (USA) business.

The present value of the expected future cash flows for the fishmeal and fish oil (USA) CGU was determined using pre-tax discount rate of 11.6%. The discount rate was derived from the WACC for comparable entities, based on market data and includes appropriate adjustments relating to market risk and specific risk factors for the CGU.

A long-term growth rate of 2.3% has been used based on the 10-year forecast mean US CPI inflation rate per the June 2016 Livingston survey.

The directors estimate that an increase in the discount rate by 2.0% for the fishmeal and fish oil (USA) CGU would result in the aggregate carrying value of the CGU exceeding the recoverable amount. It is further estimated that if the assumed margins deviate by more than 4.5% the CGU carrying amount would exceed its recoverable amount.

	Company R'000
Computer software	
2015	
Balance at the beginning of the year	
Cost	19 377
Accumulated amortisation	(17 088)
Net book value 1 October 2014	2 289
Current year movements	
Additions	3 093
Amortisation for the year	(2 457)
Balance at 30 September 2015	2 925
Made up as follows:	
Cost	22 470
Accumulated amortisation	(19 545)
Net book value at 30 September 2015	2 925
2016	
Current year movements	
Additions	**31 259**
Amortisation for the year	**(2 267)**
Balance at 30 September 2016	**31 917**
Made up as follows:	
Cost	**53 729**
Accumulated amortisation	**(21 812)**
Net book value at 30 September 2016	**31 917**

	Group 2016 R'000	Group 2015 R'000
12. DERIVATIVE ASSETS		
Non-current		
Interest rate caps held as hedging instruments		
Opening balance		
Additions	**18 569**	
Fair value adjustments recognised in profit and loss (ineffective portion)	**(2 732)**	
Fair value adjustments recognised in other comprehensive income (effective portion)	**(8 201)**	
Closing balance	**7 636**	

Interest rate caps were executed on 17 March 2016, with a maturity date of 20 July 2018. Interest rate caps were designated as cash flow hedges and executed to hedge the interest that is payable under various debt facilities with principal values of R1 810.0 million. The amount of the principal is R980.0 million. Gains and losses on interest rate caps held as hedging instruments in designated and effective hedging relationships are recognised in other comprehensive income and are reclassified in the same period that the hedge cash flows affect profit and loss.

	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
13. DEFERRED TAXATION				
Deferred tax assets	**27 714**	25 583	**21 986**	17 117
Deferred tax liabilities	**(700 214)**	(630 403)		
Net deferred tax (liability)/asset	**(672 500)**	(604 820)	**21 986**	17 117
Net (liability)/asset at the beginning of the year	**(604 821)**	(34 096)	**17 117**	17 158
Transferred from/(to) subsidiary			**2 084**	(308)
Arising on rights issue		538		538
Associate – unrealised profits		8 010		
Reserve movements in respect of cash flow hedging recognised directly in other comprehensive income	**2 508**			
Arising from business combination*		(543 620)		
Arising on disposal of business	**1 268**			
Rate change adjustment	**1 065**			
Foreign currency translation adjustment*	**(215)**	(32 373)		
(Debited)/credited to the statement of comprehensive income	**(72 305)**	(3 279)	**2 785**	(271)
Net (liability)/asset at the end of the year	**(672 500)**	(604 820)	**21 986**	17 117
Comprising:				
Hurricane relief funds and insurance (note 1)	**(90 620)**	(94 733)		
Deferred compensation	**18 588**	63 669		
Property, plant and equipment*	**(124 794)**	(98 551)		
Intangibles assets*	**(424 036)**	(434 474)		
Estimated taxation loss	**25 102**	32 150		
Provisions and other credit balances	**88 295**	54 710	**21 986**	17 117
Fair value adjustments arising from business combination	**(86 136)**	(88 693)		
Put option	**14 308**	27 435		
Section 24P allowances, prepayments and other	**(93 207)**	(66 333)		
	(672 500)	(604 820)	**21 986**	17 117
Aggregate amount of unused tax losses for which no deferred tax asset is recognised in the statement of financial position		6 570		

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

** The prior year numbers have been restated due to finalisation of the Daybrook purchase price allocation (please refer to note 37).*

	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
14. INVESTMENTS AND LOANS				
Loans to supply partners	**104 404**	110 968	**164**	164
Other investments	**620**	302	**619**	302
	105 024	111 270	**783**	466

Company loans consist of an unsecured, interest-free loan with no fixed terms of repayment to a company in which the group holds a 3.5% (2015: 2.7%) equity share. No impairment provision is required in respect of this loan.

Group loans consist of secured and unsecured loans, and bear interest at rates ranging from interest-free to 12.50% (2015: interest-free to 10.50%). No impairment provision is required in respect to these loans.

	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
Movement in net loans				
Balance at the beginning of the year	**110 968**	13 869	**164**	328
Advances to supply partners	**1 940**	92 809		
Interest capitalised	**4 847**	1 640		
Loans repaid	**(8 746)**	(4 629)		(164)
Current portion transferred to accounts receivable	**(4 605)**			
Movement in provisions for irrecoverable loans		7 279		
Balance at the end of the year	**104 404**	110 968	**164**	164

	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
15. INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES				
Shares at cost, less amounts written off	**359 508**	207 010	**3 310 425**	3 300 369
Amounts owing by			**186 433**	146 492
Share of accumulated (losses)/profits and reserves since acquisition	**(38 844)**	152 498		
	320 664	359 508	**3 496 858**	3 446 861
Amounts owing to			**(2 041 059)**	(2 070 794)
	320 664	359 508	**1 455 799**	1 376 067

Loans to and from subsidiaries, associates and joint ventures are unsecured and payable on demand. Loans to and from wholly-owned South African subsidiaries are interest-free. Interest rates on other loans are floating and approximate prevailing market rates.

Included in amounts owing to subsidiaries, associates and joint ventures for the company is a R1 713 million (2015: R1 987 million) loan from Lucky Star Limited. The company obtained a letter of support from Lucky Star Limited confirming its intension to continue providing financial and/or other support to Oceana Group Limited with a view to it being able to meet its liabilities as and when they fall due.

	Group 2016 R'000	2015 R'000
15. INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES *continued*		
The trading results of the associates and joint venture companies whose results are equity-accounted in the consolidated financial statements are as follows:		
Revenue (100%)	**1 060 929**	923 513
Profit for the year (100%)	**98 103**	57 474
Profit attributable to ordinary shareholders of Oceana Group Limited	**47 561**	26 096
Share of associate and joint venture companies income:		
Etosha Fisheries Holding Company Proprietary Limited (joint venture)	**856**	13 583
Oceana International Limited (joint venture)	**15 960**	11 416
Oceana Boa Pesca Limitada (joint venture)	**(2 901)**	
Westbank Fishing Limited Liability Company (associate)	**33 646**	1 097
	47 561	26 096
Less: Dividends received	**(64 381)**	(3 263)
	(16 820)	22 833

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

	2016 R'000	2015 R'000
Etosha Fisheries Holding Company Proprietary Limited (joint venture)		
Current assets	**236 436**	321 392
Non-current assets	**85 827**	72 978
Current liabilities	**115 936**	189 271
Non-current liabilities	**11 781**	12 459
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	**2 073**	
Bank overdraft	**84 617**	125 387
Non-current financial liabilities (excluding trade and other payables and provisions)	**11 781**	12 459
Revenue	**455 424**	451 304
Profit for the year	**1 907**	30 251
Total comprehensive income for the year	**1 907**	30 251
Dividends received from the joint venture during the year		3 263
The above profit for the year include the following:		
Depreciation	**6 223**	5 297
Interest income	**3**	64
Interest expense	**10 064**	8 303
Income tax (reversal)/expense	**(677)**	8 873

	Group 2016 R'000	2015 R'000
15. INTEREST IN SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES continued		
Reconciliation of the above summarised financial information to carrying amount of the interest in joint venture recognised in the consolidated financial statements:		
Net assets of joint venture	**194 546**	192 640
Proportion of the group's ownership interest in the joint venture	**44.9%**	44.9%
Carrying amount of the group's interest in the joint venture	**87 351**	86 495
Oceana International Limited (joint venture)		
Current assets	**1 656**	116 244
Current liabilities		1 995
The above amounts of assets and liabilities includes the following:		
Cash and cash equivalents	**1 656**	4 976
Revenue		259 049
Profit for the year	**31 919**	22 833
Total comprehensive income for the year	**3 460**	22 833
Dividends received from the joint venture during the year	**58 027**	
Reconciliation of the above summarised financial information to carrying amount of the interest in joint venture recognised in the consolidated financial statements:		
Net assets of joint venture	**1 656**	114 249
Proportion of the group's ownership interest in the joint venture	**50%**	50%
Carrying amount of the group's interest in the joint venture	**828**	57 124
Oceana Boa Pesca Limitada (joint venture)		
Current assets	**53 736**	43 783
Non-current assets	**87 766**	66 336
Current liabilities	**3 629**	
Non-current liabilities	**35 745**	
The above amounts of assets and liabilities includes the following:		
Cash and cash equivalents	**25 022**	13 998
Revenue	**21 335**	
Loss for the year	**(5 801)**	
Total comprehensive loss for the year	**(28 148)**	(2 526)
The above loss for the year includes the following:		
Depreciation	**10 668**	
Reconciliation of the above summarised financial information to carrying amount of the interest in joint venture recognised in the consolidated financial statements:		
Net assets of joint venture	**102 128**	110 119
Proportion of the group's ownership interest in the joint venture	**50%**	50%
Carrying amount of the group's interest in the joint venture	**51 064**	55 060
Westbank Fishing Limited Liability Company (associate)		
Current assets	**174 392**	94 727
Non-current assets	**627 382**	585 020
Current liabilities	**76 094**	36 434
The above amounts of assets and liabilities includes the following:		
Cash and cash equivalents	**117 427**	447
Revenue	**584 170**	217 906
Profit for the year	**134 584**	4 390
Total comprehensive income for the year	**134 584**	4 390
Dividends received from the associate during the year	**6 354**	
The above profit for the year includes the following:		
Depreciation	**32 594**	4 509
Interest expense	**153**	
Income tax (reversal)/expense	**(39 314)**	33 134

	Group 2016 R'000	Group 2015 R'000
15. INTEREST IN SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES *continued*		
Reconciliation of the above summarised financial information to carrying amount of the interest in associate recognised in the consolidated financial statements:		
Net assets of associate	**725 680**	643 313
Proportion of the group's ownership interest in the joint venture	**25%**	25%
Carrying amount of the group's interest in the associate	**181 420**	160 828
Aggregate information of joint ventures that are not individually material	**1**	1
Aggregate amount of the group's interest in these joint ventures	**320 664**	359 508

The results of Etosha Fisheries Holdings Company Proprietary Limited, Oceana International Limited, Mfv Romano Paulo Vessel Company Proprietary Limited, Oceana Boa Pesca Limitada and Westbank Fishing Limited Liability Company for the 12 months ended 30 September 2016 have been used in the preparation of these financial statements. These results represent the latest available financial information which have been subject to an audit by the associate and joint venture company auditors. With the exception of Westbank Fishing Limited Liability Company and Oceana Boa Pesca Limitada with 31 December financial year ends, all other joint ventures have financial year ends of 30 September.

Oceana International Limited (OI) in the Isle of Man ceased to operate and discharged all of its debt and liabilities in January 2016 and an application for a declaration of dissolution of OI has been made to the Financial Supervision Authority in the Isle of Man.

Westbank Fishing Limited Liability Company (LLC) is not a separate tax entity in terms of US tax law. All profits and losses of the LLC "pass through" the business to the members (LLC owners), who report this information on their respective individual tax returns. As Westbank Fishing LLC reports no taxation expense or provision, the associate profit for 2016 is recognised on a pre-tax basis above and the income tax expense raised in the prior year has been reversed in the current year.

Details of subsidiary, associate and joint venture companies are set out in separate schedules on page 66 of these financial statements.

	Company 2016 R'000	Company 2015 R'000
16. LOAN RECEIVABLE FROM OCEANA GROUP SHARE TRUST		
Interest-bearing at 8.00% per annum (2015: 6.75%)	**689**	1 095

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

	Company 2016 R'000	Company 2015 R'000
17. LOAN RECEIVABLE FROM OCEANA EMPOWERMENT TRUST		
Capital contribution	**48 110**	20 723

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 originally in 2006 and again in 2014 which resulted in the extension of the lock-in period.

During 2016 an amount of R27.4 million was transferred to the company on disposal of Lamberts Bay Foods Limited.

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 14-year lock-in period or on behalf of the beneficiaries of deceased qualifying employees.

	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
18. INVENTORIES				
Raw materials	**150 625**	148 086		
Finished goods	**1 157 001**	1 069 634		
Consumable stores and work-in-progress	**85 711**	98 546		
	1 393 337	1 316 266		

Finished goods include inventory held at net realisable value of Rnil (2015: Rnil).

The amount of inventory recognised as an expense during the year was R5 051 million (2015: R3 833 million).

	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
18. INVENTORIES *continued*				
Comprising:				
Cost of materials	**3 515 970**	2 554 734		
Inventory movement	**(77 071)**	(154 973)		
Production costs	**1 612 115**	1 433 236		
	5 051 014	3 832 997		
19. ACCOUNTS RECEIVABLE				
Net trade receivables	**1 227 748**	1 086 326		
Gross trade receivables	**1 232 833**	1 096 181		
Less: Allowance for credit notes	**(4 391)**	(5 426)		
Less: Provisions for irrecoverable trade receivables	**(694)**	(4 429)		
Net short-term loans and advances	**81 448**	23 174		
Gross short-term loans and advances	**81 676**	23 283		
Less: Provisions for irrecoverable loans and advances	**(228)**	(109)		
Amount owing by foreign suppliers	**510**	75 063		
Value added taxation receivable	**61 618**	42 295	**3 769**	2 925
Forward exchange revaluation asset	**544**	35 001		
Accrued income and other receivables*	**91 045**	146 989	**41 184**	12 773
Prepayments	**88 257**	54 988	**1 927**	2 905
	1 551 170	1 463 836	**46 880**	18 603

* *The prior year numbers have been restated due to finalisation of the Daybrook purchase price allocation (please refer to note 37).*

	Group 2016 R'000	Group 2015 R'000
The analysis of group trade receivables not impaired is as follows:		
Not past due	**1 136 504**	906 456
Ageing of trade receivables which are past due and not impaired		
30 days	**72 057**	163 085
60 days	**7 313**	8 483
90 days	**10 291**	7 231
120 days	**590**	239
150 days and over	**993**	832
	1 227 748	1 086 326
The analysis of other group receivables not impaired is as follows:		
Not past due	**321 159**	254 832
Ageing of other receivables which are past due and not impaired		
30 days		33 200
60 days	**57**	78 326
90 days		9 802
120 days		
150 days and over	**2 206**	1 350
	323 422	377 510

19. ACCOUNTS RECEIVABLE *continued*

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

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

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

	Group	
	2016 R'000	2015 R'000
Movement in provisions for irrecoverable trade receivables		
Balance at the beginning of the year	**4 429**	1 461
Irrecoverable amounts written off against the provision	**(1 744)**	(968)
Impairment losses recognised	**(1 991)**	1 324
Arising from business combination		2 612
Balance at the end of the year	**694**	4 429
Concentration of credit risk in trade receivables		
By geographical region		
South Africa and Namibia	**729 238**	533 968
Other Africa	**52 229**	33 195
Europe	**219 295**	225 935
America	**98 575**	169 786
Far East and other	**128 411**	123 442
Trade receivables	**1 227 748**	1 086 326
By customer sector		
SA Domestic FMCG, wholesale, retail (JSE listed or insured)	**908 418**	605 626
USA Domestic FMCG, wholesale, retail	**85 116**	221 351
Cold storage (secured by lien)	**48 847**	68 002
Exports on letter of credit/cash with documents	**172 064**	94 866
Open account	**13 303**	96 481
Trade receivables	**1 227 748**	1 086 326
Movement in provisions for irrecoverable loans and advances		
Balance at the beginning of the year	**109**	1 243
Impairment losses recognised/(reversed)	**105**	(817)
Irrecoverable accounts reversed/(written off) against the provision	**14**	(317)
Balance at the end of the year	**228**	109

There was one customer, Massmart Holdings Limited (2015: no 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 the prime interest rate charged by banks and prime plus 2%.

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

The carrying value of accounts receivable approximates their fair value.

	Group 2016 R'000	Group 2015 R'000
20. NON-CURRENT ASSETS HELD FOR SALE		
Vessel – Desert Rose[1]		26 315
Seasonal fruit business (CCS)[2]		13 163
		39 478

[1] *The group disposed of a vessel which was completed by 27 October 2015.*
[2] *The group disposed of its seasonal fruit business which was completed by 30 April 2016.*

The major class of assets for the above assets held for sale are property, plant and equipment and intangible assets.

	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
21. ORDINARY SHARE CAPITAL				
21.1 Authorised stated capital/share capital				
300 000 000 shares of no par value (2015: 1 400 000 000 shares of no par value)	**300**	1 400	**300**	1 400
21.2 Share capital and premium				
Nil (2015: nil)				
Shares		120		120
Share premium		156 117		156 117
Opening balance share capital and premium		156 237		156 237
Conversion to stated capital		(156 237)		(156 237)
Closing balance share capital and premium				
21.3 Stated capital				
135 526 154 (2015: 135 526 154)				
Opening balance share capital and premium	**1 187 399**		**1 307 234**	
Conversion from share capital and premium		156 237		156 327
Shares issued per rights issue*		1 150 997		1 150 997
Less: Treasury shares 18 853 805 (2015: 18 937 853) shares	**1 281**	(119 835)		
Balance at the end of the year	**1 188 680**	1 187 399	**1 307 234**	1 307 234

* *15 999 997 ordinary shares totalling R1 200 million were issued by way of a rights issue in the prior year. Rights issue costs of R49 million were charged to equity in the prior year.*

	Group 2016 Number of shares	Group 2015 Number of shares	Company 2016 Number of shares	Company 2015 Number of shares
21.4 Treasury shares comprise shares held by:				
Oceana Empowerment Trust	**13 742 955**	13 827 003		
Lucky Star Limited	**5 094 350**	5 094 350		
Oceana Group Share Trust	**16 500**	16 500		
	18 853 805	18 937 853		
Opening balance	**18 937 853**	19 013 785		
Treasury shares sold	**(84 048)**	(75 932)		
Closing balance	**18 853 805**	18 937 853		
21.5 Unissued shares				
Authorised			**300 000 000**	1 400 000 000
Issued			**(135 526 154)**	(135 526 154)
Unissued			**164 473 846**	1 264 473 846

		Group	
		2016 R'000	2015 R'000
22.	**HEDGING RESERVE**		
22.1	***Cash flow hedge reserve***		
	Balance at the beginning of the year	**25 353**	1 842
	Movement on the cash flow hedge reserve	**(47 009)**	23 511
	(Loss)/gain recognised on cash flow hedges	**(62 313)**	12 390
	Transferred to profit or loss	**28 839**	8 138
	Transferred to initial carrying amount of hedged item	**(16 043)**	2 983
	Income tax related to loss recognised in equity	**5 271**	
	Income tax related to amounts transferred to profit or loss	**(2 763)**	
	Balance at the end of the year	**(21 656)**	25 353

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

22.2	***Fuel hedge reserve***		
	Balance at the beginning of the year	**(1 757)**	
	Movement on the cash flow hedge reserve	**1 757**	(1 757)
	Loss recognised on cash flow hedges	**1 757**	(1 757)
	Balance at the end of the year		(1 757)

Gains or losses arising on changes in fair value of fuel contracts, which have been designated as fuel 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.

23.	**LONG-TERM LOAN**		
	Opening balance	**4 374 483**	300 000
	Loans raised	**300 000**	4 150 492
	Transaction cost capitalised	**(456)**	(125 191)
	Transaction cost amortised to profit and loss	**45 436**	
	Capital repaid	**(1 502)**	
	Exchange difference	**11 833**	326 389
	Transferred to short-term loans	**(584 652)**	(277 207)
	Closing balance	**4 145 142**	4 374 483

The Rand denominated term loans of R2 891.9 million (2015: R2 745.9 million) bear interest at a rate of JIBAR plus margin of 170 to 220 (2015: 170 to 220) and are repayable through a combination of semi-annual consecutive instalments and single instalments with the final principle payment due on 21 July 2020. The loan is secured by intercompany, cross guarantees and indemnities provided by Oceana Group Limited, Lucky Star Limited, Blue Continent Products Proprietary Limited, Commercial Cold Storage (Namibia) Proprietary Limited, Erongo Marine Enterprises Proprietary Limited, Amawandle Pelagic Proprietary Limited and Amawandle Hake Proprietary Limited. Guarantees are disclosed in note 32.

The US Dollar denominated term loan of R1 837.9 million (2015: R1 905.8 million) bears interest at a rate of Libor plus applicable margin of 2.75% to 3.00% (2015: 2.75%) which varies with the total leverage ratio at the pricing date. The loan is repayable in quarterly instalments with the final principle payments due on 30 June 2020 and is secured by a first-priority perfected security interest in substantially all of the tangible and intangible assets of the Oceana US Holdings Incorporated, Daybrook Investors Incorporated, Daybrook Holdings Incorporated and Daybrook Fisheries Incorporated.

		Group	
		2016 R'000	2015 R'000
23.	**LONG-TERM LOAN** *continued*		
	Maturity analysis (long term and current portion)		
	Due within one year	**584 652**	277 207
	Due within two years	**1 130 676**	538 868
	Due within three years	**1 212 161**	970 984
	Due within four years	**1 712 411**	1 205 359
	Due within and later than 5 years	**89 894**	1 659 272
		4 729 794	4 651 690
24.	**DERIVATIVE LIABILITIES**		
	Opening balance	**209 963**	
	Business combination		182 475
	Loss recognised in other comprehensive income	**6 513**	
	Gain recognised in profit and loss	**(42 623)**	
	Foreign currency translation adjustment	**2 448**	27 488
	Closing balance	**176 301**	209 963
	Put option	**170 053**	209 963
	Interest rate swap	**6 248**	
		176 301	209 963

In terms of the Westbank operating agreement the remaining shareholders of Westbank Fishing Limited Liability Company ("Westbank") can put their 75% equity stake in Westbank to Daybrook Fisheries Incorporated ("Daybrook") or its nominee for a fixed price of USD31.5 million ("put option strike price"). If notice of the intention to exercise the put option is given by 30 November 2016, Daybrook will pay the remaining shareholders in Westbank an additional USD15 million when the put option becomes effective on 15 November 2017 ("put premium"). Should the put option be effectively exercised as described there will be a cash outflow, being the put option strike price plus the put premium as well as any unpaid distributions while there will be a cash inflow, based on prevailing market values, from a new US based shareholder acquiring the 75% Westbank shareholding. When the put option is exercised the fair value of the put option liability will be derecognised from the statement of financial position and a corresponding entry will be made to reflect the cash payment. In the event that the put option is not exercised the fair value of the put option liability will be derecognised through profit and loss.

The put option liability was remeasured to fair value at 30 September 2016 by measuring the put option strike price plus the put premium to the fair value of Westbank Fishing Limited Liability Company. Westbank Fishing Limited Liability Company was valued using a discounted cash flow model and unobservable inputs including forecast annual revenue growth rates of 1.8% to 2.0%, forecast EBITDA margin of 22.6% to 25.6% and a risk-adjusted discount rate of 8.2%. A change in the discount rate by 1% would increase or decrease the fair value by R70.0 million. During the year a fair value gain of R42.6 million was recognised in operating profit.

The notional principal amount of the interest rate swaps at 30 September 2016 amounts to R1 136 million. This comprises hedges on the term debt of R1 894 million. The swap is to hedge the interest that is payable under the debt facility. Gains and losses on the interest rate swap held as a hedging instrument in a designated and effective hedging relationship are recognised in other comprehensive income and are reclassified in the same period that the hedged cash flows affect profit and loss. During the year a fair value loss of R6.5 million was recognised in other comprehensive income.

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
25. ACCOUNTS PAYABLE				
Trade payables	**536 853**	586 122	**28 875**	14 019
Payroll-related accruals	**134 852**	108 563	**21 227**	20 613
Leave pay accrual	**32 302**	28 147	**4 623**	3 620
Lease accrual	**10 902**	15 850	**2 765**	1 779
Short-term loans and advances	**20 549**	24 703		
Value added taxation payable	**5 080**	4 278		
Accrued expenses	**245 346**	219 263	**30 423**	22 237
Other payables	**298 378**	154 321	**3 623**	4 578
	1 284 262	1 141 247	**91 536**	66 846

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

Short-term loans and advances consist of secured and unsecured loans, and bear interest ranging from 6.6% to 11.5% (2015: 5.6% to 10.5%), which are repayable within one year.

	Group	
	2016 R'000	2015 R'000
26. PROVISIONS		
Customer claims		
Balance at the beginning of the year	**4 005**	2 033
Net charge to operating profit	**2 528**	4 522
Utilised during the year	**(4 111)**	(2 550)
Balance at the end of the year	**2 422**	4 005
***Ex gratia* retirement provision**		
Balance at the beginning of the year	**4 008**	3 775
Net charge to operating profit		552
Transferred from accruals		46
Arising on the disposal of business	**(435)**	
Utilised during the year	**(662)**	(365)
Balance at the end of the year	**2 911**	4 008
Non-qualified deferred compensation benefits		
Balance at the beginning of the year	**164 081**	
Business combination		147 359
Utilised during the year	**(121 519)**	(5 119)
Foreign currency translation reserve	**5 716**	21 841
Balance at the end of the year	**48 278**	164 081
Crew bonuses		
Balance at the beginning of the year	**35 026**	3 360
Net charge to operating profit	**4 540**	17 744
Business combination		15 099
Utilised during the year	**(35 501)**	(4 090)
Foreign currency translation reserve		2 913
Balance at the end of the year	**4 065**	35 026

	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
26. PROVISIONS *continued*				
Total				
Balance at the beginning of the year	**207 120**	9 168		
Net charge to operating profit	**7 068**	22 818		
Business combination		162 458		
Arising on disposal of business	**(435)**			
Transferred from accruals		46		
Utilised during the year	**(161 793)**	(12 124)		
Foreign currency translation reserve	**5 716**	24 754		
Balance at the end of the year	**57 676**	207 120		

Provisions represent obligations based on management's best estimate of the amounts payable.

Customer claims provision relates largely to claims lodged by customers of commercial cold storage and logistics for losses incurred in handling product. Outflows of economic benefits will arise on settlement of the claims.

The ex gratia retirement provision is calculated in respect of employees who were not members of the Oceana Pension or Provident Funds before 1 January 1993. The provision is estimated based on employees current annual salary and the number of years' service prior to 1 January 1993 and unwinds as employees claim their retirement benefits on death or retirement.

Daybrook Fisheries Incorporated, maintains a non-qualified deferred compensation plan to provide supplemental executive compensation benefits to key employees who are selected by management to participate in the plan. The annual contribution is determined solely by the remuneration committee and the plan is compliant with section 409(a) of the US Internal Revenue Code.

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

27. COMMITMENTS

27.1 Capital commitments

Budgeted capital expenditure is as follows:	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
Contracted	**25 386**	34 297		
Not contracted	**201 322**	184 389	**7 436**	17 897
	226 708	218 686	**7 436**	17 897

Capital expenditure will be financed from the group's and company's cash resources and short-term borrowing facilities.

27.2 Operating lease commitments

The future minimum lease payments under operating leases are as follows:	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
Not later than one year	**77 093**	92 829	**3 945**	2 979
Later than one year but not later than five years	**200 282**	302 902	**12 570**	13 153
Later than five years	**71 337**	179 228		
	348 712	574 959	**16 515**	16 132

	Group: Number of employees 2016	Group: Number of employees 2015	Company: Number of employees 2016	Company: Number of employees 2015
28. NUMBER OF EMPLOYEES				
Permanent employees at year-end	**2 053**	2 319	**122**	95

	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
29. SHARE-BASED PAYMENT PLANS				
Equity-settled compensation schemes				
Black economic empowerment (BEE) scheme (29.1)	**68 257**	65 885	**10 188**	7 256
Performance shares compensation scheme (29.2)	**25 390**	5 273	**13 304**	2 603
Restricted shares compensation scheme (29.3)	**6 613**	1 953	**3 198**	780
Restricted shares elective deferral compensation scheme (29.4)	**1 823**		**1 703**	
Share -based payment reserve	**102 083**	73 111	**28 393**	10 639
Cash-settled compensation schemes				
Phantom compensation scheme (29.5)	**85 844**	80 980	**42 244**	31 815
Share appreciation rights compensation scheme (29.6)	**14 282**	5 167	**6 629**	2 166
Liability for share-based payments	**100 126**	86 147	**48 873**	33 981

29. SHARE-BASED PAYMENT PLANS *continued*

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

Oceana Empowerment Trust acquired 14 380 465 Oceana shares at a cost of R15.21 per share in 2006 as part of the group's BEE transaction. 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 14 years from the date of the initial allocation. The lock-in period was extended in 2014 by a further four years as a result of a once-off cash distribution of R20.50 per option held by employee beneficiaries, which was funded by the corporate beneficiaries as disclosed in note 17. 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 and a third allocation on 1 September 2013. All allocations were 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 third allocation was made to new eligible employees who had not participated in the first or second allocations and as a top-up to certain employees who had been promoted since the second allocation was made. The number of allocated options has reduced in terms of the scheme rules due to retrenchments, resignations and dismissals.

During the year 84 048 options (2015: 75 932) were realised on behalf of beneficiaries of deceased employees.

The fair value of equity-settled share options is estimated as at the grant date 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.

29.2 Equity-settled (performance shares) compensation scheme

Performance shares are granted to executive and senior managers by the board on the recommendation of the remuneration and nominations committee in terms of the Oceana share incentive plan which was implemented in 2014. The exercise price of the options is equal to the 30-day volume weighted average prices (VWAP) of the shares prior to the date of grant. Performance shares will vest on the third anniversary of their grant, to the extent that the company has met specified performance criteria, linked to the company's comparative Total Shareholder Return in relation to a comparator group, over the intervening period. Options are settled in shares. Options that have not been exercised in accordance with the rules of the scheme are forfeited upon termination of employment, other than on death, retrenchment or retirement.

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

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

	Group			
	2016		2015	
	Number of share options	**VWAP Rand**	Number of share options	VWAP Rand
Outstanding at the beginning of the year	**175 451**	**95.53**	99 900	82.88
Granted during the year	**84 700**	**111.10**	85 800	109.59
Forfeited during the year	**17 876**	**96.71**	15 500	91.86
Adjusted during the year			5 251	95.53
Outstanding at the end of the year	**242 275**	**100.89**	175 451	95.53

Notes:

1. No performance shares had vested at 30 September 2016.

2. Exercise price adjustment was made to effect the rights issue in the prior year as per scheme rules.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2016 is 0.6 years (2015: 1.9 years).

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

	2016		2015
	Grant number	**Number of share options**	Number of share options
R82.80 per share exercisable until 11 February 2017	**1A**	**81 436**	90 199
R86.75 per share exercisable until 1 June 2017	**1B**	**2 165**	2 165
R109.81 per share exercisable until 10 February 2018	**2A**	**72 778**	79 891
R103.74 per share exercisable until 21 May 2018	**2B**	**3 196**	3 196
R111.10 per share exercisable until 17 February 2019	**3A**	**82 700**	
		242 275	175 451

29. SHARE-BASED PAYMENT PLANS *continued*

29.3 Equity-settled (restricted shares) compensation scheme

Restricted shares are granted to executive and senior managers by the board on the recommendation of the remuneration and nominations committee in terms of the Oceana share incentive plan which was implemented in 2014. Restricted shares granted will be linked to the annual cash bonus scheme, in one of, or a combination of, a bonus match or a deferred bonus. The exercise price of the options is equal to the 30-day VWAP of the shares prior to the date of grant. Restricted shares will vest on the third anniversary of their grant. Options are settled in shares. Options that have not been exercised in accordance with the rules of the scheme are forfeited upon termination of employment, other than on death, retrenchment or retirement.

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

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

	Group			
	2016		2015	
	Number of share options	**VWAP Rand**	Number of share options	VWAP Rand
Outstanding at the beginning of the year	**75 458**	**100.26**	29 400	83.10
Granted during the year	**86 300**	**105.46**	49 600	109.54
Forfeited during the year	**11 128**	**101.13**	5 800	92.58
Adjusted during the year			2 258	100.26
Outstanding at the end of the year	**150 630**	**103.18**	75 458	100.26

Notes:

1 No restricted shares had vested at 30 September 2016.

2 Exercise price adjustment was made to effect the rights issue in the prior year as per scheme rules.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2016 is 0.5 years (2015: 2.0 years).

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

	2016		2015
	Grant number	**Number of share options**	Number of share options
R82.80 per share exercisable until 11 February 2017	**1A**	**21 338**	24 224
R86.75 per share exercisable until 1 June 2017	**1B**	**2 268**	2 268
R109.81 per share exercisable until 10 February 2017	**2A**	**41 956**	46 698
R103.74 per share exercisable until 21 May 2018	**2B**	**2 268**	2 268
R104.47 per share exercisable until 11 November 2018	**3A**	**69 900**	
R111.10 per share exercisable until 17 February 2019	**3B**	**12 900**	
		150 630	75 458

29.4 Equity-settled (restricted shares elective deferral) compensation scheme

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

29. SHARE-BASED PAYMENT PLANS *continued*

29.4 Equity-settled (restricted shares elective deferral) compensation scheme continued

	Group			
	2016		2015	
	Number of share options	VWAP Rand	Number of share options	VWAP Rand
Outstanding at the beginning of the year				
Granted during the year	69 864	104.47		
Outstanding at the end of the year	69 864	104.47		

Notes:

1 No restricted shares elective deferral had vested at 30 September 2016.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2016 is 2.1 years.

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

	Grant number	2016 Number of share options	2015 Number of share options
R104.47 per share exercisable until 11 November 2018	3A	69 864	

29.5 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 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 six years, after which the option lapses. 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 last grant of options in terms of the scheme was on 1 July 2013 and it is not intended to grant any further options.

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 VWAP and movements in share options during the year:

	Group			
	2016		2015	
	Number of share options	VWAP Rand	Number of share options	VWAP Rand
Outstanding at the beginning of the year	2 192 500	49.56	3 522 332	46.39
Forfeited during the year	22 001	13.57	154 332	26.99
Exercised during the year	603 993	31.56	1 175 500	33.37
Outstanding at the end of the year	1 566 506	52.97	2 192 500	49.56
Exercisable at the end of the year	738 815		358 830	

Notes:

1 The weighted average share price at the date of exercise for the options exercised was R104.23 for 2015.

2 The weighted average share price at the date of exercise for the options exercised was R113.26 for 2016.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2016 is 1.7 years (2015: 2.5 years).

29. SHARE-BASED PAYMENT PLANS *continued*

29.5 Cash-settled compensation scheme continued

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

	Grant number	2016 Number of share options	2015 Number of share options
R26.59 (2015: R26.59) per share exercisable until 11 February 2016	**5**		97 667
R34.72 (2015: R34.72) per share exercisable until 10 February 2017	**6**	**253 647**	474 322
R41.44 (2015: R41.44) per share exercisable until 16 February 2018	**7**	**573 521**	756 511
R63.46 (2015: R63.46) per share exercisable until 14 February 2019	**8A**	**538 338**	663 000
R81.21 (2015: R81.21) per share exercisable until 1 July 2019	**8B**	**201 000**	201 000
		1 566 506	2 192 500

Note:

1 Exercise price adjustment was made to effect the rights issue in the prior year as per scheme rules.

The significant inputs into the model used to value the liability for share-based payments were a 30-day VWAP of R113.13 (2015: R95.04), an expected option life of six years (2015: six years) and expected dividend yield of 3.8% (2015: 4.2%). The interest rate yield used was the Standard Bank Closing Swap Curve. Risk-free rates ranged from 7.0% to 8.6% (2015: 6.3% to 8.4%). Expected volatility of 30.9% (2015: 30.5%) was based on historical share price volatility.

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

29.6 Cash-settled (share appreciation rights) compensation scheme

Share appreciation rights are granted to executive directors and senior managers by the board on the recommendation of the remuneration and nominations committee in terms of the Oceana share incentive plan which was implemented in 2014. The exercise price and vesting rights of the share appreciation rights are the same as for the share scheme described in note 29.5, but the contractual life of the options is seven years and gains on options are settled in cash. Share appreciation rights allocated have performance criteria, linked to growth in headline earnings per share, which reduces when company financial performance targets are not met.

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			
	2016		2015	
	Number of share options	VWAP rand	Number of share options	VWAP rand
Outstanding at the beginning of the year	**680 200**	**89.58**	402 600	82.88
Granted during the year	**313 600**	**111.10**	338 200	109.61
Forfeited during the year	**67 500**	**96.80**	60 600	91.71
Outstanding at the end of the year	**926 300**	**96.71**	680 200	89.58

Note:

1 No share appreciation rights had vested at 30 September 2016.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2016 is 5.4 years (2015: 5.8 years).

29. SHARE-BASED PAYMENT PLANS *continued*

29.6 Cash-settled (share appreciation rights) compensation scheme *continued*

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

	Grant number	2016 Number of share options	2015 Number of share options
R77.61 (2015: R77.61) per share exercisable until 11 February 2021	**1A**	**320 500**	353 400
R81.33 (2015: R81.33) per share exercisable until 1 June 2021	**1B**	**8 600**	8 600
R103.31 (2015: R103.31) per share exercisable until 10 February 2022	**2A**	**280 600**	307 100
R97.31 (2015: R97.31) per share exercisable until 31 May 2022	**2B**	**11 100**	11 100
R111.10 per share exercisable until 16 February 2023	**3A**	**305 500**	
		926 300	680 200

Note:

1 Exercise price adjustment was made to effect the rights issue in the prior year as per scheme rules.

The significant inputs into the model used to value the liability for share-based payments were a 30-day VWAP of R113.13 (2015: R95.04), an expected option life of seven years (2015: seven years) and expected dividend yield of 3.8% (2015: 4.2%). The interest rate yield used was the Standard Bank Closing Swap Curve. Risk-free rates ranged from 7.0% to 8.6% (2015: 6.3% to 8.4%). Expected volatility of 30.9% (2015: 30.5%) was based on historical share price volatility.

30. RETIREMENT BENEFITS

Post-employment medical obligations

The group provides a total of five retirement plans that cover all employees. The plans consist of four defined-contribution provident funds and an umbrella pension fund. In 2015 with the acquisition of Daybrook the group added a defined-contribution retirement pension fund to its portfolio which is governed by Internal Revenue Code in the United States. The assets of the funds in South Africa are held in independent funds, administered by their trustees in terms of the Pension Funds Act, 24 of 1956, as amended. In terms of the Pension Funds Act, certain of the retirement funds are exempt from actuarial valuation.

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 2016.

	2016 R'000	2015 R'000
Present value of post-employment medical obligations	**5 969**	8 328
Less: Fair value of plan assets	**(4 120)**	(6 228)
Liability at the reporting date	**1 849**	2 100
The principal actuarial assumptions used for accounting purposes relating to post-employment medical obligations:		
Medical inflation	**8.25%**	8.18%
Discount rate	**8.74%**	8.62%

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 8.1% and 7.1% (2015: 7.7% and 6.8%) 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 6.7% and 7.8% (2015: 6.9% and 7.4%) respectively.

Assets of R1.6 million and liabilities of R2.4 million were transferred out of the fund during the year following the transfer of 23 members out of the fund with the disposal of Lamberts Bay Foods Limited.

31. NON-CONTROLLING INTERESTS

The following subsidiaries have material non-controlling interests. Summarised financial information in respect of the group's subsidiaries with material non-controlling interests is set out below. The information is before inter-company eliminations with other group companies.

Group

2016 Subsidiary name	**Erongo Sea Products (Pty) Ltd R'000**	**Erongo Seafoods (Pty) Ltd R'000**	**Arechanab Fishing and Development Company (Pty) Ltd R'000**	**Compass Trawling (Pty) Ltd R'000**	**Amawandle Pelagic (Pty) Ltd R'000**	**Commercial Cold Storage (Ports) (Pty) Ltd R'000**
Segment	Horse mackerel and hake	Horse mackerel and hake	Horse mackerel and hake	Horse mackerel and hake	Canned fish and fishmeal (Africa)	Commercial Cold Storage and logistics
Holding company name	Erongo Marine Enterprises (Pty) Ltd	Erongo Marine Enterprises (Pty) Ltd	Erongo Marine Enterprises (Pty) Ltd	Blue Continent Products (Pty) Ltd	Oceana Group Ltd	Commercial Cold Storage Ltd
Ownership held by non-controlling interest	41.97%	51.00%	51.00%	39.47%	25.00%	30.00%
Revenue	10 342	9 202	13 872	86 039	291 389	42 056
Profit for the year	20 271*	6 905	11 509	23 859	19 191	10 671
Profit attributable to non-controlling interest	**8 508**	**3 522**	**5 870**	**9 417**	**4 798**	**3 201**
Current assets	2 725	552	832	35 981	210 870	67 670
Non-current assets	25 199	17 721	19 831	22 936	188 534	21 243
Current liabilities	2 936	409	1 026	12 849	330 780	10 160
Non-current liabilities	2 586		1	8 824	15 949	749
Net assets	22 402	17 864	19 636	37 244	52 675	78 004
Net assets attributable to non-controlling interest	**9 402**	**9 111**	**10 014**	**14 700**	**13 169**	**23 401**
Net cash and cash equivalents	**6**	**7**	**7**		**173**	**45 078**
Dividends paid		**3 672**	**6 426**	**7 105**		

** Includes profit on sale of Mfv Desert Rose.*

Group

2015 Subsidiary name	Erongo Sea Products (Pty) Ltd R'000	Erongo Seafoods (Pty) Ltd R'000	Arechanab Fishing and Development Company (Pty) Ltd R'000	Compass Trawling (Pty) Ltd R'000	Amawandle Pelagic (Pty) Ltd R'000	Commercial Cold Storage (Ports) (Pty) Ltd R'000
Revenue	19 097	9 938	14 591	73 787	234 278	79 307
Profit for the year	671	7 246	12 586	16 225	33 484	10 755
Profit attributable to non-controlling interest	282	3 695	6 419	6 404	8 371	3 227
Current assets	1 934	7	13	23 047	162 870	50 482
Non-current assets	56 123	18 209	21 132	26 367	200 318	26 229
Current liabilities	52 097	57	416	9 607	308 903	16 672
Non-current liabilities	3 829		3	8 532	20 800	946
Net assets	2 131	18 159	20 726	31 275	33 485	59 093
Net assets attributable to non-controlling interest	894	9 261	10 570	12 344	8 371	17 728
Net cash and cash equivalents	12	7	5		168	33 135
Dividends paid		5 610	9 180	3 947		

32. CONTINGENT LIABILITIES AND GUARANTEES

The company and its subsidiaries have given cross suretyships in support of bank overdraft facilities of certain subsidiaries and the company. The company has given a letter of support to Calamari Fishing Proprietary Limited, Oceana Lobster Limited and Blue Continent Products Proprietary Limited. The company has guaranteed the long term loan of R2 891.9 million (2015: R2 745.9 million) as disclosed in note 23. Furthermore, six (2015: six) of the subsidiaries in the group have guaranteed the loan.

33. FINANCIAL RISK MANAGEMENT

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

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, Namibia, Angola and the United States.

Foreign currency balances and exposure

The group had the following foreign currency denominated financial assets and liabilities in existence at the reporting date:

	Group			
	US Dollar '000	Euro '000	Sterling '000	Australian Dollar '000
2016				
Trade receivables	**14 965**	**2 256**	**614**	**795**
Other accounts receivable	**613**			
Cash and cash equivalents	**12 848**	**318**		
Accounts payable	**(11 784)**	**(9)**	**(35)**	
	16 642	**2 565**	**579**	**795**
Year-end exchange rate	**14.06**	**15.72**	**18.21**	**10.71**
2015				
Trade receivables	14 341	3 342	868	419
Other accounts receivable	6 434			
Cash and cash equivalents	4 171	547		
Accounts payable	(16 949)	(1 139)	(102)	
	7 997	2 750	766	419
Year-end exchange rate	14.00	15.75	21.21	9.82

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 overheads. Those which relate to foreign currency commitments not yet due and assets not yet receivable (therefore not yet recognised in the statement of financial position) are shown in the following table. The contracts will be utilised for purposes of trade in the 2017 financial year.

	Group US Dollar '000
33. FINANCIAL RISK MANAGEMENT *continued*	
2016	
Foreign currency bought	**52 786**
Average exchange rate	**14.35**
2015	
Foreign currency bought	31 376
Foreign currency sold	1 346
Average exchange rate	12.92

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 after taxation. The table excludes foreign subsidiaries.

	Group	
	2016 R'000	2015 R'000
Increase in profit after taxation		
US Dollar	**16 850**	8 060
Euro	**2 903**	3 119
Sterling	**759**	1 170
Australian Dollar	**1 182**	297

The company does not have any foreign currency commitments or any foreign currency denominated liabilities and has a foreign currency denominated asset. For a 10% stronger or weaker rand profit after taxation would increase or decrease by R2.5 million.

Interest rate risk and liquidity risk

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

The group has long-term debt with interest linked to various floating rates. The group has taken out swaps and caps for approximately 50% of floating rate exposure for fixed rates.

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.

33. FINANCIAL RISK MANAGEMENT *continued*

The undiscounted cash flows of the group's borrowings and payables fall into the following maturity analysis profiles:

	Due on Demand R'000	Within 12 months R'000	1 – 4 years R'000	> 5 years R'000
2016				
Long-term debt				
Principal amount		**577 668**	**4 138 023**	**88 430**
Interest		**319 344**	**484 167**	**40 917**
Derivative liabilities			**210 932**	
Accounts payable		**1 284 262**		
2015				
Long-term debt				
Principal amount		277 207	2 813 723	1 685 951
Interest		269 395	595 448	39 683
Derivative liabilities			209 963	
Accounts payable		1 141 247		

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 R337.5 million (2015: R239.2 million). A 100 basis point change in the interest rate would result in an increase or decrease of R30.5 million (2015: R33.6 million).

For the company, based on the interest-bearing net assets and interest rates ruling at the reporting date, net interest earned would amount to R24.3 million (2015: R18.2 million). A 100 basis point change in the interest rate would result in an increase or decrease of R3.6 million (2015: R2.7 million).

Credit risk

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

Potential concentrations of credit risk consist principally of trade receivables, loans and advances and short-term cash investments. Long-term loans are secured by cession of shares and fishing rights and bonds over assets as appropriate. Advances are short-term and usually recoverable within the fishing season to which they relate. The group and company deposit short-term cash surpluses only with major financial institutions of high-quality credit standing. At 30 September 2016, 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 19 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 and interest rate caps and swaps recorded in the cash flow hedging reserve, derivative asset and derivative liability in note 12, 22 and 24 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 (i.e. as prices) or indirectly (i.e. derived from prices).

The put option recorded in the derivative liability note in 24 is regarded as a level 3 instrument for fair value measurement. Level 3 fair value instruments are those derived from inputs that are not based on observable market data (unobservable inputs).

Specific valuation techniques used to value financial instruments include:

- the fair value of interest rate caps and swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the fair value of forward foreign exchange contracts is determined using forward exchange spot and forward rates at the balance sheet date.
- the fair value of the put option is determined using discounted cash flow analysis.

	Group 2016 R'000	Group 2015 R'000	Company 2016 R'000	Company 2015 R'000
33. FINANCIAL RISK MANAGEMENT *continued*				
Classification of financial instruments				
Financial assets				
Derivative instruments at fair value	**7 636**			
Cash and cash equivalents	**1 312 942**	1 181 273	**357 904**	269 194
Loans and receivables	**1 505 700**	1 477 519	**1 123 445**	159 429
Loans	**104 404**	110 968	**164**	164
Accounts receivable	**1 401 296**	1 366 551	**1 123 281**	159 265
Financial liabilities				
Derivative instruments at fair value	**176 301**	209 963		
At amortised cost	**5 976 674**	5 760 512	**3 023 636**	2 134 020
Loans	**4 729 794**	4 651 690		
Accounts payable	**1 246 880**	1 108 822	**3 023 636**	2 134 020

34. RELATED-PARTY DISCLOSURES

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

The company provides financing to subsidiary companies, associates and joint ventures and invests surplus cash on their behalf. Loan accounts between wholly-owned group companies in South Africa are interest-free. Other loan accounts bear interest at rates similar to rates levied by banks. Details of loan balances with, and interests in, subsidiary, associates and joint venture companies are disclosed on page 66. Details of treasury shares held by share trusts are disclosed in note 21.

	Group		Company	
	2016 R'000	2015 R'000	**2016 R'000**	2015 R'000
34. RELATED-PARTY DISCLOSURES *continued*				
Transactions with joint operations				
Administration fees received	**2 515**	1 918		
Net interest received	**615**	76		
Transactions and balances with subsidiaries, associates and joint ventures				
Administration fees received	**560**	4 760	**226 222**	186 625
Dividends received			**640 890**	342 595
Net interest (paid)/received			**(1 530)**	2 180
Goods and services sold to associates and joint ventures		123 642		
Goods and services bought from associates and joint ventures	**918 550**	560 353		
Amount receivable from associates and joint ventures	**61 923**	36 502	**60 605**	
Amount payable to associates and joint ventures	**152 580**	183 549		
Transactions and balances with shareholders				
Dividends receivable from Oceana SPV Proprietary Limited		5 557		5 557
Goods and services sold to Tiger Brands Limited subsidiaries	**7 058**	4 803		
Goods and services sold to Brimstone Investment Corporation Limited subsidiaries		1 568		
Goods and services bought from Brimstone Investment Corporation Limited subsidiaries		111		
Loans receivable from shareholders of subsidiary companies	**100 637**	107 709		
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	**43 668**	38 930	**27 116**	21 156
Post-employment benefits	**3 594**	3 510	**2 029**	1 642
Share-based payments – cash-settled compensation scheme	**23 009**	25 033	**13 715**	13 993
Share-based payments – Oceana Empowerment Trust	**500**	3 024	**415**	1 746
Non-executive directors' emoluments	**3 701**	3 270	**3 701**	3 270
Total compensation of key management	**74 472**	73 767	**46 976**	41 807

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 30.

Details of subsidiary, associate and joint venture intergroup loans are set out in separate schedules on page 66 of these financial statements.

35. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION

Executive directors' remuneration

Company

2016 Name	Salary R'000	Allowances R'000	Retirement fund contributions R'000	Incentive bonuses[1] R'000	Gain on exercise of cash-settled share options[3] R'000	Total emoluments R'000
ABA Conrad[2]	**1 076**	**85**	**250**	**2 599**	**5 723**	**9 733**
FP Kuttel	**4 580**	**166**	**642**	**4 218**	**2 553**	**12 159**
I Soomra	**3 112**	**117**	**503**	**3 180**	**50**	**6 962**
Total	**8 768**	**368**	**1 395**	**9 997**	**8 326**	**28 854**
2015						
ABA Conrad	1 723	146	402	1 522	3 052	6 845
FP Kuttel	4 202	171	637	5 314	5 543	15 867
I Soomra	2 654	112	462	3 552	50	6 830
Total	8 579	429	1 501	10 388	8 645	29 542

Note:

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

[2] Resigned with effect from 30 April 2016.

[3] Includes dividends received from Oceana Empowerment Trust.

Executive directors' phantom share option details

2016 Name	Options as at 30 Sept 2015	Option price (cents)	Options granted during the year	Options exercised during the year	Exercise price (cents)	Options as at 30 Sept 2016	Expiry date
ABA Conrad[2]	11 000	3 472		11 000	11 862		10.02.2017
	30 000	4 144		30 000	11 862		17.02.2018
	39 000	6 343		39 000	11 862		14.02.2019
	80 000			80 000			
FP Kuttel	39 666	3 472				39 666	10.02.2017
	107 000	4 144		35 666	11 308	71 334	17.02.2018
	129 000	6 343				129 000	14.02.2019
	275 666			35 666		240 000	
I Soomra	180 000	8 121				180 000	01.07.2019
	180 000					180 000	

35. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION *continued*

Executive directors' phantom share option details

	Company						
2015 Name	Options as at 30 Sept 2014	Option price (cents)*	Options granted during the year	Options exercised during the year	Exercise price (cents)	Options as at 30 Sept 2015	Expiry date
ABA Conrad	25 334	2 959		25 334	9 366		
	33 000	3 472		22 000	9 366	11 000	10.02.2017
	30 000	4 144				30 000	17.02.2018
	39 000	6 346				39 000	14.02.2019
	127 334			47 334		80 000	
FP Kuttel	45 333	2 959		45 333	9 851		11.02.2016
	79 333	3 472		39 667	9 851	39 666	10.02.2017
	107 000	4 144				107 000	17.02.2018
	129 000	6 346				129 000	14.02.2019
	360 666			85 000		275 666	
I Soomra	180 000	8 121				180 000	01.07.2019
	180 000					180 000	

* *Option price adjustment was made to effect the rights issue in the prior year as per scheme rules. Options exercised during the year was at the original option price. Further details in note 29.5.*

Share Appreciation Rights

	Company					
2016 Name	Options as at 30 Sept 2015	Option price (cents)	Options granted during the year	Option Forfeited during the year	Options as at 30 Sept 2016	Expiry date
ABA Conrad[2]	16 600	8 280		16 600		11.02.2021
	13 300	10 981		13 300		10.02.2022
	29 900			29 900		
FP Kuttel	56 400	8 280			56 400	11.02.2021
	45 300	10 981			45 300	10.02.2022
		11 110	48 200		48 200	16.02.2023
	101 700		48 200		149 900	
I Soomra	22 300	8 280			22 300	11.02.2021
	17 900	10 981			17 900	10.02.2022
		11 110	21 700		21 700	16.02.2023
	40 200		21 700		61 900	

35. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION *continued*

Performance Shares

	Company					
2016 Name	Options as at 30 Sept 2015	Option price (cents)	Options granted during the year	Option Forfeited during the year	Options as at 30 Sept 2016	Expiry date
ABA Conrad[2]	4 742	8 280		4 742		11.02.2017
	3 814	10 981		3 814		10.02.2018
	8 556			8 556		
FP Kuttel	20 308	8 280			20 308	11.02.2017
	16 391	10 981			16 391	10.02.2018
		11 110	16 900		16 900	16.02.2019
	36 699		16 900		53 599	
I Soomra	6 391	8 280			6 391	11.02.2017
	5 051	10 981			5 051	10.02.2018
		11 110	6 000		6 000	16.02.2019
	11 442		6 000		17 442	

Restricted Shares

	Company					
2016 Name	Options as at 30 Sept 2015	Option price (cents)	Options granted during the year	Option Forfeited during the year	Options as at 30 Sept 2016	Expiry date
ABA Conrad[2]	928	8 280		928		11.02.2017
	2 474	10 981		2 474		10.02.2018
		11 110	2 500	2 500		10.11.2018
	3 402		2 500	5 902		
FP Kuttel	1 959	8 280			1 959	11.02.2017
	5 360	10 981			5 360	10.02.2018
		11 110	24 500		24 500	10.11.2018
	7 319		24 500		31 819	
I Soomra	1 752	8 280			1 752	11.02.2017
	3 299	10 981			3 299	10.02.2018
		11 110	15 400		15 400	10.11.2018
	5 051		15 400		20 451	

Restricted Shares Elective Deferral

	Company				
	Options as at 30 Sept 2015	Option price (cents)	Options granted during the year	Options as at 30 Sept 2016	Expiry date
FP Kuttel		11 110	50 866	50 866	10.11.2018

35. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION *continued*

2015 Name	Options as at 30 Sept 2014	Option price (cents)	Options granted during the year	Adjusted during the year*	Options as at 30 Sept 2015	Expiry date
Share Appreciation Rights						
ABA Conrad	16 600	7 761			16 600	11.02.2021
		10 331	13 300		13 300	10.02.2022
	16 600		13 300		29 900	
FP Kuttel	56 400	7 761			56 400	11.02.2021
		10 331	45 300		45 300	10.02.2022
	56 400		45 300		101 700	
I Soomra	22 300	7 761			22 300	11.02.2021
		10 331	17 900		17 900	10.02.2022
	22 300		17 900		40 200	
Performance Shares						
ABA Conrad	4 600	8 280		142	4 742	11.02.2017
		10 981	3 700	114	3 814	10.02.2018
	4 600		3 700	256	8 556	
FP Kuttel	19 700	8 280		608	20 308	11.02.2017
		10 981	15 900	491	16 391	10.02.2018
	19 700		15 900	1 099	36 699	
I Soomra	6 200	8 280		191	6 391	11.02.2017
		10 981	4 900	151	5 051	10.02.2018
	6 200		4 900	342	11 442	
Restricted Shares						
ABA Conrad	900	8 280		28	928	11.02.2017
		10 981	2 400	74	2 474	10.02.2018
	900		2 400	102	3 402	
FP Kuttel	1 900	8 280		59	1 959	11.02.2017
		10 981	5 200	160	5 360	10.02.2018
	1 900		5 200	219	7 319	
I Soomra	1 700	8 280		52	1 752	11.02.2017
		10 981	3 200	99	3 299	10.02.2018
	1 700		3 200	151	5 051	

* *Adjustment was made to effect the rights issue in the prior year as per scheme rules.*

35. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION *continued*

Non-executive directors' remuneration

	Company					
	2016			2015		
	Board fees R'000	Committee fees R'000	Total R'000	Board fees R'000	Committee fees R'000	Total R'000
ZBM Bassa	208	262	470	194	218	412
MA Brey	592	68	660	554	63	617
PG de Beyer	208	262	470	194	236	430
NP Doyle[1]	208	135	343	194	100	294
PB Matlare[1]	208	68	276	194	64	258
L Mac Dougall[1]	45	15	60			
S Pather	280	344	624	262	270	532
G Fortuin	80	52	132			
NV Simamane	208	247	455	194	182	376
TJ Tapela	128	83	211	194	157	351
Total	2 165	1 536	3 701	1 980	1 290	3 270

Note:

[1] Paid to Tiger Brands Limited. Prior to PB Matlare resignation from Tiger Brands Limited, an amount of R52.0 thousand for Board fees and R17.0 thousand for committee fees was paid to Tiger Brands Limited.

36. GROUP ENTITIES

The group's principal subsidiaries, associates and joint ventures, including applicable ownership interests, are detailed on page 66 and material non-controlling interests are disclosed in note 31. There are no significant restrictions on the ability of the group to realise assets or settle liabilities of any of its subsidiaries. The group has no unconsolidated structured entities. There are no contractual obligations on the company or any of its subsidiaries to provide financial support other than what is disclosed in note 32.

37. RESTATEMENT OF THE FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

The audited financial results for the year ended 30 September 2015 have been restated as to:

37.1 The finalisation of the purchase price allocation of the Daybrook business combination

The group acquired a 100% beneficial shareholding in Daybrook Fisheries Incorporated in the prior year.
The initial accounting for the Daybrook business combination in the prior year was prepared using provisional values as permitted in terms of IFRS 3 *Business Combinations* paragraph 45. Subsequent to the end of the prior reporting period the Daybrook purchase price allocation was finalised within the measurement period, being a period not exceeding one year from the acquisition date, on the 21 June 2016 and the provisional values adjusted in terms of IFRS 3 paragraph 49. The adjustments to the prior period statement of financial position are summarised as follows:

	Group				
					2015 R'000
Assets acquired and liabilities recognised	Estimated fair value at time of acquisition	Measurement period adjustments	Revised fair value at time of acquisition	Exchange rate difference	Adjusted closing balance
Property, plant and equipment	784 444	122 639	907 083	18 474	925 557
Intangible assets	503 976	525 435	1 029 411	79 150	1 108 561
Investment in associate	127 733		127 733		127 733
Goodwill	3 191 027	(403 268)	2 787 759	(60 747)	2 727 012
Accounts receivables	250 522	16 178	266 700	2 437	269 137
Inventories	322 678		322 678		322 678
Cash and cash equivalents	399 304		399 304		399 304
Taxation	(212 441)		(212 441)		(212 441)
Provisions	(160 344)		(160 344)		(160 344)
Deferred taxation	(216 482)	(260 984)	(477 466)	(39 314)	(516 780)
Derivative liability	(182 475)		(182 475)		(182 475)
Trade and other payables	(166 689)		(166 689)		(166 689)
Consideration paid in cash	4 641 253		4 641 253		4 641 253

37. RESTATEMENT OF THE FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2015 *continued*

37.1 The finalisation of the purchase price allocation of the Daybrook business combination *continued*

	Group				
					2015 R'000
Assets acquired and liabilities recognised	Estimated fair value at time of acquisition	Measurement period adjustments	Revised fair value at time of acquisition	Exchange rate difference	Adjusted closing balance
Net cash flow on acquisition of business					
Consideration paid in cash	4 641 253		4 641 253		4 641 253
Less: Cash and cash equivalents balances acquired	(399 304)		(399 304)		(399 304)
	4 241 949		4 241 949		4 241 949
Goodwill on acquisition					
Consideration	4 641 253		4 641 253		4 641 253
Less: Fair value of identifiable assets acquired and liabilities assumed	(1 450 226)	(403 268)	(1 853 494)	(60 747)	(1 914 241)
	3 191 027	(403 268)	2 787 759	(60 747)	2 727 012

	Group 2015 R'000
37.2 Other comprehensive income – movement on foreign currency translation reserve from associate and joint venture	
Movement in the foreign currency translation reserve in the statement of comprehensive income and statement of changes in equity arsing from investments accounted for under the equity method have been presented in a separate line.	
Movement on foreign currency translation reserve – previously reported	432 332
Movement on foreign currency translation reserve from associate and joint venture	(9 422)
Movement on foreign currency translation reserve – restated	422 910
37.3 Current portion of long-term loan	
The current portion of the long-term loan has been reclassified from accounts payable into a separate line on the face of the statement of financial position.	
Accounts payable – previously reported	1 418 484
Current portion – long-term loan	(277 207)
Accounts payable – restated	1 141 277

	Company 2015 R'000
37.4 Revenue and investment income	
Revenue on the face of the statement of comprehensive income has been adjusted to include dividend income from subsidiaries, associates and joint ventures.	
Revenue – previously reported	186 625
Dividends received from subsidiaries, associates and joint ventures	342 595
Revenue – restated	529 220
Investment income – previously reported	360 430
Dividends received from subsidiary, associate and joint ventures	(342 595)
Investment income – restated	17 835

38. EVENTS AFTER THE REPORTING DATE

Effective 1 November 2016, the remaining shareholders of Westbank Fishing Limited Liability Company exercised the put option in terms of the Westbank operating agreement. The exercise of the put option triggers the payment of the put option strike price plus the put option premium as well as any unpaid distributions on the put closing date, being 15 November 2017 (please refer to note 24). The exercise of the put option has no financial effect on the group's financial position at 30 September 2016. No other 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 2016, or require separate disclosure in these financial statements.

INTEREST IN PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

at 30 September 2016

Name of company	Notes	Nature of business	Issued capital 2016 R	Effective holding 2016 %	2015 %	Interest of holding company: Cost of shares 2016 R'000	Cost of shares 2015 R'000	Indebtedness 2016 R'000	Indebtedness 2015 R'000
Amawandle Hake Proprietary Limited		Hake	400	75	75			15 019	32 854
Amawandle Pelagic Proprietary Limited		Canned fish, fishmeal/oil	400	75	75			(57 546)	22 226
Blue Continent Products Proprietary Limited		Horse mackerel, hake	1 000	100	100	1 932	1 932	(83 033)	(11 206)
Calamari Fishing Proprietary Limited		Squid	4 000	100	100			12 562	16 308
Commercial Cold Storage Proprietary Limited		Cold storage	100	100	100			6 768	14 116
Commercial Cold Storage Limited		Holding company	1 000 000	100	100	6 986	6 986		
Commercial Cold Storage (Ports) Proprietary Limited		Cold storage	100	70	70				
Commercial Cold Storage (Namibia) Proprietary Limited – Namibia		Cold storage	10 000	100	100			(70 241)	(48 800)
Compass Trawling Proprietary Limited		Hake	1 000	61	61				
Desert Diamond Fishing Proprietary Limited		Horse mackerel	120	90	90			58 410	17 330
Oceana US Investment Holdings Corporation – United States of America		Holding company	3 221 400 000	100	100	3 221 400	3 221 400		
Oceana US Holdings Corporation – United States of America		Holding company	3 042 682 453	100	100				
Daybrook Investors Incorporated – United States of America		Holding company	44 242 171	100	100				
Daybrook Holdings Incorporated – United States of America		Holding company	57 905 400	100	100				
Daybrook Fisheries Incorporated – United States of America		Fishmeal/oil	54 748 814	100	100			31 334	615
Westbank Fishing Limited Liability Company – United States of America	2	Fishmeal/oil	510 930 000	25	25				
Erongo Marine Enterprises Proprietary Limited – Namibia		Horse mackerel	100	100	100			(116 009)	(22 725)
Erongo Seafoods Proprietary Limited – Namibia		Horse mackerel	40 000	49	49				
Erongo Sea Products Proprietary Limited – Namibia		Horse mackerel	100	58	58				
Etosha Fisheries Holding Company Proprietary Limited – Namibia	1	Canned fish, fishmeal/oil	9 085	45	45	10 988	10 988		
Lambert's Bay Foods Limited	3	French fries			100		22		34 847
MFV Romano Paulo Vessel Company Proprietary Limited	1	Rock lobster	3 000	35	35				
Lucky Star Limited		Canned fish, fishmeal/oil	600 000	100	100	1 706	1 706	(1 713 461)	(1 987 140)
Oceana International Limited – Isle of Man	1	Horse mackerel	46 000	50	50	23	23		
Oceana Lobster Limited		Rock lobster	965 500	100	100	966	966	1 735	8 196
Oceana Boa Pesca Limitada – Angola	1	Fishmeal/oil	2 444 000	50	50	66 399	56 321	60 605	
Stephan Rock Lobster Packers Limited		Rock lobster	200 000	51	51	25	25	(769)	(923)
						3 310 425	3 300 369	(1 854 626)	(1 924 302)

Only principal trading 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.

The group has 17 (2015: 18) wholly-owned subsidiaries and 16 (2015: 16) non-wholly-owned subsidiaries.

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

Notes:

1 Joint venture.

2 Associate.

3 On 1 August 2016 the group disposed of its interest in Lambert's Bay Foods Limited.

INTEREST IN JOINT OPERATIONS

at 30 September 2016

EFFECTIVE HOLDING	2016 %	2015 %
The amounts below are recognised in the group's financial statements as a result of its interest in joint operations. The only significant joint operation is:		
Realeka/Premier JV (un-incorporated joint operation of Blue Continent Products Proprietary Limited	**52**	52

	R'000	R'000
REVENUE	**29 842**	28 157
Expenses	**(14 586)**	(17 470)
Operating profit	**15 256**	10 687
Net interest		221
Profit before taxation	**15 256**	10 908
Taxation		
Profit after taxation	**15 256**	10 908
STATEMENT OF FINANCIAL POSITION		
Current assets	**7 572**	7 636
Current liabilities		
– Interest-free	**(1 832)**	(2 864)
STATEMENT OF CASH FLOWS		
Operating profit	**15 256**	10 687
Working capital changes	**1 804**	(3 226)
Cash flows from operations	**17 060**	7 461
Net interest received		221
Net cash flows from operating activities	**17 060**	7 682
Cash flows from investing activities		318
Net increase in cash and cash equivalents	**17 060**	8 000

SHAREHOLDER ANALYSIS

at 30 September 2016

SHAREHOLDER SPREAD	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	1 599	63.2	608 427	0.4
1 001 – 10 000 shares	698	27.6	1 992 788	1.5
10 001 – 100 000 shares	178	7.0	6 085 202	4.5
100 001 – 1 000 000 shares	42	1.7	13 019 453	9.6
1 000 001 shares and over	12	0.5	113 820 284	84.0
	2 529	100.0	135 526 154	100.0

DISTRIBUTION OF SHAREHOLDERS				
Banks	49	1.9	10 393 228	7.7
Brokers	15	0.6	196 143	0.1
Close corporations	27	1.1	225 401	0.2
Empowerment	1	0.0	23 007 113	17.0
Individuals	1 804	71.3	2 842 334	2.1
Insurance companies	17	0.7	509 746	0.4
Investment companies	5	0.2	61 956	0.0
Mutual funds	112	4.4	11 734 320	8.7
Nominees and trusts	346	13.7	676 955	0.5
Other corporate bodies	32	1.3	258 857	0.2
Pension funds	58	2.3	9 316 695	6.9
Private companies	59	2.3	344 827	0.3
Public companies	1	0.0	57 104 774	42.1
Treasury shares held by share trusts	2	0.1	13 759 455	10.2
Treasury shares held by subsidiary	1	0.0	5 094 350	3.8
	2 529	100.0	135 526 154	100.0

SHAREHOLDER TYPE				
Non-public shareholders	44	1.9	99 297 692	73.3
Directors and employees	39	1.5	332 000	0.2
Treasury shares held by share trusts	2	0.1	13 759 455	10.2
Treasury shares held by subsidiary	1	0.1	5 094 350	3.8
Empowerment	1	0.1	23 007 113	17.0
Other holdings greater than 10%	1	0.1	57 104 774	42.1
Public shareholders	2 485	98.1	36 228 462	26.7
	2 529	100.0	135 526 154	100.0

SHAREHOLDERS HOLDING IN EXCESS OF 5%		
Tiger Brands Limited	57 104 774	42.1
Brimstone Investment Corporation Limited	23 007 113	17.0
Oceana Empowerment Trust	13 742 955	10.1

ADMINISTRATION

Registered office and business address

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

Company registration number

1939/001730/06

JSE share code

OCE

NSX share code

OCG

Company ISIN

ZAE000025284

Transfer secretaries

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 (44)
BA LLB
Appointed in 2011

Bankers

The Standard Bank of South Africa Limited
Investec Bank Limited
Absa Limited
BMO Harris Bank N.A.

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[†] (62)

Chief executive officer

Francois Paul Kuttel[°?•] (48)

Financial director

Imraan Soomra[°?] (41)

Non-executive directors

Lead independent director

Saamsoodein Pather[*†] (66)

Zarina Bibi Mahomed Bassa[*?] (52)

Peter Gerard de Beyer[*†] (61)

Noel Patrick Doyle[?] (50)

Geoffrey George Fortuin[?•] (49)

Lawrence Charles Mac Dougall[†] (59)

Peter Bambatha Matlare[†] (57)

Nomahlubi Victoria Simamane[•†] (57)

** Audit committee*
? Risk committee
† Remuneration and nominations committee
° Executive director
• Social, ethics and transformation committee

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