AUDITED ANNUAL FINANCIAL STATEMENTS

For the year ended 30 September 2022

OCEANA GROUP

POSITIVELY IMPACTING LIVES

Contents

The audited consolidated financial statements for the year ended 30 September 2022, as set out on pages 4 to 113, were prepared under the supervision of Mr R Buddle CA(SA). The financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa No. 71 of 2008.

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

To the shareholders of Oceana Group Limited

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

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

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

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

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

The external auditors are responsible for independently auditing and reporting on the Group and Company annual financial statements and their unqualified audit report is presented on pages 18 to 22.

The Group and Company financial statements set out on pages 4 to 17, 23 to 112 and 115 to 158 which have been prepared on the going concern basis, were approved and authorised by the directors and were signed on 25 January 2023 on their behalf by:

MA Brey
Chairman

N Brink
Chief Executive Officer

Chief Executive Officer and Chief Financial Officer Responsibility Statement

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

a) The Group and Company financial statements set out on pages 4 to 17, 23 to 112 and 115 to 158 , fairly present in all material respects the financial position, financial performance and cash flows of Oceana Group Limited ("the Group") in terms of IFRS;

b) No facts have been omitted or untrue statements made that would make the Group and Company financial statements false or misleading;

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

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

N Brink
Chief Executive Officer

R Buddle
Interim Chief Financial Officer

Company Secretary Certification

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

Nicole Morgan

N Morgan
Company Secretary

25 January 2023

Directors' Report

The directors submit their report which forms part of the consolidated annual financial statements for the year ended 30 September 2022.

NATURE OF BUSINESS AND OPERATIONS

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

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

FINANCIAL RESULTS

The Group delivered excellent results for the year, recovering strongly in the second half after a first half impacted by low inventory levels carried forward into the year. There was continued strong demand and price improvements for most of our products, particularly fishmeal and fish oil. This was despite the global supply chain disruptions and the Russia Ukraine conflict which has impacted on the availability and price of key commodities.

The canned fish business recovered well in the second half after supply was normalised following global supply chain disruptions and civil unrest the previous year. Favourable fishing conditions in the United States resulted in good landings by Westbank Fishing LLC (Westbank) contributing to Daybrook Fisheries Inc. (Daybrook) delivering record second half earnings. The results for the year under review are reflected in the statement of comprehensive income on pages 23 to 24.

All comparative information has been restated for (i) the reversion in the accounting treatment of the Group's 25% investment in Westbank to that of an associate as opposed to a joint operation and (ii) the treatment of the Commercial Cold Storage (CCS Logistics) business as a discontinued operation for reporting purposes following the announcement on SENS on 4 October relating to the disposal of this business. Refer to the prior period restatements paragraph below for further detail.

PRIOR PERIOD RESTATEMENTS

In the previous year, the Board explained the circumstances under which they had revised the accounting treatment of Westbank from equity accounting as an associate. Westbank was classified as a joint operation, with 100% of the assets, liabilities, revenues and expenses recognised offset by a liability to the joint operator of 75%, representing the share of the net assets to which the Group was not entitled. In the current year, and after the Board obtained two accounting opinions that independently concluded that the appropriate accounting treatment was to classify Westbank as an associate, Oceana has reverted to the equity accounting method for the investment in Westbank. Refer to Note 2 of the consolidated annual financial statements for a detailed explanation of the assessment factors and the judgment applied in reaching this conclusion and note 36 for the financial impact of the adjustment. The change has no effect on headline earnings or net asset value per share and has no impact on Westbank's fishing operations.

DISCONTINUED OPERATION

On 4 October 2022 the Group announced that it had entered transaction agreements to dispose of its interest in CCS Logistics for R760 million. The transaction remains subject to regulatory and commercial suspensive conditions being fulfilled by no later than 28 February 2023. The intent of the Board to discontinue the operation was taken prior to the reporting date, and as a result CCS Logistics has been treated as a discontinued operation for reporting purposes, having met the IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, reporting conditions. Refer to note 11: Assets held for Sale, in the consolidated financial statements for further detail.

SHARE CAPITAL

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

Details of the authorised and issued share capital of the Company are set out in note 22.

During the year under review, 153 450 (2021: 143 799) treasury shares held by the Oceana Empowerment Trust ("OET") were allotted on the death of beneficiaries.

SPECIAL RESOLUTIONS

The following special resolutions were approved at the Company's 2021 annual general meeting:

- To approve and authorise the provision of financial assistance by the Company to related or inter-related companies and others as contemplated;
- in the Companies Act, No. 71 of 2008;
- To approve the new employee Share Incentive Plan;
- To approve the non-executive directors' remuneration in their capacity as directors only; and
- To grant general approval and authorisation to repurchase the issued shares by the Company or its subsidiaries.

DIVIDENDS

Dividends paid during the year and dividends declared after the reporting date are set out in note 13.

BORROWINGS

The Company's borrowing powers are unlimited in terms of the Memorandum of Incorporation and all borrowings by the Group are subject to Board approval. Details of borrowings appear in note 24.

DIRECTORS AND OFFICERS

The names of the directors and officers for the current financial year and up to the date of this report can be found in a separate schedule on page 113, along with the name, business and postal address of the Company Secretary.

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

- Imraan Soomra resigned as CEO and an executive director effective 14 February 2022;
- Neville Brink was appointed as Interim CEO on 14 February 2022 and as an executive director of the Board on 21 February 2022. His appointment as CEO was made permanent on 2 June 2022;
- Adela Fortune resigned as the Company Secretary on 15 March 2022;
- Ralph Buddle was appointed as Interim CFO on 23 February 2022, as interim Company Secretary on 9 March 2022 and as an executive director on 3 June 2022;
- Hajra Karrim's employment as CFO was terminated on 3 June 2022 and her tenure as an ex-officio director of the company also ceased on this date;
- Nicole Morgan was appointed as Company Secretary on 1 August 2022; and
- Zafar (Zaf) Mahomed is currently the CFO designate and will assume the role of CFO and executive director of the company on 1 February 2023.

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 2022 was as follows:

	Number of shares		
	Direct beneficial	Indirect beneficial	Aggregate
2022			
N Brink	**5 832**	**22 400**	**28 232**
2021			
I Soomra[1]	24 247	215 623	239 870
H Karrim[2]	–	42 054	42 054

1. *I Soomra resigned effective 14 February 2022.*
2. *H Karrim was appointed CFO 1 November 2020; Employment terminated 3 June 2022.*

SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

Details of subsidiaries, associate and joint ventures are given in separate schedules in note 42 on page 111.

AUDITORS

Following the conclusion of a tender process, the audit committee has recommended, and the board has endorsed the appointment of Mazars as the external auditors of Oceana with effect from the financial year ending 30 September 2022. The change in external auditor was initiated by the resignation of PricewaterhouseCoopers as the Group's external auditors on 27 May 2022. In compliance with Section 90(1) of the Companies Act, a public company must each year, at its Annual General Meeting, appoint an external auditor. The Audit Committee has recommended the appointment of Mazars as external auditor of the Company, after receiving the information detailed in paragraph 22.15(h) of the JSE Listings Requirements. The effect of the passing of this Resolution will be to appoint Mazars as the Company's external auditor until the date of the next Annual General Meeting. The appointment of Mazars as the Company's external auditors is clarified further in the Report of the Audit Committee which appears on pages 7 to 17 of the Annual Financial Statements.

INTERNAL CONTROL

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

GOING CONCERN

The directors have made an assessment of the ability of the Group to continue as a going concern and have no reason to believe that the business will not be a going concern in the period ahead.

LITIGATION

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

EVENTS SUBSEQUENT TO THE REPORTING DATE

No events occurred after the reporting date that have an impact on the Group's reported financial position at 30 September 2022 or require separate disclosure in these financial statements other than that disclosed in note 11 regarding the sale of CCS Logistics.

Report of the Audit Committee

INTRODUCTION

The Oceana Group Limited ("Oceana" or "Group") Audit Committee (or "the Committee") is pleased to present its report for the financial year ended 30 September 2022. This report is intended to provide details on how the Committee satisfied its various statutory obligations during the year, as well as on the significant audit matters considered during the period under review. This report has been prepared based on the requirements of the South African Companies Act, No. 71 of 2008 ("Companies Act"), the King Code of Governance for South Africa ("King IV"), and the JSE Listings Requirements.

COMMITTEE CONSTITUTION AND GOVERNANCE

MANDATE AND TERMS OF REFERENCE

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

COMPOSITION OF THE COMMITTEE

The Committee, appointed by shareholders on 5 May 2022 to hold office until the conclusion of the next annual general meeting, is comprised of five independent non-executive directors, Ms ZBM Bassa (Chairman), Mr PG de Beyer, Mr A Jakoet, Ms L Sennelo and Mr PJ Golesworthy, all of whom satisfy the requirements to serve as members of an Audit Committee. In addition, the qualifications and experience of the members of the committee can be viewed on our website at **www.oceana.co.za.** Fees paid to the Committee members for the 2022 financial year are disclosed in Note 38 on page 109 of the Consolidated Group Annual Financial Statements ("AFS").

OVERALL ROLE, RESPONSIBILITIES, AND FUNCTIONS

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

- the integrity of the AFS, financial reporting and, to the extent delegated by the Board, other external reports issued by the Group;
- the effectiveness of the Group's systems of internal control, assurance function and services, with particular focus on the combined assurance arrangements;
- assessing the effectiveness of the internal audit function, the Chief Financial Officer ("CFO") and finance function and the independence and effectiveness of the external auditors;
- the effectiveness of the technology and information, governance and risk management framework; and
- oversight responsibilities over registered public entities and key subsidiaries within the Group.

WORK PLAN AND MEETINGS

The Committee adopted a formal work plan designed to structure execution of responsibilities over the year. It held five formal meetings during the year, with full attendance by all members.

Between October 2021 and March 2022, 20 additional *ad hoc* and/or special Committee meetings were held (including workshops pertaining to the technical matters under scrutiny) to address the challenges related to the 30 September 2021 year-end delays and to monitor progress on the resolution of the issues identified. In addition, 7 meetings were held during May 2022 to July 2022, to address the external audit vacancy following the resignation of PwC (explained below under External audit). A total of 22 formal committee meetings and 10 *ad hoc* meetings were held between 1 October 2021 to 30 September 2022. The Committee and Board members further spent significant time engaging with investigators, lawyers, other advisors and stakeholders whilst overseeing the 2021 year-end audit process.

Attendance at meetings by directors who are not members of the Committee, relevant external specialists and management is by way of invitation.

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

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

FOCUS AREAS AND STATUTORY DUTIES

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

- set the direction for financial reporting;
- reviewed and recommended to the Board the AFS, interim reports, and summarised financial statements;
- reviewed and recommended trading updates and trading statements in line with the JSE's requirements;
- considered the appointment of Mazars as the Company's external auditors following the resignation of PwC as the Company's previous external auditors;
- considered and nominated the external auditor for appointment at the annual general meeting;
- determined the fees to be paid to the external auditors and their terms of engagement;
- determined the nature and extent of non-audit services and pre-approved any proposed agreement with the external auditors for the provision of non-audit services;
- satisfied itself with respect to external auditor independence and audit quality;
- made submissions to the Board on matters concerning the Company's accounting policies;
- reviewed the solvency and liquidity, debt covenant compliance and going-concern position;
- satisfied itself on the effectiveness of internal controls, internal financial controls, records and reporting;
- considered the expertise, competence and skill of the CFO and the Finance function;
- considered the effectiveness and independence of the Chief Internal Audit Executive and the internal audit function;
- performed oversight functions as determined by the Board;
- received and considered the JSE proactive monitoring in the preparation of the financial statements reports;
- satisfied itself that the appropriate financial reporting procedures are in place and are operating; and
- commissioned (in conjunction with the Board) independent technical opinions on the accounting treatment of Westbank Fishing LLC ("Westbank") to confirm the appropriate accounting treatment in the AFS.

EVALUATION AND RE-ELECTION

The Board and Committee's performance and effectiveness is assessed annually. An externally facilitated assessment is performed every two years, with the latest assessment being performed in October 2022. The results of the evaluation will be considered in the 2023 financial year. However, the Board remains satisfied that the Committee has performed its duties effectively and that Committee members have the necessary skills and experience to discharge their duties effectively.

In line with Board and Committee succession planning, Ms Bassa will retire from the Board as an independent non-executive director at the Company's upcoming annual general meeting to be held on 6 April 2023, and will cease to be the Chairman of the Committee. Mr Golesworthy will succeed Ms Bassa as Chairman of the Committee on 6 April 2023, subject to his re-election as a Non-Executive Director of the Board.

SIGNIFICANT CHALLENGES IN RELATION TO THE FINALISATION OF THE RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

Please refer to the Audit Committee report for the year ended 30 September 2021 for a detailed explanation on the challenges experienced, as a result of the whistleblower allegations raised during October 2021, and the resulting investigations by ENS which were commissioned by the Board. The results for 30 September 2021 were delayed as a result, and published on 9 March 2022. Where certain matters were still pending at the time of issuing these results, updates are dealt with in this report under the specific headings to which they relate. Remediations, where applicable, in response to the findings of the investigation have been undertaken and closed out by the Group.

The Committee remains comfortable that the previous investigations did not indicate any fraud, financial loss, over-ride of the internal control environment or deliberate intent to misrepresent. As advised previously, the results of the investigation are available on the Group website.

SIGNIFICANT ACCOUNTING MATTERS

ACCOUNTING TREATMENT OF WESTBANK

In the previous year, the Group communicated the process it had undergone with the 2021 appointed external auditors (PwC) and various external advisors on the accounting treatment of Westbank (a 25% held investment), which had been re-visited during the finalisation of the 2021 financial statements.

The Group had, since acquisition, accounted for Westbank as an associate, which resulted in equity accounting for its 25% interest. This treatment had been reviewed and concluded upon by the Group's previous external auditors Deloitte throughout their tenure. The Group consulted with independent accounting technical specialists who agreed that the treatment by the Group had been appropriate, however PwC concluded that Westbank should be accounted for as a joint operation ("JO").

Following extensive discussions and debates, and being cognisant of the delays already experienced at the time PwC concluded on the accounting treatment, the Group then adopted the accounting treatment that was acceptable to PwC, considering the assessment of the impact to the financial statements, as a whole. This resulted in the Group accounting for its investment in Westbank by recognising 100% of the assets, liabilities and all income statement line items, and creating a liability to the joint operator at 75% to recognise the portion of the net asset value attributable to the JO party. The adjustment had no effect on net profit or net asset value.

The decision to adopt the change in the previous year was also weighed against the risk of further delays to the 30 September 2021 financial statements which would have triggered a suspension of the Group's JSE listing, resulting in further potential adverse consequences to the Group.

In addition, and as highlighted in the Audit Committee report for 30 September 2021, specifically in respect of auditor effectiveness, the Committee did have concerns around IFRS interpretation and application of the standards, where evidence relating to the business and operational practice in relation to matters of significant judgement might support different approaches.

In the current year, and as part of the process of assessing the classification, the Committee in conjunction with the Board took a decision to obtain two separate and independent accounting opinions on the matter, and the two experts i.e. Kim Bromfield (IFRS Advisory Services) and Garth Coppin (*ex* E&Y IFRS Technical partner), independently each concluded that the appropriate accounting treatment was to classify Westbank as an associate. This aligns with the Group's assessment and conclusion on the matter.

The key factors used in the determination of the accounting treatment were:

- Oceana holds more than 20% of the voting power;
- Oceana has representation on the Westbank Board and participates in policy-making processes. Whilst some decisions require unanimous consent, this does not apply to all decisions that impact the risks and returns of shareholders;
- the 75% shareholder has the right to appoint five of the seven directors of Westbank;
- Day-to-day operating activities which impact the risks and returns of Westbank are decided by a simple majority. The shareholders do not control the arrangement collectively as they do not act together to direct the activities that affect the returns of the arrangement i.e., the day-to-day decisions to run, operate and fish on a daily basis, including the responsibility to maintain the fishing licence are controlled solely by the 75% shareholder;
- Oceana does not have the unilateral ability to remove the 75% shareholder from the shareholding structure in their managerial and ownership capacity;
- the right to veto certain decisions does not automatically translate to unilateral control or the power over a relevant activity. Consequently, the rights of Oceana were assessed and deemed to be minority protective rights, which were designed to protect the interest of Oceana without giving it power over the entity to which those rights relate. In addition, these rights relate to fundamental changes to the activities of Westbank or apply in exceptional circumstances only; and
- Daybrook (100% subsidiary of Oceana) purchases the entire off-take from Westbank, and therefore neither party benefits from the sale of fish from Westbank.

As per their Audit report on page 18, the Group's current external auditors, Mazars, performed an opening balance review with PwC on their prior year working papers. As part of their review, they considered PwC's approach and findings on the accounting treatment of Westbank. This entailed a review of PwC's prior year working papers as well as discussion with PwC's technical experts on the matter. Following a detailed review by both the Technical and Audit teams on the prior, year working papers produced by PwC, and an audit of management's view of the accounting treatment, (including a review of both expert's opinions), Mazars have confirmed that Westbank should be classified as an associate and therefore equity accounted.

Based on the original intent of the contractual relationship with Westbank, the previous accounting treatment for the investment, the various independent accounting views which corroborate the treatment concluded on by the external auditors, Deloitte, at the time of the transaction, together with PwC's view on proportionate consolidation not being shared by the other professionals who had been consulted by the Group, the Committee recommended to the Board to change the accounting treatment of the 25% investment in Westbank back to an associate, and apply equity accounting. This reverts the accounting treatment to that applied since the acquisition of the 25% interest in 2015.

Please refer to Note 2 of the AFS for a detailed explanation of the assessment factors and the judgement applied in reaching this conclusion and Note 36 for the financial impact of the adjustment. Certain additional disclosure included in the prior year AFS as a result of Westbank being classified as a JO, has been retained in the current year AFS as added value disclosure on a voluntary basis.

Finally, it should be noted that the decision to revert to the original accounting treatment was not taken lightly. The Committee is fully aware of the unusual practice of having a prior year adjustment to correct an "incorrect" or inappropriate prior year adjustment that was reflected previously. The Committee is, however, satisfied that this treatment is the most appropriate and reflects the economic impact of the relationship with Westbank more accurately.

This change has resulted in a prior year adjustment in the 30 September 2022 AFS. The change, however, has not had any effect on headline earnings or net asset value per share.

TREATMENT OF CCS

On 4 October 2022, the Group announced that it entered into transaction agreements to dispose of its cold storage business, CCS, for a total consideration of R760 million, net of the value accruing to minority interests. The transaction is subject to the fulfilment of both regulatory and commercially suspensive conditions, as are usual for a transaction of this nature, by no later than 28 February 2023.

The requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations ("IFRS 5") were considered, and it was concluded that the required conditions were met for this asset (or 'disposal group') to be classified as held for sale.

The assets and liabilities included within the disposal group have been presented separately on the face of the statement of financial position, and the sum of the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less cost to sell or fair value adjustments on the disposal of the disposal group, has been presented as a single amount on the face of the Statement of Comprehensive Income.

IFRS 10 Consolidated Financial Statements ("IFRS 10") requires elimination of Group intercompany transactions with CCS. To address the concern that the total elimination of normal arm's length transactions does not reflect the true trading position of CCS, additional disclosure has been provided which clearly reconciles the segmental reporting to the Statement of Comprehensive Income, and will provide users of the financial statements with a better understanding of the impact on the Group's future results. Refer to Note 11 of the AFS.

VALUATION OF DAYBROOK GOODWILL

Goodwill is assessed at least annually for impairment. The key assumptions used are cash flow projections, growth rates and discount rates. The cash flow projections are prepared by divisional management after taking into consideration the impact of external market factors such as health of the resource biomass, abnormal weather events, changes in market demand and pricing as well as internal factors relating to current operating conditions and production trends. The discount rates are established by the corporate finance and treasury team, considering geographic and other risk factors.

The assessment indicates that there is sufficient headroom between the recoverable value and the carrying value. The Committee agrees with this assessment and notes that the headroom also varies annually based on the number of fish caught and overall profitability of Daybrook.

OTHER SIGNIFICANT ACCOUNTING MATTERS

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

Significant accounting matter	How addressed by the Committee
Related party transactions	The Committee is comfortable that there are sufficient checks and balances to ensure that related party directors and officers are recused from related decision-making and governance processes, and that disclosure of all material related party transactions is included in the AFS.
Taxation	The charge for **current taxation** is based on the results for the year adjusted for income that is exempt and expenses that are not deductible using tax rates that are applicable to the taxable income and the jurisdiction in which the entity operates. **Deferred taxation** is recognised in profit or loss except when it relates to items credited or charged to other comprehensive income, in which case it is also recognised in other comprehensive income. A **deferred taxation asset** represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. Deferred taxation assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The deferred tax asset value is R13,7 million as at 30 September 2022 and is considered to be recoverable. A **deferred taxation liability** represents the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred taxation liabilities are recognised for taxable temporary differences, unless specifically exempt. The deferred tax liability value is R642,2 million at 30 September 2022.
Residual values and useful lives of property, plant, and equipment	The depreciation charge is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life taking cognisance of the forecasted commercial and economic realities, by benchmarking accounting treatments in the specific industries where these assets are used. The assessment of useful lives considers management's historical experience with similar assets as well as management's judgement as to future events or market conditions which may impact their life. The useful lives and residual values of the assets are determined by management when the asset is acquired and then reviewed annually thereafter. Management's annual review of useful lives and residual values did not result in material changes to the carrying value of assets in the current year. During the proactive monitoring review carried out by the JSE on the AFS for 30 September 2021, certain queries were raised in respect of the disclosure of fully depreciated assets. These queries were addressed and responded to formally and the recommendations from the JSE have been included in the disclosure Note 14 of the AFS for the year ended 30 September 2022.
Intangible asset impairment review	Indefinite useful life of intangible assets is assessed annually for impairment considering judgements and estimates made by management in determining the present values of the intangibles, including the discount rate used. Management has assessed that no impairment is required – refer to Note 2 which sets out the significant judgements and estimates applied.
Impairment of financial assets	All trade receivables, other receivables and loans and advances are required to be assessed for impairment in terms of IFRS 9 – Financial instruments ("IFRS 9") and a credit loss recognised where required. The significant judgements applied in determining an impairment include the expected realisable value of collateral securing the debt, the probability that the customer will default, credit risk changes in customer, the size of credit exposures, country risk based on location of customer and the expected loss on default. The assessment considers quantitative and qualitative forward-looking information in relation to each customer risk category. The Group has assessed the expected credit losses factoring in the financial uncertainty arising from the Covid-19 pandemic. Management have decreased the expected loss rates for trade receivables and loans and advances based on their assessment of the level of exposure.

Significant accounting matter	How addressed by the Committee
Control	Management assesses whether it controls an entity based on whether the investor has power over the relevant activities of the investee. Relevant activities include the activities of the investee that significantly affect the investee's returns; the investor is exposed to variable returns from its involvement with the investee; and the investor is able to use its power to affect its returns from the investee. Control is re-assessed if the facts and circumstances impacting the assessment change. Judgement has been applied by management with respect to the Group's shareholding in Erongo Seafoods Proprietary Limited and Compass Trawling Proprietary Limited. Management determined that the Group controls the investee despite the non-controlling interests holding the majority shareholding in each entity. The Group is deemed to exert control over these entities due to its active and unilateral management of day to day operations, financing and investing decisions to affect their returns and is subject to exposure to variable returns.

FSCA NOTIFICATION

As advised previously, on 21 February 2022, the Company was informed by the Financial Sector Conduct Authority ("FSCA") that the FSCA had registered an investigation to determine whether any person may have published false, misleading or deceptive statements, promises and forecasts regarding the past or future performance of the Company or its securities.

The Group has pro-actively engaged with the FSCA and responded to all queries raised. In addition, the Group has voluntarily informed the FSCA about the current prior year adjustment in respect of the accounting treatment of Westbank.

The Group has requested an indication from the FSCA of when this investigation will be formally concluded, which confirmed that it requires no further information and that the investigation will be concluded as soon as its workload permits. The Group will continue to engage with the FSCA on a regular basis to ensure that this investigation is formally closed as soon as possible.

The Board is not aware of any instances of the publishing of false, misleading or deceptive statements, forecasts or contraventions of the Financial Markets Act. The Board has also considered legal, technical and external auditor views ahead of SENS releases throughout the period under review.

CFO AND EFFECTIVENESS OF THE FINANCE FUNCTION

As reported previously, the Committee had to navigate carefully during the previous year end process and maintain its oversight function while playing a key role in the finalisation of the year end results, given the conflicts of interest of executive directors pertinent to the matters under investigation at the time.

Ms Hajra Karrim, who was the Chief Financial Officer ("CFO") since November 2020, was suspended on 6 February 2022. She was suspended on a precautionary basis pending the outcome of a disciplinary process. Further, she lodged a grievance in relation to her suspension and pending disciplinary process. Following an extensive disciplinary process which was chaired by a retired judge of the Supreme Court of Appeal, on 6 June 2022 Ms Karrim was summarily dismissed on the findings of gross misconduct.

On 23 February 2022, Mr. Ralph Buddle was appointed as interim CFO, with the appointment being subject to the outcome of the disciplinary disciplinary hearing with Ms Karrim. Mr Buddle is an experienced chartered accountant and previously served as a senior finance executive and director of business development and strategy at a large listed retailer. The Committee satisfied itself on the capacity, qualifications, competence and experience of Mr Buddle before seeking a dispensation from the JSE for his interim appointment and the further extension of his appointment until 31 January 2023.

During the current year, the Corporate Governance and Nominations Committee commenced the process to find a suitable replacement for the CFO. Following an extensive search and recruitment process conducted by a delegated selection panel comprising of Non-Executive Directors of the Board and the CEO, Mr. Zaf Mahomed was appointed as CFO Designate with effect from 1 November 2022.

Mr Mahomed has vast experience and a proven track-record in the telecommunications, food franchise, and furniture retail industries. He has more than 25 years of finance and business experience across major industries, multinational and listed companies.

Mr Mahomed will assume office as the Group's CFO with effect from 1 February 2023. This timeframe was carefully considered to allow for a smooth transition and handover from Mr Buddle to Mr Mahomed, especially during the completion of the financial year-end process for 30 September 2022.

The Committee is satisfied that both Mr Buddle and Mr Mahomed have the necessary expertise and experience to fulfil their roles and have performed appropriately since their appointments.

Additional resources were utilised to bolster the capacity of the Finance function. During the year under review, the interim CFO identified key vacancies and specialist skills that were critical to the proper functioning of the Finance department, and has filled these positions from within the Group where appropriate and then from the results of an external recruitment process. The Committee has satisfied itself of the appropriateness of the expertise and experience of the Finance function and believes that it is adequately resourced.

The Committee is further satisfied that there were no material or significant breakdowns in financial controls as a result of the above changes within the Finance function.

INTERNAL AUDIT

In terms of its Charter, the Committee is responsible for the appointment of the Company's internal auditors. The Committee approves the fees and scope of the internal auditors and the rolling coverage plan for internal audit services. The internal audit function is outsourced, and the appointment of the internal audit provider is reviewed on an annual basis. Ms F Mohamed, a director of BDO Advisory Services (Pty) Ltd, has fulfilled the role of Chief Internal Audit Executive for the year under review. Internal audit attends the Risk Committee and Audit Committee meetings and has regular engagements with the Committee chairman, the CFO and other senior executives. The internal audit plan is compiled using a risk-based approach and through extensive consultation between the internal auditors and management, taking into consideration the risk universe affecting the Group.

The internal auditors operate in terms of an internal audit Charter, which is reviewed annually under the direction of the Committee, which approves the scope of the work to be performed. The internal financial controls audit for 2022 was supplemented at the request of the Committee to include insurance, related party transactions, and the internal audit plan included a governance review.

Significant findings are reported to both executive management and the Committee and corrective action is taken by management to address identified internal control deficiencies.

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

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

COMBINED ASSURANCE

The Committee is responsible for overseeing combined assurance activities. The combined assurance framework establishes co-ordinated assurance activities between the lines of assurance across the organisation, including Compliance, Risk Management, Internal and External audit . There is ongoing focus on increased collaboration and reducing duplication of activities.

EXTERNAL AUDIT

RESIGNATION OF EXTERNAL AUDITORS

PwC was appointed as the Group and Company's external auditors with effect from 1 January 2021.

During the course of 2021, Oceana's relationship with PwC became strained (at Management, Committee and Board level) due to the various delays, challenges to get commitment and adherence to deadlines and PwC's inability to service the Group appropriately out of their US office. Nevertheless, their re-appointment was put forward by the Committee to the AGM held on 5 May 2022, in order to give shareholders the opportunity to vote on their re-appointment.

Following a low vote for the reappointment at the AGM (only 61,98% of shareholders approved the re-appointment), the Committee in conjunction with the Board undertook to consult with shareholders in this regard. Shareholders were invited to an engagement with the Committee on 30 May 2022 to discuss PwC's re-appointment, and achieve an outcome that was in the best interests of the Group.

On 27 May 2022, one business day before the scheduled consultation with shareholders, PwC tendered its resignation with immediate effect. PwC's resignation letter noted that this was due to its assessment of significant doubt as to whether there was objective and transparent communication between the Board and PwC given the strained relationship, which they asserted constituted a significant impairment of their independence. Their resignation was formally accepted by the Committee on 30 May 2022.

Shortly thereafter PwC US also resigned from the audit despite the fact that they had not yet signed off the 30 September 2021 AFS, which had been due to lenders on 30 June 2022. These 2021 financial statements were subsequently audited by Mazars, and submitted to the lenders by 31 December 2022 (as agreed with them).

Report of the Audit Committee continued

APPOINTMENT OF NEW EXTERNAL AUDITORS

Despite the proximity to the next financial year-end, the Committee resolved to conduct an independent tender process to appoint new auditors. Audit firms not considered to be independent in terms of S90(2c) of the Companies Act were not included in the tender process. To this end, the Committee also engaged with and sought advice from the Independent Regulatory Board for Auditors ("IRBA").

Given the significant challenges over the past financial year, and the negative media, detailed information sessions were held with each audit firm that was approached to gauge interest in tendering for the audit. All firms were taken through the timeline of events since October 2021 that gave rise to the challenges in the previous year, and given access to a secure data site on a confidential and legally privileged basis, where they had full disclosure and documentation on various issues.

It was also emphasised that their view of the accounting treatment of Westbank should not feature as part of their proposals, as this was not a factor in their appointment.

The audit firms were granted engagement sessions with management and the Committee. In addition, all firms had individual engagement sessions with ENS to go through a presentation on the forensics investigation and the outcomes.

A formal Request for Proposal ("RFP") was issued in June 2022 in conjunction with Group Procurement, to set out the requirements for the 2022 audit and to give guidance on what information should be included in the proposal. The previous RFP's used during the mandatory audit rotation tender during 2020 and scoring criteria were heavily relied upon, with an increased emphasis on US capacity and technical capability.

All audit firms were given access to and engaged with PwC in line with their audit requirements, to assess any impact to their client assessment and engagement risk, and to conclude on whether there were any reasons why they should not accept the audit.

All audit firms submitted their proposals and presented to a Tender committee consisting of two members of Executive management, one Operational FD, the Executive for Procurement and two independent consultants with audit and technical expertise.

Scoring was in line with the following criteria:

- Strategic/B-BBEE
- Reputation
- Technical
- Culture

The two audit firms with the highest scores from the Tender Committee were then requested to present to the Audit Committee in July 2022, with the same criteria above used to score and assess their suitability.

Mazars scored the highest at both Tender Committee and Audit Committee level and were therefore the chosen audit firm. As part of the Mazars proposal they noted any issues impacting their actual or perceived independence and the manner in which it was dealt with, including technical reviews performed in the prior year and whether this constituted a breach of S90(2c) of the Companies Act. The Committee considered the details of the independence issues raised, and the safeguards in place to mitigate this, and was comfortable with the approach set out in Mazar's letter. The Committee is satisfied that Mazars are independent of the company for the financial year, as per section 90(2)(c) of the Companies Act.

INDEPENDENCE AND AUDIT QUALITY

Mazars were appointed as the Group and Company's external auditors with Mr Marc Edelberg appointed as the designated lead audit partner for the financial year. The Committee has assessed the accreditation of the external audit firm and designated audit partner, in terms of the JSE Listing Requirements, and is satisfied with their JSE accreditation. The Committee has formal rules, which are detailed in its policy on the use of external auditors for non-audit services, for regulating the services and conditions of use of non-audit services provided by the external auditors, governing, *inter alia*, compliance issues, taxation, Group and company structure, information systems, organisational structure, remuneration structure, risk management services, audit certificates in relation to fishing rights, due diligence investigations and such other services as the Committee may approve and which are permitted by legislation and regulations. The external auditors do not assist in the performance of any internal audit assignments.

During the year-end process the Committee met to consider the quality and effectiveness of the external auditors and was comfortable that the external auditors remain independent and effective.

OTHER MATTERS

CEO AND CFO RESPONSIBILITY STATEMENT

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

INTERNAL CONTROLS

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

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

RISK MANAGEMENT

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

TECHNOLOGY AND INFORMATION GOVERNANCE

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

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

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

GOING CONCERN

The Committee reviewed the going concern statement (refer to Note 41 in the AFS) and supporting assessments performed by management, as required by the Companies Act and has no reason to believe that the business will not be a going concern in the year ahead, and therefore concurred with management's conclusion that it is the appropriate basis for the preparation of the financial statements.

This was further supported by the review of solvency and liquidity and debt covenant compliance as at 30 September 2022 and up to the date of signature of the AFS, including headroom for the next financial year.

The Committee is satisfied that the Group and Company have adequate financial resources to continue their operations into the foreseeable future.

As a consequence of the prior year delays in finalising the financial results, management supported by the Committee engaged with US and SA lenders to obtain the necessary default waivers for the lodgment of the relevant AFS for the year ended 30 September 2021. The Committee ensured that the Group complied with the revised dates granted by the lenders, and notes that there was no interruption to the Group's banking facilities.

POST-BALANCE SHEET EVENTS

The Committee is comfortable that any material or significant matters have been considered for disclosure and notes that there are no matters which require disclosure or adjustment in the financial statements other than that disclosed in note 11 of the AFS regarding the sale of CCS Logistics.

JSE REPORTING REQUIREMENTS

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

JSE PROACTIVE MONITORING REPORTS

The Committee has received and considered the findings on the JSE's proactive monitoring of financial statements for compliance with IFRS. The Committee has ensured that where applicable the contents of these reports have been appropriately actioned in the preparation of the AFS for the year ended 30 September 2022.

CONCLUSION

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

Ms ZBM Bassa
Audit Committee chairman

25 January 2023

TO THE SHAREHOLDERS OF OCEANA GROUP LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate annual financial statements of Oceana Group Limited (the Group and company) set out on pages 23 to 111 and 117 to 157 , which comprise the consolidated and separate statement of financial position as at 30 September 2022, and the consolidated and separate statement of comprehensive income, consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of Oceana Group Limited as at 30 September 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

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

OTHER MATTER

The consolidated and separate financial statements of Oceana Group Limited for the year ended 30 September 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 25 March 2022.

mazars

KEY AUDIT MATTERS

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

Matter	Audit Response

GOODWILL IMPAIRMENT ASSESSMENT: NOTE 16
 	
Included in the consolidated financial statements as disclosed in Note 16 is goodwill amounting to R4,4 billion being 33% of total assets in the group.
 	
As required by both the applicable accounting standards and the group's accounting policy (note 1.16), goodwill is assessed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.
 	
Impairment is determined by assessing the recoverable amount of the cash–generating units (CGUs) to which the goodwill relates. The recoverable amount is determined as the value-in-use of each cash–generating unit by estimating the expected future cash flows in each unit and determining a suitable discount rate to calculate the present value of those cash flows.
 	
There are significant judgements, assumptions and estimations made in determining the projected cash flow forecast models, which are used in calculating the recoverable amount and we have therefore determined that this is a key audit matter.
	• The following audit procedures, were performed with respect to the valuation of goodwill, using our experts:
	— We obtained the schedule of the CGUs from management, assessed the completeness of the schedule and reconciled differences from the prior year;
	— We assessed the reasonability and consistency of the valuation methodology used by management in calculating the recoverable amount per CGU;
	— We assessed the reasonability of the key assumptions used in determining the valuation of the recoverable amount in terms of *IAS 36 Impairment of Assets*, which included the following:
	  — Forecast Earnings before interest, tax, depreciation and amortisation (EBITDA)
	  — Forecast working capital changes
	  — Forecast capital expenditure and tax expenses
	  — Perpetuity growth rate and
	  — Inputs into the discount rate
	— We checked the accuracy of the calculation performed by management;
	— Evaluated the reasons for any differences on inputs and evaluated the effect on management's calculation and their impairment assessment in terms of the requirement of IAS 36: Impairment of Assets (IAS 36).
	• We assessed the competence, capabilities, objectivity and integrity of our valuation experts.
	• We assessed the adequacy of the disclosures with regard to the goodwill held in the consolidated financial statements in terms of the disclosure requirements of IAS 36 and IAS 38: Intangible Assets.

Matter	Audit Response
IFRS 10/11 CONTROL ASSESSMENT OF INVESTMENT IN WESTBANK: NOTE 36 The 25% investment in Westbank Fishing LLC (Westbank) held by Daybrook Fisheries Inc (Daybrook), a subsidiary of Oceana Group Limited, was classified as an associate from inception and subsequently restated as a joint operation in 2021. During the 2022 financial year, management have reassessed the judgements around the control assessment and concluded that the prior period accounting treatment was incorrect and consequently a prior period misstatement has been disclosed in the consolidated financial statements in the current year. We considered this area to be a matter of most significance in our current year audit due to the judgement applied by management in assessing the appropriate accounting treatment of the Oceana Group Limited's investment in Westbank, including the purpose and design of the investee entity and the various contractual and commercial arrangements between the shareholders of Westbank being Daybrook and Makimry Patronus LLC (Makimry).	The following audit procedures, amongst others, were performed with respect to the control assessment considerations: • We reviewed all the evidence supporting the control assessment which includes the following: — Results of the Forensics' investigation findings published during March 2022; — Management's conclusion on the assessment of control as presented to the audit committee that summarises the proposed accounting treatment and recording of the prior period error; — Additional opinions sought by management from two independent consulting firms on the accounting for the Investment in Westbank; — Operating agreement between Daybrook and Makimry; and — Fish supplier agreement between Daybrook and Westbank. • Our IFRS specialist reviewed the evidence obtained in the prior year forming part of opening balance review. • We engaged an independent consultant to assess the application of IFRS to the control assessment of Westbank. • We performed a critical analysis of the opinions obtained and critical judgements made particularly as related to structured entities and prepared a preliminary conclusion on the appropriateness of the accounting treatment adopted by management. • We obtained an independent opinion to reconcile the different views and conclusions reached by the various parties. • We assessed the competence, capabilities, and objectivity of both management and auditor appointed consultants. • We reviewed and agreed the accounting treatment, the calculation and the disclosure of the prior period error in the consolidated annual financial statements of Oceana Group Limited in accordance with requirements of IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors, IFRS 10: Control and IFRS 11: Joint arrangements.

mazars

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Oceana Group Limited Audited Annual Financial Statements for the year ended 30 September 2022", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, the Chief Executive Officer and Chief Financial Officer Responsibility Statement, the Shareholder Analysis and Administration. The other information does not include the consolidated and separate annual financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Mazars

Mazars

Partner: Marc Edelberg

Registered Auditor

Cape Town

25 January 2023

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2022

	Notes	2022 R'000	Restated[1] 2021 R'000
Revenue	4	**8 148 466**	7 295 886
Cost of sales		**(5 641 145)**	(5 110 735)
Gross profit		**2 507 321**	2 185 151
Sales and distribution expenditure		**(478 674)**	(364 527)
Marketing expenditure		**(46 222)**	(43 107)
Overhead expenditure		**(815 904)**	(739 520)
Other income		**88 677**	73 488
Net foreign exchange (loss) / gain		**(23 448)**	20 690
Net impairment reversal on financial assets		**617**	6 259
Operating profit before joint ventures and associate profit / (loss) and other operating items	5	**1 232 367**	1 138 434
Joint ventures and associate profit / (loss)	17	**17 865**	(10 247)
Operating profit before other operating items		**1 250 232**	1 128 187
Other operating items	7	**(6 444)**	(10 849)
Operating profit		**1 243 788**	1 117 338
Interest income	8	**22 340**	18 295
Interest expense	9	**(202 179)**	(199 559)
Profit before taxation		**1 063 949**	936 074
Taxation expense	10	**(272 712)**	(260 489)
Profit after taxation from continuing operations		**791 237**	675 585
(Loss) / profit from discontinued operations	11	**(22 498)**	42 915
Profit for the year		**768 739**	718 500
Other comprehensive income from continuing operations			
Items that may be reclassified subsequently to profit or loss:			
Movement on foreign currency translation reserve		**960 340**	(552 069)
Movement on foreign currency translation reserve on joint ventures and associate		**64 061**	164
Movement on cash flow hedging reserve		**125 931**	51 097
Income tax related to gain recognised in other comprehensive income		**(24 359)**	(6 738)
Other comprehensive income / (loss), net of taxation		**1 125 973**	(507 546)
Other comprehensive income / (loss) from discontinued operations			
Movement on foreign currency translation reserve		**394**	(280)
Other comprehensive income / (loss) , net of taxation		**394**	(280)
Total comprehensive income for the year		**1 895 106**	210 674
Profit for the year attributable to:			
Shareholders of Oceana Group Limited		**732 318**	676 280
Non-controlling interests		**36 421**	42 220
		768 739	718 500
Total comprehensive income for the year attributable to:			
Shareholders of Oceana Group Limited		**1 858 685**	168 540
Non-controlling interests		**36 421**	42 134
		1 895 106	210 674

[1] *Refer to note 36 for further detail of reclassifications and prior period errors.*

Consolidated Statement of Comprehensive Income continued

for the year ended 30 September 2022

	Notes	2022 R'000	Restated[1] 2021 R'000
Total comprehensive income attributable to shareholders of Oceana Group Limited from:			
Continuing operations		**1 882 438**	130 643
Discontinued operations		**(23 753)**	37 897
Total comprehensive income		**1 858 685**	168 540
Earnings per share (cents)	12		
Total basic earnings per share		**603.0**	570.7
Total basic earnings per share from continuing operations		**622.9**	538.5
Total basic earnings per share from discontinued operations		**(19.9)**	32.2
Total diluted earnings per share		**602.6**	531.6
Total diluted earnings per share from continuing operations		**622.5**	501.6
Total diluted earnings per share from discontinued operations		**(19.9)**	30.0

1. *Refer to note 36 for further detail of reclassifications and prior period errors.*

Consolidated Statement of Financial Position

As at 30 September 2022

	Notes	2022	Restated[1] 2021	Restated[1] 1 October 2020
		R'000	R'000	R'000
ASSETS				
Non-current assets				
Property, plant and equipment	14	**1 865 386**	1 876 934	1 835 473
Right-of-use assets	15	**84 008**	201 282	175 815
Goodwill and intangible assets	16	**5 846 044**	4 901 110	5 438 294
Interest in joint ventures and associate	17	**305 638**	248 092	305 909
Deferred taxation	18	**13 649**	6 661	20 793
Investments and loans	19	**177 870**	94 377	84 910
Derivative asset	25	**103 569**	–	–
Total non-current assets		**8 396 164**	7 328 456	7 861 194
Current assets				
Inventories	20	**2 270 759**	1 021 957	1 689 743
Trade and other receivables	21	**1 593 932**	1 443 499	1 064 569
Taxation receivable		**69 247**	48 682	23 663
Cash and cash equivalents	30	**486 462**	827 796	1 200 568
Total current assets		**4 420 400**	3 341 934	3 978 543
Assets held for sale	11	**378 967**	–	19 420
Total assets		**13 195 531**	10 670 390	11 859 157
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	22	**1 224 849**	1 222 388	1 200 493
Foreign currency translation reserve		**1 740 086**	715 291	1 268 554
Cash flow hedging reserve	23	**69 794**	(31 778)	(76 223)
Share-based payment reserve	31	**88 120**	61 179	99 066
Distributable reserve		**3 690 452**	3 336 527	3 271 309
Interest of own shareholders		**6 813 301**	5 303 607	5 763 199
Non-controlling interests	33	**219 967**	199 508	182 796
Total capital and reserves		**7 033 268**	5 503 115	5 945 995
Non-current liabilities				
Deferred taxation	18	**642 154**	500 222	534 029
Borrowings	24	**2 686 000**	2 663 792	3 039 810
Derivative liabilities	25	**–**	20 856	84 790
Lease liabilities	26	**97 754**	224 635	204 239
Employee provisions	27	**27 838**	39 925	24 745
Liability for share-based payments	31	**7 564**	14 329	7 919
Total non-current liabilities		**3 461 310**	3 463 759	3 895 532
Current liabilities				
Borrowings	24	**298 357**	199 779	382 057
Derivative liabilities	25	**–**	7 194	–
Short-term banking facility		**76 000**	91 000	–
Lease liabilities	26	**28 801**	45 635	44 776
Employee provisions	27	**8 467**	5 180	12 092
Trade and other payables	28	**2 099 046**	1 335 225	1 542 110
Taxation payable		**7 995**	19 503	36 595
Total current liabilities		**2 518 666**	1 703 516	2 017 630
Liabilities held for sale	11	**182 287**	–	–
Total liabilities		**6 162 263**	5 167 275	5 913 162
Total equity and liabilities		**13 195 531**	10 670 390	11 859 157

1. *Refer to note 36 for further detail of reclassifications and prior period errors.*

Consolidated Statement of Changes in Equity

for the year ended 30 September 2022

	Notes	Share capital	Foreign currency translation reserve	Cash flow hedging reserve	Share-based payment reserve	Distributable reserve	Interest of own shareholders	Non-controlling interests	Total
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Restated balance as at 1 October 2020[1]		1 200 493	1 268 554	(76 223)	99 066	3 271 309	5 763 199	182 796	5 945 995
Total comprehensive income for the year[1]		–	(552 185)	44 445	–	676 280	168 540	42 134	210 674
Movement on foreign currency translation reserve – restated[1]		–	(552 349)	–	–	–	(552 349)	–	(552 349)
Movement on foreign currency translation reserve on joint ventures and associate		–	164	–	–	–	164	–	164
Movement on cash flow hedging reserve		–	–	51 183	–	–	51 183	(86)	51 097
Income tax related to gain recognised in equity		–	–	(6 738)	–	–	(6 738)	–	(6 738)
Profit for the year		–	–	–	–	676 280	676 280	42 220	718 500
Transfers between reserves[2]		–	(1 078)	–	(68 969)	66 116	(3 931)	3 931	–
Decrease in treasury shares held by share trusts	22	30 672	–	–	–	40 051	70 723	–	70 723
Loss on settlement of treasury shares		–	–	–	–	(311 904)	(311 904)	–	(311 904)
Share-based payment expense	31	–	–	–	33 346	–	33 346	–	33 346
Share-based payment exercised	31	(8 777)	–	–	(7 253)	–	(16 030)	–	(16 030)
Allocation of elective deferral restricted shares		–	–	–	4 989	–	4 989	–	4 989
Gain on disposal of treasury shares – Oceana Empowerment Trust ("OET") wind up		–	–	–	–	85 929	85 929	–	85 929
Gain on disposal of shares distributed to deceased employee beneficiaries of OET		–	–	–	–	2 360	2 360	–	2 360
Distribution to OET beneficiaries		–	–	–	–	(19 608)	(19 608)	–	(19 608)
Dividends		–	–	–	–	(474 006)	(474 006)	(29 353)	(503 359)
Restated balance as at 30 September 2021[1]		**1 222 388**	**715 291**	**(31 778)**	**61 179**	**3 336 527**	**5 303 607**	**199 508**	**5 503 115**
Total comprehensive income for the year		**–**	**1 024 795**	**101 572**	**–**	**732 318**	**1 858 685**	**36 421**	**1 895 106**
Movement on foreign currency translation reserve		**–**	**960 734**	**–**	**–**	**–**	**960 734**	**–**	**960 734**
Movement on foreign currency translation reserve from joint ventures and associate		**–**	**64 061**	**–**	**–**	**–**	**64 061**	**–**	**64 061**
Movement on cash flow hedging reserve		**–**	**–**	**125 931**	**–**	**–**	**125 931**	**–**	**125 931**
Income tax related to gain recognised in equity	23	**–**	**–**	**(24 359)**	**–**	**–**	**(24 359)**	**–**	**(24 359)**
Profit for the year		**–**	**–**	**–**	**–**	**732 318**	**732 318**	**36 421**	**768 739**
Transfers between reserves		**–**	**–**	**–**	**(10 251)**	**(11 049)**	**(21 300)**	**21 300**	**–**
Transfer from share based payment liability to reserve[3]		**–**	**–**	**–**	**6 749**	**–**	**6 749**	**–**	**6 749**
Decrease in treasury shares held by share trusts	22	**2 339**	**–**	**–**	**–**	**–**	**2 339**	**–**	**2 339**
Decrease in treasury shares held by subsidiary	22	**122**	**–**	**–**	**–**	**–**	**122**	**–**	**122**
Share-based payment expense	31	**–**	**–**	**–**	**44 393**	**–**	**44 393**	**–**	**44 393**
Share-based payment exercised	31	**–**	**–**	**–**	**(13 950)**	**–**	**(13 950)**	**–**	**(13 950)**
Gain on disposal of treasury shares – OET wind up	31	**–**	**–**	**–**	**–**	**849**	**849**	**–**	**849**
Gain on disposal of shares distributed to deceased employee beneficiaries of OET		**–**	**–**	**–**	**–**	**1 226**	**1 226**	**–**	**1 226**
Distribution to Oceana Saam-Sonke Trust beneficiaries		**–**	**–**	**–**	**–**	**(3 809)**	**(3 809)**	**–**	**(3 809)**
Dividends		**–**	**–**	**–**	**–**	**(365 610)**	**(365 610)**	**(37 262)**	**(402 872)**
Balance as at 30 September 2022		**1 224 849**	**1 740 086**	**69 794**	**88 120**	**3 690 452**	**6 813 301**	**219 967**	**7 033 268**
Notes		22		23	31			33	

1. *Refer to note 36 for further detail of reclassifications and prior period errors.*
2. *During the prior year, transfers between reserves includes share-based payments expense of R69.0 million relating to share trusts, for which rights have vested with employee beneficiaries, which was transferred from the share-based payment reserve to the distributable reserve and non-controlling interest.*
3. *This is a modification from cash-settled to equity-settled share-based payment. Refer to note 31 for details.*

Consolidated Statement of Cash Flows

for the year ended 30 September 2022

	Notes	2022 R'000	Restated[1] 2021 R'000
Cash generated from operations	30.1	**990 439**	1 483 704
Interest income received		**13 976**	12 973
Interest paid		**(193 811)**	(212 800)
Taxation paid	30.2	**(288 216)**	(314 428)
Dividends paid	30.3	**(406 681)**	(522 967)
Cash inflows from operating activities		**115 707**	446 482
Purchases of property, plant and equipment		**(252 484)**	(290 919)
Purchases of intangible assets		**(6 365)**	(3 753)
Proceeds on disposal of property, plant and equipment	30.4	**4 448**	4 639
Decrease in loans receivable from business partners		**(1 097)**	4 724
Proceeds on disposal of non-current asset held for sale	30.4	**–**	32 129
Cash outflows from investing activities		**(255 498)**	(253 180)
Short-term borrowings repaid	24	**(220 218)**	(373 243)
Short-term banking facility raised		**3 861 000**	3 593 000
Short-term banking facility repaid		**(3 876 000)**	(3 502 000)
Repayment of principal portion of lease liability	26	**(42 451)**	(48 349)
Loans repaid/(advanced)	19	**2 969**	(2 850)
Proceeds from sale of treasury shares	30.5	**2 863**	2 360
Proceeds on sale of treasury shares to open market[2]		**–**	287 170
Payment to OET beneficiaries[2]		**–**	(420 320)
Purchase of treasury shares for the settlement of long-term incentives[3]	30.5	**(13 204)**	(16 030)
Cash outflows from financing activities		**(285 041)**	(480 262)
Net decrease in cash and cash equivalents		**(424 832)**	(286 960)
Cash and cash equivalents at the beginning of the year		**827 796**	1 200 568
Effect of exchange rate changes on cash and cash equivalents		**83 897**	(85 812)
Cash and cash equivalents at end of the year [4]	30.6	**486 861**	827 796

1. *Refer to note 36 for further detail of reclassifications and prior period errors.*
2. *Proceeds on sale includes repurchased and subsequently cancelled treasury shares of 8 478 067 from the Oceana Employment Trust (OET) beneficiaries as part of the winding down of OET.*
3. *Acquisition of shares to settle employee equity-settled share based scheme on vesting.*
4. *This amount includes R0.4 million of the Commercial Cold Storage and Logistics segment. Refer to note 11.*

Accounting Policies

for the year ended 30 September 2022

1. GENERAL INFORMATION

Oceana Group Limited is a company domiciled in South Africa. The consolidated annual financial statements as at and for the year ended 30 September 2022 comprise of Oceana Group Limited ("Company"), its subsidiaries, associate and joint ventures (collectively referred to as the "Group".

The principal accounting policies adopted in the preparation of these consolidated and separate annual financial statements are set out below and have been applied consistently in all material respects to all periods presented in the consolidated and separate annual financial statements except for prior period errors and restatements set out in note 36 of the consolidated annual financial statements and note 31 of the separate annual financial statements, and the adoption of new standards effective during the current year set out in note 3 of the consolidated financial statements. For the accounting policies listed below, any references to the Group refers to both the Group and Company(as applicable) unless specifically stated otherwise.

1.1 BASIS OF PREPARATION

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

1.2 STATEMENT OF COMPLIANCE

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

1.3 INTEREST IN OTHER ENTITIES

BASIS OF CONSOLIDATION

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

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

CHANGES IN OWNERSHIP INTERESTS

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

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

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

INTERESTS IN JOINT ARRANGEMENTS

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

INTERESTS IN ASSOCIATES

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

1.3 INTEREST IN OTHER ENTITIES *continued*

EQUITY METHOD

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

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

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

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

SEPARATE FINANCIAL STATEMENTS

In the Company's separate financial statements, investments in joint ventures and subsidiaries are carried at cost less accumulated impairment. Refer to the schedule on page 156 for a list of significant investments in subsidiaries and joint ventures.

In terms of IAS 27 Separate Financial Statements, the cost of investments in subsidiaries has been measured at the carrying amounts of the equity items in the separate financial statements of those subsidiaries and the cost of the investments in joint ventures has been measured at cost less accumulated impairment.

1.4 FOREIGN CURRENCY TRANSLATION

FUNCTIONAL AND PRESENTATION CURRENCY

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

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

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

TRANSACTIONS AND BALANCES

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

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

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

TRANSLATION OF FOREIGN OPERATIONS

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

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

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

Refer to note 35 for closing exchange rates applied by the Group at year end.

1.5 REVENUE

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

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

Sale of goods

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

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

Services

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

Services (Company)

Administration fees are received from subsidiaries and joint ventures and is recognised over time as services are rendered. Revenue earned from these services is recognised in the accounting period in which they relate.

Revenue is measured at the consideration received in terms of the arrangement with the customer. Payment terms are 30 days from statement. The payment terms do not constitute a significant financing component.

Non-trade revenue

Non-trade revenue relating to commission for catching fish on behalf of third parties, quota fee income and factory processing and other minor recovery income is recognised as the performance conditions are met.

DIVIDEND INCOME (COMPANY)

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

1.6 INVESTMENT INCOME

DIVIDEND INCOME (GROUP)

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

INTEREST INCOME

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

1.7 OTHER OPERATING ITEMS

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

1.8 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

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

DEFINED-CONTRIBUTION PLANS

The Group contributions to defined-contribution funds are determined in terms of the rules governing those funds. Refer to note 32 for further details on the plans. The retirement schemes are funded by payments from employees and the relevant Group entity. Contributions to these funds are recognised through OCI as incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available. The Group's legal or constructive obligation for these plans is limited to the contributions.

POST-RETIREMENT MEDICAL OBLIGATIONS

The Group provides post-retirement healthcare benefits to certain of its retirees. Refer to note 32. This practice has been discontinued and this benefit is no longer offered to current or new employees. The Group's obligation to provide post-retirement medical aid benefits to certain employees is calculated by estimating the amount of future benefit that qualifying employees have earned in return for their service in the prior periods. This benefit is discounted to determine its present value using a discount rate based on the market yields at the reporting date on government bonds with maturity dates that most closely match the terms of maturity of the Group's obligation. The calculation is performed by a qualified actuary using the projected unit credit method. Past service costs are recognised in profit or loss at the earlier of the date of the plan amendment or curtailment, and the date that the Group recognises restructuring-related costs. Actuarial gains and losses are recognised in other comprehensive income.

1.9 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 31 for a detailed description of each of the schemes.

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

The cost of equity-settled share-based payments is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the Monte Carlo Option Pricing Model, Black-Scholes model, and the Binomial Option Pricing Model where applicable. Further details of which are given in the note on share-based payment plans.

The cost of equity-settled share-based payments is expensed over the period in which the employees become unconditionally entitled to these rights, with a corresponding increase in equity in the share-based payment reserve. The cumulative expense recognised for share options granted at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit recognised 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 12).

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 profit and loss.

1.10 INTEREST EXPENSE

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

1.11 TAXATION

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

CURRENT TAXATION

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

DEFERRED TAXATION

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

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

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

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

FOREIGN WITHHOLDING TAXES

The withholding tax is recognised when the dividend is declared.

CAPITAL GAINS TAX

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

1.12 DIVIDENDS PAYABLE

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

1.13 PROPERTY, PLANT AND EQUIPMENT

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

RECOGNITION

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

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

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

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

1.13 PROPERTY, PLANT AND EQUIPMENT *continued*

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

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

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

DEPRECIATION

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

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

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

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

	Company Depreciation period (years)
Leasehold building and improvements	5-20
Freehold land and buildings	50
Computer Hardware	5-25
Plant, equipment and vehicles	2-15
Fishing vessels and nets	4-5

DERECOGNITION

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

IMPAIRMENT

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

1.14 LEASES

THE GROUP AS LESSEE

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

LEASE LIABILITY

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

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

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

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

The lease liability is subsequently measured at amortised cost.

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

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

RIGHT-OF-USE ASSET

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

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

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

The Group applies the policy described in note 1.19 to determine whether a right-of-use asset is impaired.

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

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

1.15 ASSETS HELD FOR SALE

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

1.16 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 consideration for the business combination, the excess is recognised immediately in profit or loss , as a bargain purchase gain.

SUBSEQUENT MEASUREMENT

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

IMPAIRMENT

Goodwill is not amortised but is tested for impairment in accordance with the policy described in note 1.19.

DERECOGNITION

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

1.17 INTANGIBLE ASSETS

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

INITIAL RECOGNITION AND MEASUREMENT

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

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

SUBSEQUENT MEASUREMENT

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

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

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

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

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

Fishing rights are amortised over two rights allocation cycles.

IMPAIRMENT

Impairment on intangible assets is recognised in accordance with the policy described in note 1.19.

DERECOGNITION

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

1.18 FINANCIAL INSTRUMENTS

Note 35 Financial risk management describes the financial instruments held by the Group based on their specific classifications. The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

FINANCIAL ASSETS

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

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

Financial assets at amortised cost

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

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

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

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

Financial assets at fair value

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

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

Derecognition

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

Impairment

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

For local and foreign loans, the Group applies the general approach in calculating ECLs. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECL). For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (Lifetime ECL). Refer to note 19 for further details.

For local and foreign trade and other receivables, the Group applies the simplified approach in calculating ECLs. The Group recognises a loss allowance based on lifetime ECLs at each reporting date. Trade receivables are assessed collectively in groups that share similar credit risk characteristics. The Group has established a provision matrix based on its historical credit loss experienced, adjusted for factors

1.18 FINANCIAL INSTRUMENTS *continued*

specific to the customer and geography where the customer is based, along with general economic conditions and an assessment of the current and forecast direction of conditions at the reporting date. Refer to note 21 for further details. The Group deposits short-term cash surpluses only with major financial institutions of high-quality credit standing and therefore no ECL has been provided as it is immaterial.

All credit losses are recognised in profit or loss.

Write-off

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

FINANCIAL LIABILITIES

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

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

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

Financial liabilities at amortised cost

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

Financial liabilities at fair value through profit or loss

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

Derecognition

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

1.19 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

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

1.20 HEDGE ACCOUNTING

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

Hedges are classified as:

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

CASH FLOW HEDGES

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

1.21 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 weighted average methods are used to value finished goods and consumable stores. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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

1.22 SHARE CAPITAL

Ordinary share capital represents the ordinary shares issued and the share premium (excess consideration received by the Company over the par value of ordinary shares) issued and the accumulated IFRS 2 share-based payment expense relating to the employee share incentive schemes as disclosed in note 31 and is classified as equity.

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

1.23 TREASURY SHARES

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

Ordinary shares in Oceana Group Limited which have been acquired by the Group in terms of an approved share repurchase programme, held by the subsidiaries of Oceana Group Limited, employee share trusts and stakeholder trusts, are classified as treasury shares as detailed in note 22.3. The cost of these shares is deducted from equity and the number of shares is deducted from the weighted average number of shares. Dividends received on treasury shares are eliminated on consolidation. When treasury shares are sold or re-acquired and cancelled the amount received is recognised as an increase in equity and the resulting surplus or deficit over the cost of these shares on the transaction is transferred to or from distributable reserves. Upon settlement (take-up) of the share options by employees the difference between the proceeds received from the employees and the cost price of shares is accounted for directly in equity.

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

1.24 EMPLOYEE PROVISIONS

EX GRATIA RETIREMENT PROVISION

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

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

NON-QUALIFIED DEFERRED COMPENSATION BENEFITS

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

Refer to note 27 for the Daybrook deferred compensation liability. Daybrook has matching plan assets to fund these obligations as they become due.

CREW BONUSES

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

1.25 CONTINGENT ASSETS AND LIABILITIES

In terms of IAS 37 contingent assets and liabilities are not recognised within the statement of financial position or comprehensive income but require disclosure in the notes to the AFS.

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

CONTINGENT ASSET

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

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

CONTINGENT LIABILITY

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

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

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

1.26 RELATED PARTIES

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

GROUP HOLDING COMPANY

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

DIRECTORS INTEREST IN CONTRACTS

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

KEY MANAGEMENT

Employee benefits paid to executive directors and key management personnel are detailed in note 38. Key management personnel comprise of the top tier of the organisation and the managing executives of the individual divisions.

1.27 SEGMENT REPORTING

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

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

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

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

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

2. USE OF JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

The estimated useful lives and residual values are reviewed annually, taking cognisance of forecast commercial and economic realities, historical usage of similar assets and input from original equipment manufacturers on plant and machinery. The estimated useful life of property, plant and equipment is detailed in note 1.13.

2.2 SHARE-BASED PAYMENTS

The value attached to share-based payments is estimated through the use of option pricing valuation models which requires inputs such as share price volatility, dividend yield, risk-free interest rate and expected option life. Some of the inputs used are based on estimates derived from available data. Management classifies its share-based payment scheme as either a cash-settled or equity-settled scheme based on the assessment of its role and the nature of the obligation and that of the employees in the transaction. In applying its judgement, management consulted external expert advisors in the accounting and share-based payment advisory industry. The classification of the schemes and the critical assumptions used in the valuation model are detailed in note 31.

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

- The equity-settled share based payments, that were previously accounted for as cash-settled, are accounted for using the fair value at modification date.
- Equity-settled share based payments are recognised in equity to the extent to which the services have already been rendered to date.
- The related share-based payment liability is derecognised at the modification date with any difference between the carrying value of the liability and the amount recognised in equity being recognised immediately in profit or loss. Refer to note 31.

2.3 FAIR VALUE MEASUREMENTS

Some of the Group’s assets and liabilities are measured at fair value for financial reporting purposes. Refer to note 35. In estimating the fair value of assets and liabilities, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Where there is no active market, fair value is determined using applicable valuation techniques. Valuation techniques include discounted cash flow models, pricing models and recent arm’s length transactions for similar instruments.

2.4 LEASES

LEASE TERM

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

DISCOUNT RATE

Lease payments are discounted using a rate applied to a portfolio of leases pertaining to land and buildings within a particular jurisdiction, where funding is sourced centrally. Judgement has been applied to determine the discount rate where the rate implicit in the lease cannot be determined. The incremental borrowing rates are detailed in note 24.

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

LEASES FOR MATERIAL HANDLING EQUIPMENT

Management has applied their judgement regarding a contract for the supply of material handling equipment ("MHE") and have determined that the MHE falls outside the scope of IFRS 16 – Leases ("IFRS 1"") due to the supplier having a substantive right of substitution in terms of the contract. The following factors have been taken into consideration in arriving at this determination:

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

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

2.5 INTANGIBLE ASSETS

USEFUL LIFE OF FISHING RIGHTS

In South Africa, fishing rights are allocated to industry participants over a long-term allocation period (typically 10 to 15 years) by the Department of Environment, Forestry and Fisheries. Accordingly, the useful life of fishing rights acquired are determined from the date of transfer until date of expiration of the right. Management assessed the useful life of these rights to be extended beyond the expiration dates based on historic outcomes and legal precedents on similar rights renewal proceedings. Refer to note 16 for further details.

IMPAIRMENT OF INTANGIBLE ASSETS

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

2.6 IMPAIRMENT OF FINANCIAL ASSETS

ECLs are based on assumptions about risk of default, expected realisable value of collateral securing debt, significant changes in credit risk, credit risk exposure, country risk based on the location of customer, and expected loss on default. The Group uses judgement in making these assumptions and selecting the inputs, which is based on qualitative and quantitative forward-looking information in relation to each risk category of customer. Detail regarding the method and assumptions used to calculate the ECLs are detailed in notes 19 and 21.

2.7 CONTROL

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

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

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

2.7 CONTROL *continued*

CONTROL

The entities that are considered to meet the requirements for control are reflected in note 33 and the supporting schedule in note 42. Judgement has been applied by management with respect to the Group's shareholding in Erongo Seafoods Proprietary Limited, Arechanab Fishing & Dev Co Proprietary Limited, Cerocic Fishing Proprietary Limited and Compass Trawling Proprietary Limited, to determine that the Group controls the investee despite the non-controlling interests holding the majority shareholding in each entity. The Group is deemed to exert control over these entities due to its active and unilateral management of day to day operations, financing and investing decisions to affect their returns and is subject to exposure in the variability in those returns. In light of this the entities have been consolidated.

TREATMENT OF WESTBANK FISHING LLC

Significant judgement has been applied in determining the appropriate accounting treatment of Westbank. As explained in our Directors report and Audit Committee report contained in the financial statements for 2021, there was significant debate over the accounting treatment of Westbank, based on the previous external auditor's view that it should be treated as a joint operation vs. management and the Board of Oceana which believed it should be classified as an associate on the basis that the Group does not control Westbank.

Below are the pertinent points that were taken into account in this important assessment for the current year.

Westbank is an operational fishing company that has entered into a Fish Supply Agreement with Daybrook for the supply of all its fish, and an Operating Agreement with Daybrook (25% shareholder) and Makimry (the 75% US shareholder).

Westbank is set up as a fully operational entity where decisions regarding fishing and maintenance of the necessary capital equipment are constantly being made. Makimry has full operational and managerial responsibility for these decisions.

Consideration was given to the following factors which confirms Makimry's control over Westbank:

- Makimry has the right to appoint 5 of the 7 Directors of Westbank
- Day to day operating activities which impact the risks and returns of Westbank are decided by a simple majority of directors
- Daybrook does not have the unilateral ability to remove Makimry from the shareholding structure in its managerial and ownership capacity
- The right to veto a decision does not automatically translate to unilateral control or power over a relevant activity.

By shareholder agreement, certain decisions over the activities of Westbank, for example setting the operating expenditure and capital budgets (forecasts), are subject to super majority voting clauses, which necessitate consent between Daybrook and Makimry.

In the event of the forecast not being approved by virtue of a veto right being exercised by Daybrook, the entity would revert to the original forecast while the shareholders are granted 3 attempts to resolve any major disagreements over the forecast in separate meetings.

In the event that this is not resolved, a deadlock would be reached, thereby giving Makimry the right to "put" its shares back to Daybrook.

It should be emphasised that Makimry controls the right to trigger the put in the event of a deadlock, i.e. it is not automatic.

The likelihood of reaching deadlock, given the huge economic disincentive and disruption to the supply and operations of Daybrook, was also assessed as highly unlikely.

Consequently, the rights of Daybrook in terms of the above were assessed and deemed to be minority protective rights, which were designed to protect the interests of Daybrook without giving it power over the entity to which those rights relate. In addition, these rights relate to fundamental changes to the activities of Westbank or apply in exceptional circumstances, and do not extend to day-to-day operations.

Further, Daybrook's rights to veto the purchase of capital equipment does not give it control, as the purchase of capital equipment items is not considered a relevant activity.

The above put option as well as two further call and put options were re-assessed to determine if they created substantive rights on the basis of potential voting rights, however it was concluded that these are only exercisable based on future events, and could therefore not be taken into account until those specific events occur.

It was thus concluded that Oceana does not have control over Westbank.

The following factors were considered in disputing the existence of a joint operation:

- Joint control suggests control of the arrangement collectively and implies that unanimous consent is needed. Unanimous consent does not apply to all the significant decisions that impact the risks and returns of the shareholders.
- The shareholders do not control the arrangement collectively as they do not act together to direct the activities that affect the returns of the arrangement i.e. the day to day decisions to run, operate and fish on a daily basis, including the responsibility to maintain the fishing licence is controlled by Makimry.
- The impact of 100% of the off-take by only one party i.e. Daybrook.

2.7 CONTROL *continued*

Finally, the following factors were taken into account to conclude that Westbank should be classified as an associate:

- Daybrook holds more than 20% of the voting power.
- Daybrook has representation on the Board of Westbank, and participates in policy-making processes.
- There are material transactions between Daybrook and Westbank.

As a result of the above assessment and application of judgement, the accounting treatment of Westbank was revised in the current year. Westbank is classified as an associate and its results have been equity accounted. With the exception of 2021, this treatment has been consistently applied since inception of the investment in Westbank. Refer to note 36.

3. NEW STANDARDS AND INTERPRETATIONS

During the current year, the Group adopted all the new and revised standards issued by the International Accounting Standards Board ("IASB") that are relevant to its operations and effective for annual reporting periods beginning on 1 October 2021.

3.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, the following new standards and amendments became effective 1 January 2022 that are relevant to the Group's operations but did not have a material impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods:

Standard / Interpretation:	**Effective date: Financial years beginning on or after:**
• Amendments to IFRS 9, IAS 39, IFRS 4 IFRS 7 and IFRS 16: IBOR reform Phase 2: requires a Company to make additional disclosures in its financial statements so that investors can better understand the effects of IBOR reform on that Company while providing a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform. The amendments to IFRS 9 enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise because of changes required by the IBOR reform. The group is exposed to the IBOR reform through its hedges and certain loans that utilise the US LIBOR and JIBAR as the base interest rate. The US LIBOR has been replaced by the Secured Overnight Financing Rate (SOFR) and the JIBAR has not yet been replaced. The change to the SOFR had no material impact on the existing hedges, the impact on the USD LIBOR loans was also not considered to be material. There has been no derecognitions as a result of the change. The group has exposure to JIBAR through loans. The replacement rate has not yet been determined and the likely impact cannot be determined at this time.	1 January 2021

3.2 STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

A number of amendments to standards are effective for annual periods beginning on or after 1 January 2022 and earlier application is permitted. However, the Group has not early adopted the amended standards in preparing these consolidated and separate annual financial statements. The following amended standards are not expected to have a material impact on the consolidated and separate annual financial statements due to the nature of the Group's business:

3. STANDARDS AND INTERPRETATIONS continued

Standard / Interpretation:	Effective date: Financial years beginning on or after:
• IAS 37 – Provision and Contingencies – Amendments to onerous contracts: The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. The Group does not have any material onerous contracts and does not expect this amendment to have a material impact on the Group's consolidated financial statements.	1 January 2022
• Amendments to IFRS 4 – Reference to Conceptual Framework : Update to Conceptual Framework; adds a requirement that transactions and other events within the scope of IAS 37 or IFRIC 21 must be accounted for per IAS 37 or IFRIC 21 to identify the liabilities assumed in a business combination; and explicitly prohibits an acquirer from recognising a contingent assets acquired in a business combination. The Group does not expect this amendment to have a material impact on the Group's consolidated financial statements.	1 January 2022
• IAS 16 – Property, Plant and Equipment: Amendment prohibits the deduction of proceeds from selling items produced while bringing in an asset into use from the cost of that asset. The entity must recognise the proceeds from sale, and the cost of producing those items, in profit or loss. It is not expected that this amendment would have a material impact on the Group's consolidated financial statements.	1 January 2022
• IAS 1 – Presentation of Financial Statements: The amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. These must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The Group does not expect this amendment to have a material impact on the Group's consolidated financial statements.	1 January 2023
• IAS 1 – Presentation of Financial Statements: The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The Group does not expect this amendment to have a material impact on the Group's consolidated financial statements.	
• IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: This amendment distinguishes clearly between a change in accounting policy and a change in accounting estimate. It revises the definition of an accounting estimate and provides reworded and specific examples of accounting estimates. The Group does not expect this amendment to have a material impact on the Group's consolidated financial statements.	1 January 2023
• IAS 12 – Income Taxes: Deferred Tax related to –Assets and Liabilities arising from a Single Transaction: Narrows the scope of the exemption for recognition of taxable/deductible temporary differences that arise on certain transactions. The transaction should not give rise to equal taxable and deductible temporary differences. It clarifies that deferred tax must be recognised on initial recognition of IFRS 16 leases and similar types of transactions that give rise to the recognition of an asset and a liability, such as decommissioning, restoration and similar liabilities with corresponding amounts recognised as part of the related asset. The Group does not expect this amendment to have a material impact on the Group's consolidated financial statements.	1 January 2023

4. REVENUE

	2022 R'000	Restated 2021 R'000
The main categories of revenue and the segment to which they relate are set out below:		
Sale of goods		
Canned fish and fishmeal (Africa)	**4 609 134**	4 099 203
Fishmeal and fish oil (USA)	**1 945 817**	1 533 380
Horse mackerel, hake, lobster and squid (Africa)	**1 540 815**	1 626 114
Other non-trade revenue		
Canned fish and fishmeal (Africa)	**1 463**	2 281
Horse mackerel, hake, lobster and squid (Africa)	**51 237**	34 908
	8 148 466	7 295 886

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

Revenue from the sale of goods is recognised at a point in time except for the freight and insurance component which is recognised over time. Freight and insurance components included in Canned fish and fishmeal (Africa) of R43m(2021: R15m) and horse mackerel, hake, lobster and squid of R46m (2021: R46m) is recognised over time.

Other non-trade revenue includes quota fees R22.2 million (2021: R25.1 million); fee income R26.2 million (2021: R2.7 million) and factory processing and other minor recoveries R4.3 million (2021: R10.1 million).

5. OPERATING PROFIT BEFORE JOINT VENTURES AND ASSOCIATE PROFIT/(LOSS) AND OTHER OPERATING ITEMS

	Reference	2022 R'000	Restated 2021 R'000
Operating profit before joint ventures and associate profit/(loss) is calculated after taking into account the following items:			
Income			
Insurance recoveries	a,d	**87 277**	152 872
Foreign exchange profit	e	**166 303**	144 498
Other comprehensive income recycled to profit		**–**	2 717
Expenditure			
Foreign exchange loss	e	**189 751**	123 808
Legal, and other costs related to the completion of the 2021 financial year end audit*	c	**33 463**	–
Administrative, technical and secretarial fees	c	**76 017**	53 238
Amortisation of intangible assets		**14 705**	20 904
Fishing rights	a	**3 580**	3 580
Computer software	c	**8 739**	8 029
Non-competes	c	**2 386**	2 243
Customer relations	c	**–**	7 052
Auditors' remuneration		**30 592**	8 736
Fees for audit – current year (excluding once off costs)	c	**10 428**	8 787
Fees for audit – prior year under provision/(overprovision)**	c	**18 873**	(1 417)
Other services	c	**1 291**	1 366
Depreciation of property, plant and equipment		**192 033**	161 098

5. OPERATING PROFIT BEFORE JOINT VENTURES AND ASSOCIATE PROFIT / (LOSS) AND OTHER OPERATING ITEMS continued

	Reference	2022 R'000	Restated 2021 R'000
Buildings	a, b, c	**22 811**	19 028
Plant, equipment, vehicles and furniture and fittings	a, b, c	**87 673**	82 237
Fishing vessels and nets	a	**81 549**	59 833
Distribution expenses		**377 756**	263 670
Storage and warehousing	b	**111 946**	72 545
Freight, transport and logistics	b	**265 810**	191 125
Employment related expenditure		**1 158 185**	993 171
Employment costs	a, b, c	**1 092 229**	929 803
Retirement costs	a, b, c	**65 956**	63 368
Fuel and energy costs	a, b, c	**482 339**	285 892
Lease expenditure		**44 047**	35 951
Depreciation of right-of-use assets	a, b, c	**20 872**	24 799
Low value lease expenses	a, b, c	**2 212**	1 697
Short-term lease expenses	a, b, c	**20 963**	9 405
Lease modification	c	**–**	50
Impairment of intangible assets	c	**–**	2 369
Information technology	c	**58 328**	56 722
Inventory (reversal of write-off)/write-off		**(6 705)**	112 753
Loss arising as a result of civil unrest	a	**–**	86 104
Damages and other obsolete stock	a, c	**(6 705)**	26 649
Inventory purchased for resale	a	**1 901 294**	1 366 366
Net movement in inventory	a,c	**442 178**	575 139
Materials and packaging used in production	a	**1 368 736**	934 637
Repairs and maintenance	a, b, c	**231 876**	221 894
Risk and loss		**188 388**	171 568
Insurance premiums paid	a, c	**179 021**	154 482
Security and other risk and loss	a, c	**9 367**	17 086
Staff training	a, c	**16 167**	14 557

* *Total legal, audit and other costs related to the finalisation of the 2021 audit amounts to R50m inclusive of additional audit fees.*

** *Includes R17m of additional audit fees related to the finalisation of the 2021 audit.*

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

a Cost of sales
b Selling and distribution expenses
c Overhead expenditure
d Other income
e Net foreign exchange gain/(loss)

6. SEGMENTAL RESULTS

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

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

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

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

Revenue per geographic region excludes inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation as follows: Horse mackerel, hake, lobster and squid R93.6 million (2021: R87.1 million).

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

The statement of financial position is reflected after eliminating inter-segmental assets and liabilities. Total assets for Horse mackerel, hake, lobster and squid of R407.5 million (2021: R471.8 million) were eliminated against Canned fish and fishmeal (Africa). Total liabilities for Horse mackerel, hake, lobster and squid of R5.8 million (2021: R36.6 million) were eliminated against Canned fish and fishmeal (Africa).

Included in 2022 revenues arising from Canned fish and fishmeal (Africa) are revenues of approximately R1 112 million (2021: R886 million) which arose from sales to the Group's largest customer. No other single customer contributed 10% or more to the Group's revenue in either 2022 or 2021.

6. SEGMENTAL RESULTS continued

2022	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel, hake, lobster and squid R'000	Total R'000	Intercompany eliminations between continuing and discontinued operations[1] R'000	Total continuing operations R'000
Statement of comprehensive income						
Gross revenue	4 765 532	1 945 817	1 612 628	8 323 977	–	8 323 977
Inter-segmental revenue	(154 935)	–	(20 576)	(175 511)	–	(175 511)
Revenue	4 610 597	1 945 817	1 592 052	8 148 466	–	8 148 466
Operating profit before other operating items	488 952	583 821	143 074	1 215 847	34 385	1 250 232
Other operating items	(13 558)	–	7 114	(6 444)	–	(6 444)
Operating profit	475 394	583 821	150 188	1 209 403	34 385	1 243 788
Interest income[2]	18 370	1 072	2 898	22 340	–	22 340
Interest expense[2]	(106 773)	(85 049)	(10 357)	(202 179)	–	(202 179)
Profit before taxation	386 991	499 844	142 729	1 029 564	34 385	1 063 949
Taxation expense	(115 005)	(113 710)	(43 997)	(272 712)	–	(272 712)
Profit after taxation	271 986	386 134	98 732	756 852	34 385	791 237
The above profit after taxation for the year includes the following:						
Joint ventures and associate (loss) / profit	(10 362)	28 227	–	17 865	–	17 865
Depreciation, amortisation and impairment	47 724	94 361	85 525	227 610	–	227 610
Distribution expenses	205 268	82 854	89 634	377 756	–	377 756
Employment costs	545 541	178 428	368 260	1 092 229	–	1 092 229
Administrative, technical and secretarial fees	57 751	15 819	2 447	76 017	–	76 017
Fuel and energy costs	92 011	73 217	317 111	482 339	–	482 339
Repairs and maintenance	63 166	80 650	88 061	231 876	–	231 876
Statement of financial position						
Total assets excluding assets held for sale	3 011 264	9 044 524	759 589	12 815 377	–	12 815 377
Total liabilities excluding liabilities held for sale	2 857 332	2 743 923	378 721	5 979 976	–	5 979 976
The above amounts of assets includes the following:						
Additions to property, plant and equipment and intangible assets	60 510	39 540	114 241	214 291	–	214 291
Interest in joint ventures and associate	60 881	244 756	1	305 638	–	305 638

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

2022 Region	South Africa and Namibia R'000	Other Africa R'000	North America R'000	Europe R'000	Far East R'000	Other R'000	Total R'000
Revenue	4 517 718	583 353	1 272 402	1 600 012	123 085	51 896	8 148 466
Non-current assets	1 568 385	–	6 814 130	–	–	–	8 382 515

[1] *Intercompany eliminations relate to revenue and support service charges to align the IFRS 8: Operating Segment profit measures the CODM uses to manage the business to that of IFRS.*

[2] *Inter-segmental finance transactions are not included in the segmental results, and therefore excluded from interest expense and interest income.*

6. SEGMENTAL RESULTS continued

Restated – 2021	Canned fish and fishmeal (Africa)	Fishmeal and fish oil (USA)[3]	Horse mackerel, hake, lobster and squid	Total	Intercompany eliminations between continuing and discontinued operations[1]	Total continuing operations
	R'000	R'000	R'000	R'000	R'000	R'000
Statement of comprehensive income						
Gross revenue	4 294 021	1 533 380	1 681 705	7 509 106	–	7 509 106
Inter-segmental revenue	(192 537)	–	(20 683)	(213 220)	–	(213 220)
Revenue	4 101 484	1 533 380	1 661 022	7 295 886	–	7 295 886
Operating profit before other operating items	478 608	234 882	387 236	1 100 726	27 461	1 128 187
Other operating items	(15 131)	–	4 282	(10 849)	–	(10 849)
Operating profit	463 477	234 882	391 518	1 089 877	27 461	1 117 338
Interest income[2]	14 399	1 135	2 761	18 295	–	18 295
Interest expense[2]	(125 001)	(71 003)	(3 555)	(199 559)	–	(199 559)
Profit before taxation	352 875	165 014	390 724	908 613	27 461	936 074
Taxation expense	(111 830)	(27 940)	(120 719)	(260 489)	–	(260 489)
Profit after taxation	241 045	137 074	270 005	648 124	27 461	675 585
The above profit after taxation for the year includes the following:						
Joint ventures and associate loss	332	9 915	–	10 247	–	10 247
Depreciation, amortisation and impairment	45 183	95 150	64 100	204 433	–	204 433
Distribution expenses	120 911	54 399	88 360	263 670	–	263 670
Employment costs	232 209	364 782	332 812	929 803	–	929 803
Administrative, technical and secretarial fees	28 767	21 471	3 000	53 238	–	53 238
Fuel and energy costs	54 872	44 280	186 740	285 892	–	285 892
Repairs and maintenance	71 685	62 973	87 236	221 894	–	221 894
Statement of financial position						
Total assets	2 356 572	7 079 909	848 002	10 284 483	–	10 284 483
Total liabilities	2 241 592	2 212 603	487 010	4 941 205	–	4 941 205
The above amounts of assets includes the following:						
Additions to property, plant and equipment and intangible assets	148 374	39 262	95 937	283 573	–	283 573
Interest in joint ventures and associate	70 918	177 173	1	248 092	–	248 092

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

Restated Region 2021	South Africa and Namibia	Other Africa	North America[1]	Europe	Far East	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	3 990 344	848 180	1 162 695	1 061 881	197 267	35 519	7 295 886
Non-current assets	1 608 249	–	5 713 546	–	–	–	7 321 795

1. *Intercompany eliminations relate to revenue support service charges to align the IFRS 8: Operating Segment profit measures the CODM uses to manage the business to that of IFRS.*
2. *Inter-segmental finance transactions are not included in the segmental results, and therefore excluded from interest expense and interest income.*
3. *'Restated Fishmeal and fish oil (USA) and North America balances and transactions. Refer to note 36.*

7. OTHER OPERATING ITEMS

Transactions outside the ordinary course of business that are substantially capital or non-recurring in nature are disclosed under other operating items in the statement of comprehensive income.

	Note	2022 R'000	Restated 2021 R'000
Other operating items from continuing operations			
Loss on disposal of land and buildings		–	(439)
Profit on disposal of property, plant and equipment		**1 376**	4 174
Impairment of computer software	16	–	(2 369)
Transaction costs relating to disposal of Commercial Cold Storage Proprietary Limited		**(7 275)**	–
Insurance recovery on loss of asset		**7 975**	–
Transfer of foreign currency reserve[1]		**(8 520)**	–
Once-off transaction costs pertaining to new BBBEE trusts[2]		–	(11 349)
Trademark written-off		–	(866)
Total		**(6 444)**	(10 849)
Other operating items from discontinued operations	11		
Loss on disposal of property, plant and equipment		**(799)**	(411)
Profit on disposal of non-current assets held for sale (Bayhead cold store)		–	27 684
Foreign exchange translation reserve		**(308)**	–
Total		**(1 107)**	27 273

1. Transfer of foreign currency translation loss to profit and loss on disposal of investment of joint venture "Oceana Boa Pesca Limitada".

2 During the prior year, once-off transaction costs were incurred in relation to the specific repurchase of shares from the OET and the establishment of Oceana Saam-Sonke Trust and Oceana Stakeholder Empowerment Trust ("OSET").

8. INTEREST INCOME

	2022 R'000	Restated 2021 R'000
Bank and short-term deposits	**12 167**	8 806
Loans to joint ventures and supply partners	**9 036**	7 771
Loans	**524**	472
Other[1]	**613**	1 246
	22 340	18 295

1. Other comprises interest received from Revenue Services of R246 000 (2021: R253 000).

9. INTEREST EXPENSE

	2022 R'000	Restated 2021 R'000
Bank and short-term banking facilities	**23 653**	8 417
Borrowings	**156 865**	164 517
Lease liabilities (note 26)	**12 446**	24 030
Other[1]	**9 215**	2 595
	202 179	199 559

1. Other comprises interest received from Revenue Services of R592 000 (2021: R2 000).

10. TAXATION EXPENSE

	Note	2022 R'000	Restated 2021 R'000
CONTINUING OPERATIONS			
Current taxation			
South African current taxation			
Current year		132 678	139 906
(Over) / Under provision of prior year tax		(2 990)	2 030
Capital gains tax[1]		21	810
Security transfer tax		–	1 439
Withholdings tax[2]		1 471	1 602
		131 180	145 787
Foreign current taxation			
Current year		130 053	96 948
Over provision of prior year tax		(9 535)	(4 213)
Withholdings tax[2]		356	12 385
		120 874	105 120
Total current taxation		252 054	250 907
Deferred taxation			
South African deferred taxation			
Current year		(10 705)	24 674
Rate change adjustment[3]		(3 201)	–
Over provision of prior year tax		310	322
		(13 596)	24 996
Foreign deferred taxation			
Current year		25 755	(15 084)
Under / (Over) provision of prior year tax		8 499	(330)
		34 254	(15 414)
Total deferred taxation		20 658	9 582
Total taxation expense from continuing operations		272 712	260 489
DISCONTINUED OPERATIONS			
Current taxation			
South African current taxation			
Current year		1 686	6 712
(Over) / Under provision of prior year tax		(509)	72
Capital gains tax		959	3 263
Withholdings tax[2]		209	–
		2 345	10 047
Foreign current taxation			
Current year		16 364	13 195
Over provision of prior year tax		(149)	(872)
Withholdings tax[2]		1 200	813
		17 415	13 136
Total current taxation		19 760	23 183

10. TAXATION EXPENSE continued

	Note	2022 R'000	Restated 2021 R'000
Deferred taxation			
South African deferred taxation			
Current year		**(2 468)**	6 263
Rate change adjustment[3]		**(352)**	–
Over provision of prior year tax		**484**	442
		(2 336)	6 705
Foreign deferred taxation			
Current year		**(1 592)**	(504)
Over provision of prior year tax		**148**	663
		(1 444)	158
Total deferred taxation		**(3 780)**	6 863
Total taxation expense from discontinued operations	**11**	**15 980**	30 046

1. *Capital gains tax expense relates to capital gains realised on the disposal of property, plant and equipment and assets held for sale in the current year and in the prior year to the disposal of intangible assets and property, plant and equipment.*
2. *Withholding in South Africa is in respect of dividends paid to the consolidated Share Trusts in respect of unallocated shares. Foreign withholding tax is paid on inter-group interest and dividends received by South African subsidiaries from foreign subsidiaries in Namibia and the United States of America.*
3. *The change in the tax rate was substantively enacted on 23 February 2022, effective for years ending on or after 31 March 2023. As at 30 September 2022, current tax is determined using a tax rate of 28%, as that is the rate enacted for the current reporting period. As 30 September 2023, current tax will be determined using a tax rate of 27%.*

The maximum potential future tax consequences of undistributed earnings if distributed from foreign subsidiaries amounts to R84.1 million (2021: R63.1 million).

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

	2022 %	Restated 2021 %
Effective rate of taxation	**27.3**	28.8
Adjustment to rate due to:		
Over provision of prior year tax	**0.4**	0.3
Foreign taxation rate differentials and withholding taxes	**(0.3)**	(1.7)
Exempt income arising from capital profits and foreign exchange gains	**–**	1.0
Capital gains tax	**(0.1)**	(0.5)
Impairment losses not allowable for taxation	**–**	0.2
Foreign derived intangible income deduction*	**1.2**	0.6
Expenses not allowable for taxation	**(0.5)**	(0.7)
South African company income tax rate	**28.0**	28.0

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

10. TAXATION EXPENSE continued

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

	2022 R'000	Restated 2021 R'000
South African	–	45 540
Foreign	**17 715**	2 906
Total	**17 715**	48 446
Deferred tax savings effect	**5 669**	13 681

The South African tax loss was fully utilised in the current year and predominantly relates to the Amawandle Pelagic Proprietary Limited subsidiary which is part of the canned fish and fishmeal (Africa) CGU.

10.3 DEFERRED TAX RECOGNISED THROUGH OTHER COMPREHENSIVE INCOME:

	Note	2022 R'000	Restated 2021 R'000
Fair value remeasurement of cashflow hedge	23	**(24 359)**	(6 738)

11. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

11.1 DESCRIPTION

On the 3rd of October 2022 Oceana entered into an agreement to dispose of its cold storage business, Commercial Cold Storage Group Limited, trading as CCS Logistics ("CCS Logistics"), for a total consideration of R760 million net of the value accruing to minority interests in the CCS Namibia Proprietary Limited and CCS Ports Proprietary Limited (Duncan Dock) operations. The implied 100% enterprise value including minorities is R895 million.

The transaction includes supplementary agreements for Oceana Group entities to secure medium term cold-storage services from CCS Logistics at market related rates and for Oceana to continue providing transitional services at an agreed service fee to CCS Logistics for a period of at least 12 months following implementation.

The transaction was announced on the 4th of October 2022. The Group assessed the requirements of IFRS 5 (Non-current Assets held for Sale and Discontinued Operations) and deemed the assets to meet the criteria for being held for sale prior to year end. The Group has consequently disclosed CCS Logistics as a discontinued operation and non-current assets held for sale.

11.2 ASSETS CLASSIFIED AS HELD FOR SALE

	2022 R'000	2021 R'000
Opening balance	–	7 503
Reclassified from plant and equipment and vehicles	**8 712**	–
Disposal of asset	–	(7 503)
Assets held for sale as part of discontinued operation (see below)	**370 255**	–
Carrying amount of assets held for sale at 30 September	**378 967**	–

11. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS continued

11.3 STATEMENT OF COMPREHENSIVE INCOME OF THE DISCONTINUED OPERATION

2022	Note	Commercial cold storage and logistics	Intercompany eliminations[1]	Commercial cold storage and logistics Discontinued operation (consolidated)
		R'000	R'000	R'000
Revenue		367 350	(77 698)	289 652
Gross profit		367 350	(77 698)	289 652
Overhead expenditure		(327 396)	43 312	(284 084)
Net foreign exchange gain		2	–	2
Operating profit before other operating items		39 956	(34 386)	5 570
Other operating items	7	(1 107)	–	(1 107)
Operating profit		38 849	(34 386)	4 463
Net Interest income/ (expense)		4 087	(15 067)	(10 981)
Profit / (loss) before taxation		42 936	(49 453)	(6 518)
Taxation expense		(15 980)	–	(15 980)
Profit / (loss) after taxation from discontinued operations		26 956	(49 453)	(22 498)

[1] *Intercompany transactions include revenue earned by CCS Logistics in respect of storage and logistics for other companies within the Group as well as support service expenses incurred and paid to Oceana Group Limited. These transactions occur in the ordinary course of business and will continue after the completion of the sale of CCS Logistics. The terms of the contract will be subject to market related conditions.*

2021	Commercial cold storage and logistics	Intercompany eliminations[1]	Commercial cold storage and logistics Discontinued operation (consolidated)
	R'000	R'000	R'000
Revenue	416 168	(78 638)	337 530
Gross profit	416 168	(78 638)	337 530
Overhead expenditure	(333 797)	51 177	(282 620)
Net foreign exchange gain	67	–	67
Operating profit before other operating items	82 438	(27 461)	54 977
Other operating items	27 273	–	27 273
Operating profit	109 711	(27 461)	82 250
Net Interest income/ (expense)	1 020	(10 309)	(9 289)
Profit before taxation	110 731	(37 770)	72 961
Taxation expense	(30 046)	–	(30 046)
Profit after taxation from discontinued operations	80 685	(37 770)	42 915

[1] *Intercompany transactions includes revenue earned by CCS Logistics in respect of storage and logistics for other companies within the Group as well as support service expenses incurred and paid to Oceana Group Limited. These transactions occur in the ordinary course of business and will continue after the completion of the sale of CCS Logistics.*

11. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS continued

11.4 STATEMENT OF FINANCIAL POSITION OF THE DISCONTINUED OPERATION

	2022
	R'000
ASSETS	
Non-current assets	
Property, plant and equipment	227 806
Right-of-use assets	93 020
Goodwill and intangible assets	140
Total non-current assets	320 966
Current assets	
Inventories	8 025
Trade and other receivables	39 055
Taxation receivable	1 810
Cash and cash equivalents	399
Total current assets	49 289
Total assets	370 255
LIABILITIES	
Non-current liabilities	
Deferred taxation	9 288
Lease liabilities	86 908
Provisions	2 442
Liability for share-based payments	767
Total non-current liabilities	99 405
Current liabilities	
Lease liabilities	26 446
Trade and other payables	55 793
Taxation payable	643
Total current liabilities	82 882
Total liabilities	182 287

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

	2022	2021
	R'000	R'000
Net cash inflow / (outflow) from operating activities	69 192	(14 814)
Net cash (outflow) / inflow from investing activities	(41 964)	41 339
Net cash outflow from financing activities	(28 448)	(32 650)
Net decrease in cash and cash equivalents	(1 220)	(6 125)
Cash and cash equivalents at the beginning of the year	848	(776)
Effect of exchange rate changes	772	7 749
Cash and cash equivalents at end of the year	400	848

[1] *Cash flows from discontinued operations have been included in the consolidated statement of cash flows.*

12. EARNINGS AND HEADLINE EARNINGS PER SHARE

12.1 CALCULATION OF WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

	2022 Shares	2021 Shares
Weighted average number of ordinary shares	**130 431 804**	130 431 804
Less: weighted average number of Treasury shares held by:		
Oceana Empowerment Trust (OET)	**(228 051)**	(7 091 490)
Lucky Star Limited	**(264 395)**	(288 400)
Oceana Group Share Trust	**(16 500)**	(16 500)
Oceana Saam-Sonke Trust	**(7 825 908)**	(4 180 965)
Oceana Stakeholder Empowerment Trust (OSET)	**(652 159)**	(348 414)
Weighted average number of ordinary shares used in the calculation of basic earnings and headline earnings per share	**121 444 791**	118 506 035
Shares deemed to be issued for no consideration in respect of unexercised share options	**79 251**	8 704 893
Weighted average number of ordinary shares used in the calculation of diluted earnings and diluted headline earnings per share	**121 524 042**	127 210 928

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

The OSET was also established in March 2021 and subscribed for 652 159 shares in Oceana Group Limited at a cost of 1 cent per share. No allocations have been made to beneficiaries as at year end 30 September 2022.

A total of 238 796 shares (2021: 288 400 shares) is held by Lucky Star Limited, and was purchased on the open market at an average price of R53.26 (2021: R58.32) per share for the purposes of the Group's forfeitable share plan allocation.

12. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

12.2 DETERMINATION OF HEADLINE EARNINGS

	2022		Restated 2021	
	Gross of tax	Net of tax and non-controlling interests	Gross of tax	Net of tax and non-controlling interests
	R'000	R'000	R'000	R'000
Profit after taxation from continuing operations		**732 318**		676 280
Loss / (profit) after tax from discontinued operations[1]		**24 147**		(38 177)
Earnings from continuing operations		**756 465**		638 103
Adjusted for:				
Impairment of property, plant and equipment and intangible assets	**–**	**–**	(1 150)	(1 150)
Joint venture and associate (profit) / loss on disposal of vessels	**308**	**308**	1 028	699
Insurance proceeds on capital items	**(7 975)**	**(4 307)**	–	–
Net profit on disposal of property, plant and equipment	**(573)**	**(687)**	(3 441)	(2 284)
Loss on deemed disposal of joint venture	**8 520**	**8 520**	–	–
Headline earnings for the year attributable to the shareholders of the parent from continued operations		**760 299**		635 368
Earnings from discontinued operations				
(Loss) / profit from discontinued operations after tax		**(24 147)**	–	38 177
Net profit on disposal of non-current asset held for sale		**–**	(27 684)	(21 808)
Headline earnings for the year attributable to the shareholders of the parent from discontinued operations		**(24 147)**		16 369
Headline earnings for the year		**736 152**		651 737
Headline earnings per share (cents)				
– Basic		**606.2**		550.0
Continuing operations		**626.0**		536.2
Discontinued operations		**(19.8)**		13.8
– Diluted		**605.8**		512.3
Continuing operations		**625.6**		499.5
Discontinued operations		**(19.8)**		12.8

[1] *This amount includes a non-controlling interest profit adjustment in CCS of R1.6 million (2021: 4.7 million).*

13. DIVIDENDS

	2022	2021
	R'000	R'000
Final dividend of 248 cents per share was declared on 9 March 2022 paid 4 April 2022 (2021: 293 cents)	**302 833**	342 296
Interim of 55 cents per share declared on 21 June 2022 paid 27 June 2022 (2021: 110 cents)	**62 777**	131 710
Dividends paid during the year	**365 610**	474 006
Dividends declared after the reporting date and not accrued		
Final dividend of 291 cents (2021: 248 cents) declared on 5 December 2022 (2021: 9 March 2022)	**353 856**	302 833
Dividends per share (cents)	**346.0**	358.0
– Interim paid	**55.0**	110.0
– Final declared after reporting date	**291.0**	248.0

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings	Leasehold land and buildings	Plant, equipment and vehicles	Fishing vessels and nets	Total
	R'000	R'000	R'000	R'000	R'000
2021					
Cost	977 968	100 925	1 955 719	712 956	3 747 568
Accumulated depreciation and impairment losses	(336 918)	(44 208)	(1 085 323)	(445 646)	(1 912 095)
Restated net book value at 1 October 2020	641 050	56 717	870 396	267 310	1 835 473
Movements for the year					
Additions	91 690	13 613	141 012	106 237	352 552
Disposals – cost	(556)	(19 062)	(44 587)	(32 793)	(96 998)
Disposals – accumulated depreciation	(116)	1 597	37 650	32 331	71 462
Depreciation	(18 745)	(1 978)	(94 720)	(59 833)	(175 276)
Foreign exchange movement on translation	(52 091)	2 138	(60 326)	–	(110 279)
Restated balance at 30 September 2021	661 232	53 025	849 425	313 252	1 876 934
Made up as follows:					
Cost	1 017 011	97 614	1 930 961	786 400	3 831 986
Accumulated depreciation and impairment losses	(355 779)	(44 589)	(1 081 536)	(473 148)	(1 955 052)
Restated net book value at 30 September 2021	661 232	53 025	849 425	313 252	1 876 934
2022					
Movements for the year					
Additions	**17 932**	**4 616**	**107 294**	**115 558**	**245 400**
Disposals – cost	**(1 014)**	**(380)**	**(40 923)**	**(71 595)**	**(113 912)**
Disposals – accumulated depreciation	**677**	**380**	**38 893**	**67 318**	**107 268**
Depreciation	**(22 756)**	**(2 392)**	**(100 651)**	**(81 549)**	**(207 348)**
Foreign exchange movement on translation	**96 851**	**986**	**96 309**	**–**	**194 146**
Transfer to assets held for sale	**(114 980)**	**(7 535)**	**(106 130)**	**(8 457)**	**(237 102)**
Balance at 30 September 2022	**637 942**	**48 700**	**844 217**	**334 527**	**1 865 386**
Made up as follows:					
Cost	**1 016 754**	**74 356**	**1 950 397**	**801 311**	**3 842 818**
Accumulated depreciation and impairment losses	**(378 812)**	**(25 656)**	**(1 106 180)**	**(466 784)**	**(1 977 432)**
Net book value at 30 September 2022	**637 942**	**48 700**	**844 217**	**334 527**	**1 865 386**

Refer to note 6 for details of segmental assets.

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

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

The cost of fully depreciated assets still in use amounts to R383 million (2021: R389 million). The 2021 value has been restated as a result of a prior period error.

15. RIGHT-OF-USE ASSETS

	2022 R'000	Restated 2021 R'000
Cost	**275 029**	209 727
Accumulated depreciation and impairment losses	**(73 747)**	(33 912)
Opening balance at 1 October	**201 282**	175 815
Movements for the year		
New leases contracted into during the year[1]	**–**	68 926
Lease re-assessments/modifications[2]	**9 128**	3 795
Depreciation (note 5)	**(37 989)**	(41 968)
Disposal – Cost	**(2 154)**	(1 166)
Disposal – Accumulated depreciation	**2 154**	1 166
Foreign exchange movement on translation	**4 607**	(5 286)
Transfer to assets held for sale	**(93 020)**	–
Net book value at 30 September	**84 008**	201 282
Made up as follows:		
Cost	**152 806**	275 029
Accumulated depreciation and impairment losses	**(68 798)**	(73 747)
Net book value at 30 September	**84 008**	201 282

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

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

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

16. GOODWILL AND INTANGIBLE ASSETS

	Goodwill	Trademark	Intellectual property	Fishing rights	Customer relations	Non-competes	Computer software	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2021								
Cost	4 035 888	281 799	1 020 008	171 510	58 621	115 567	138 662	5 822 055
Accumulated amortisation	–	(58 172)	–	(113 450)	(50 725)	(103 488)	(56 650)	(382 485)
Accumulated impairment	(1 276)	–	–	–	–	–	–	(1 276)
Restated net book value at 1 October 2020	4 034 612	223 627	1 020 008	58 060	7 896	12 079	82 012	5 438 294
Movements for the year								
Additions	–	–	–	–	–	–	3 753	3 753
Amortisation for the year	–	–		(3 580)	(7 052)	(2 243)	(8 130)	(21 005)
Trademark written-off	–	(866)	–	–	–	–	–	(866)
Impairment for the year	–	–	–	–	–	–	(2 369)	(2 369)
Foreign exchange movement on translation	(391 986)	(21 986)	(100 668)	–	(844)	(1 213)	–	(516 697)
Restated balance at 30 September 2021	3 642 626	200 775	919 340	54 480	–	8 623	75 266	4 901 110
Made up as follows:								
Cost	3 643 902	245 742	919 340	161 903	52 836	104 162	141 144	5 269 029
Accumulated amortisation	–	(44 967)	–	(107 423)	(52 836)	(95 539)	(63 509)	(364 274)
Accumulated impairment	(1 276)	–	–	–	–	–	(2 369)	(3 645)
Restated net book value at 30 September 2021	3 642 626	200 775	919 340	54 480	–	8 623	75 266	4 901 110
Movements for the year								
Additions	**–**	**750**	**–**	**–**	**–**	**–**	**5 615**	**6 365**
Amortisation for the year	**–**	**–**	**–**	**(3 580)**	**–**	**(2 386)**	**(8 739)**	**(14 705)**
Foreign exchange movement on translation	**725 116**	**40 669**	**186 220**	**–**	**–**	**1 409**	**–**	**953 414**
Transfer to assets held for sale	**–**	**–**	**–**	**–**	**–**	**–**	**(140)**	**(140)**
Balance at 30 September 2022	**4 367 742**	**242 194**	**1 105 560**	**50 900**	**–**	**7 646**	**72 002**	**5 846 044**
Made up as follows:								
Cost	**4 369 018**	**287 161**	**1 105 560**	**161 904**	**63 538**	**125 260**	**137 910**	**6 250 351**
Accumulated amortisation	**–**	**(44 967)**	**–**	**(111 004)**	**(63 538)**	**(117 614)**	**(63 539)**	**(400 662)**
Accumulated impairment	**(1 276)**	**–**	**–**	**–**	**–**	**–**	**(2 369)**	**(3 645)**
Net book value at 30 September 2022	**4 367 742**	**242 194**	**1 105 560**	**50 900**	**–**	**7 646**	**72 002**	**5 846 044**

Amortisation of intangible assets of R3.6 million (2021: R3.6 million) is included in cost of sales and R11.1 million (2021: R17.4 million) is included in overhead expenditure in profit and loss.

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

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

16. GOODWILL AND INTANGIBLE ASSETS continued

TRADEMARKS

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

INTELLECTUAL PROPERTY

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

The Daybrook US Dollar-denominated term loan is secured by a first-priority perfected security interest in substantially all of the tangible and intangible assets of the Oceana US Holdings Inc., Daybrook Investors Inc., Daybrook Holdings Inc. and Daybrook Fisheries Inc. Refer to note 24.

During the prior year computer software to the value of R2.4 million was impaired within the canned fish and fishmeal (Africa) CGU by the Group as it was no longer in use.

ALLOCATION OF GOODWILL AND INTANGIBLE ASSETS

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

	Goodwill		Trademarks		Intellectual property	
	2022	Restated 2021	**2022**	Restated 2021	**2022**	Restated 2021
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Foodcorp business combination						
Canned fish and fishmeal (Africa)	**17 669**	17 669	**–**	–	**–**	–
Horse mackerel, hake, lobster and squid	**45 166**	45 166	**–**	–	**–**	–
Daybrook business combination						
Fishmeal and fish oil (USA)	**4 304 907**	3 579 791	**241 444**	200 775	**1 105 560**	919 340
Other goodwill and intangible acquisitions						
Canned fish and fishmeal (Africa)			**750**			
	4 367 742	3 642 626	**242 194**	200 775	**1 105 560**	919 340

	Fishing rights		Customer relations		Non-competes	
	2022	Restated 2021	**2022**	Restated 2021	**2022**	Restated 2021
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Foodcorp business combination						
Canned fish and fishmeal (Africa)	**27 830**	29 783	**–**	–	**–**	–
Horse mackerel, hake, lobster and squid	**250**	276	**–**	–	**–**	–
Daybrook business combination						
Fishmeal and fish oil (USA)	**–**	–	**–**	–	**7 646**	8 623
Other fishing rights acquired						
Horse mackerel, hake, lobster and squid	**22 820**	24 421	**–**	–	**–**	–
	50 900	54 480	**–**	–	**7 646**	8 623

16. GOODWILL AND INTANGIBLE ASSETS continued

FOODCORP

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

The recoverable amount of each of these intangibles is determined based on a value-in-use calculation using approved cash flow forecasts, covering a period of five years, after which a terminal value was applied. When determining the assumptions, consideration is given to the impact of external market factors, such as resource biomass, changes in market demand and pricing as well as internal factors relating to current operating conditions and production trends. The assessment also took into account the impact of the recovery from the Covid-19 pandemic and the recovery of the SA pilchard resource.

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

The present value of the expected future cash flows is determined using pre-tax discount rates. The discount rates were derived from the weighted average cost of capital (WACC) for comparable entities, based on market data and include appropriate adjustments relating to market risk and specific risk factors for each CGU as required. Discount rates of between 14.8% and 17.1% (2021: between 11.5% and 12.6%) was applied.

Long-term growth rate of between 2% and 3% (2021: 3%) were used in calculating the terminal value, and was based on the longer-term core inflation expectations of the SA economy.

AREAS OF JUDGEMENT

- Canned fish and fishmeal (Africa)

  Production input volumes for 2023 were rebased to normal historic average levels and projected forward using a movement of 7% to 16% (2021: -6% and 8%) factoring in future expected biomass of the resource, the related SA TAC, the recovering pilchard resource and potential adjustments to future quota allocations. Yields have been based on historic averages adjusted for the expected impact of change in SA pilchard catches.

  Sales price increases of between 2.5 % and 4% (2021: 1.4% and 2.5%) p.a. have been applied from 2023 onwards off a normalised 2022 base, except for an additional increase of 9.9% (2021: 7.0%) to fishmeal pricing in 2024 due to the impact of budgeted capital expenditure on increased product quality.

  The average forecasted gross margin is 6.5% (2021:between 4.9% and 9.8%) for the canned fish operation and 30.8% (2021: between 23.6% and 34.4%) for fishmeal operations.

  The Group estimates that an impairment would be triggered if the discount rate increased by 10.8% (2021: 19.5%) or the margins declined by more than 2.5% (2021: 4.3%).

- Horse mackerel, hake, lobster and squid

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

  Sales price increase of between 6.0% and 8.0% (2021: 5.0% and 10.0%) p.a. have been applied from 2023 onwards off a normalised 2020 base, and is attributable to the recovery of both local and foreign pricing respectively, while the catch mix is in line with historical catches.

  Gross margins are based on the average forecast gross margin and were between 34.3% and 36.8% (2021: 34.7% and 37.7%) in line with historic averages.

  The Group estimates that an impairment would be triggered if the discount rate increased by 14.2% (2021: 29.6%) or the margins declined by more than 8.0% (2021: 15.0%).

DAYBROOK

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

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

16. GOODWILL AND INTANGIBLE ASSETS continued

The main areas of judgement applied in determining the recoverable amount of the CGU, relate to fish catch, production yields, sales pricing and their impact on margins along with the weighted average cost of capital. After considering the state of the biomass, stable fish catch volumes were assumed from 2023 onwards and production yields were based on historical averages.

The present value of the expected future cash flows of the CGU was determined using pre-tax discount rate of 9.8% (2021: 8.0%). The discount rate was derived from the WACC for comparable entities, based on market data and includes appropriate adjustments relating to market risk and specific risk factors for the CGU.

Long-term growth rates are based on the longer term inflation and currency expectations in each geographical area. A long-term growth rate of 2.13% (2021: 2.4%) has been used based on the 10-year forecast mean US CPI inflation rate per the June 2022 Livingston survey. Management have considered and assessed reasonably possible changes to the long-term growth rate by adjusting the cash flows of the Group of CGUs and have not identified any instances that could cause the carrying amount of the CGUs to exceed its recoverable amount.

AREAS OF JUDGEMENT

Production input volumes have been based on the average of the last 6 years historic landings pattern ensuring cyclical fluctuations are taken into account. Production yields have been based on a historic averages adjusted downwards by 0.5% (2021: 1.5%).

The sales price assumption for 2023 was adjusted downwards by up to 17.6% (2021: 0.8% and 6.9%) and thereafter increases have been based on 5 year historic compound annual growth rates of 2.5% (2021: between 0.5% and 1.5%) p.a.

Gross margins are based on the average forecast gross margin for the forecast period, and are between 32.4% and 36.4% (2021: 36.7% and 39.4%) for fishmeal and fish oil (USA) business.

The Group estimates that an increase in the discount rate of 1.4% (2021: 1.6%) or a decrease in the long term growth rate of 1.8% (2021: 2.0%) would result in the aggregate carrying value of the CGU exceeding the recoverable amount. It is further estimated that if the assumed margins decline by more than 3.9% (2021: 3.7%) the CGU carrying amount would exceed its recoverable amount.

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

17. INTEREST IN JOINT VENTURES AND ASSOCIATE

	2022	Restated 2021
	R'000	**R'000**
Interest in joint ventures	**60 882**	70 919
Interest in associate	**244 756**	177 173
Total interest in joint ventures and associate	**305 638**	248 092

The primary activities of each entity are as follows:

Canned fish and fishmeal (Africa) CGU:

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

Horse mackerel, hake, lobster and squid CGU:

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

Fishmeal and fish oil (USA) CGU:

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

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

17. INTEREST IN JOINT VENTURES AND ASSOCIATE continued

2022	Etosha Fisheries Holding Company Proprietary Limited (joint venture)	Oceana Peche International Limited (joint venture)	Oceana Boa Pesca Limitada (joint venture)	MFV Romano Paulo Vessel Company Proprietary Limited (joint venture)	Westbank Fishing Limited Liability Company (associate)	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Statement of comprehensive Income						
Group's ownership interest in the joint ventures and associate	44.9%	0.0%	0.0%	35.0%	25.0%	
Operating results (100%)						
Revenue	223 324	–	–	52 867	1 026 211	1 302 402
Operating (loss) / profit	(1 371)	–	–	123	161 109	159 861
Interest income	(1 652)	–	–	(123)	17 739	15 964
Interest expense	(663)	–	–	–	(21 282)	(21 945)
(Loss) / profit before taxation	(3 686)	–	–	–	157 566	153 880
Taxation expense	(9 731)	–	–	–	–	(9 731)
(Loss) / profit after taxation	(13 417)	–	–	–	157 566	144 149
Total comprehensive (loss) / income	(13 417)	–	–	–	157 566	144 149
Group Share of joint ventures and associate (loss) / profit*	(10 362)	–	–	–	28 227	17 865
The above (loss) / profit for the year includes the following:						
Depreciation (100%)	3 057	–	–	–	91 710	94 767
Statement of financial position (100%)						
Non-current assets	63 193	–	-	984	1 236 337	1 300 514
Current assets	149 008	-	-	23 421	503 020	675 449
Non-current liabilities	(4 421)	-	-	(5 838)	(480 140)	(490 399)
Current liabilities	(64 765)	-	-	(18 563)	(280 194)	(363 522)
Net assets / (liabilities) of joint ventures and associate	143 015	–	–	4	979 023	1 122 042
Applied to other long-term interests joint ventures and associate	–	–	–	–	–	–
Carrying amount of Group's interest in joint ventures and associate	60 881	–	–	1	244 756	305 638
The above amounts includes the following:						
Cash and cash equivalents	–	-	-	930	248 227	249 157
Non-current liabilities	(2 100)	–	-	–	(507 658)	(509 758)
Current financial liabilities (excluding trade and other payables and provisions)	(539)	–	-	–	(38 403)	(38 942)

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

17. INTEREST IN JOINT VENTURES AND ASSOCIATE continued

Restated 2021	Etosha Fisheries Holding Company Proprietary Limited (joint venture)	Oceana Peche International Limited (joint venture)	Oceana Boa Pesca Limitada (joint venture)	MFV Romano Paulo Vessel Company Proprietary Limited (joint venture)	Westbank Fishing Limited Liability Company (associate)	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Restated Statement of comprehensive Income						
Group's ownership interest joint ventures and associate	44.9%	50.0%	50.0%	35.0%	25.0%	
Operating results (100%)						
Revenue	196 281	–	–	46 348	490 818	733 447
Operating (loss)/profit	(9 645)	2 608	–	39	(56 054)	(63 052)
Interest income	659	–	–	–	17 048	17 707
Interest expense	(87)	–	–	(39)	(18 950)	(19 076)
Loss before taxation	(9 073)	2 608	–	–	(57 956)	(64 421)
Taxation expense	5 428	–	–	–	–	5 428
(Loss) / profit after taxation	(3 645)	2 608	–	–	(57 956)	(58 993)
Total comprehensive (loss) / profit	(3 645)	2 608	–	–	–	(1 037)
Group Share of joint ventures and associate (loss) / profit*	(1 636)	1 304	–	–	(9 915)	(10 247)
The above loss for the year include the following:						
Depreciation (100%)	3 269	–	–	–	62 090	65 359
Restated Statement of financial position (100%)						
Non-current assets	72 475	–	22 807	323	1 086 173	1 181 778
Current assets	105 986	260	745	20 795	253 139	380 925
Non-current liabilities	(2 646)	–	(65 052)	(5 500)	(476 025)	(549 223)
Current liabilities	(17 869)	(157)	(20 794)	(15 615)	(154 597)	(209 032)
Net assets / (liabilities) of joint ventures and associate	157 946	103	(62 294)	3	708 690	804 448
Effect of adjustments in prior years	–	–	18 043	–	–	18 043
Applied to other long-term interests due from joint ventures and associate	–	–	13 104	–	–	13 104
Change in ownership	–	(103)	–	–	–	(103)
Carrying amount of Group's interest in joint ventures and associate	70 918	–	–	1	177 173	248 092
The above amounts includes the following:						
Cash and cash equivalents	34 197	260	454	3 269	105 817	143 997
Non-current liabilities	(2 646)	–	(65 052)	–	(476 025)	(543 723)
Current financial liabilities (excluding trade and other payables and provisions)	(540)	–	(16 103)	–	(154 597)	(171 240)

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

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

17. INTEREST IN JOINT VENTURES AND ASSOCIATE continued

The results of Oceana Peche International have been included for 5 months until February 2021 as an equity accounted joint venture. The Group increased its interest to 100% in February 2022 and accounted for it as a subsidiary. Oceana Peche International Limited and Oceana Boa Pesca Limitada were both deregistered at year end.

Details of subsidiary, joint ventures and associate companies are set out in note 42 of these consolidated annual financial statements. Details of material subsidiaries with non-controlling interests are set out in note 33.

18. DEFERRED TAXATION

	2022 R'000	Restated 2021 R'000
Deferred taxation assets	**13 649**	6 661
Deferred taxation liabilities	**(642 154)**	(500 222)
Net deferred tax liabilities	**(628 505)**	(493 561)
Net liabilities at the beginning of the year	**(493 561)**	(513 236)
Income tax related to profit recognised in equity	**(24 304)**	(7 542)
Foreign exchange movement on translation	**(88 226)**	43 662
Share options	**1 454**	–
Rate change adjustment[3]	**3 073**	–
Credited to the statement of comprehensive income	**(36 229)**	(16 445)
Transfer to assets held for sale	**9 288**	–
Net liabilities at the end of the year	**(628 505)**	(493 561)
Comprising:		
Hurricane relief funds and insurance[1]	**(40 448)**	(37 492)
Deferred compensation	**6 083**	7 553
Property, plant and equipment	**(261 302)**	(257 081)
Right-of-use asset	**(18 046)**	(51 812)
Intangible assets	**(291 575)**	(245 014)
Estimated taxation loss	**5 503**	13 533
Provisions and other credit balances	**44 510**	47 131
Lease Liabilities	**29 656**	70 787
Fair value adjustments	**(27 958)**	(23 248)
Unutilised capital losses[2]	**–**	18 290
Deferred gains and losses on foreign currency contracts	**457**	–
Allowances, prepayments and other	**(75 385)**	(36 208)
	(628 505)	(493 561)

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

2. USA federal capital losses from settlement of put option in USA, available for set-off against future taxable gains.

3 The change in the tax rate was substantively enacted on 23 February 2022, effective for years ending on or after 31 March 2023. As at 30 September 2022, current tax is determined using a tax rate of 28%, as that is the rate enacted for the current reporting period. As 30 September 2023, current tax will be determined using a tax rate of 27%.

Deferred tax has been calculated at the standard corporate tax rate as at the reporting date taking into account the change in tax rate effective 1 March 2023, as management expects to recover the carrying value of assets and settle the carrying value of liabilities through use.

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

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

19. INVESTMENTS AND LOANS

	2022 R'000	Restated 2021 R'000
Loans to supply partners	**177 406**	93 667
Other investments	**464**	710
Total investments and other receivables	**177 870**	94 377

Loans to supply partners relates to amounts owing by Group companies. Included in the amount, is a secured loan amounting to R75m which bears interest at prime plus 2% repayable by 30 November 2025. Remaining loans are unsecured and are interest-free with no specified repayment terms. A loss allowance of R1.4 million was raised (2021: R1.4 million) in line with the expected credit loss (ECL).

EXPECTED CREDIT LOSS ALLOWANCE

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

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

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

	2022 R'000	Restated 2021 R'000
ECL allowance as at 1 October	**1 422**	1 358
ECL recognised during the year	**–**	64
Closing ECL allowance as at 30 September	**1 422**	1 422
Movement in investments and other loans		
Balance at the beginning of the year	**94 377**	84 910
Advances to supply partners	**3 300**	2 850
Interest capitalised	**9 339**	8 205
Loans repaid	**(6 269)**	(6 632)
Transferred from other receivables	**77 369**	5 108
Movement on provisions this year	**–**	(64)
Increase in other investments	**(246)**	–
Balance at the end of the year	**177 870**	94 377

20. INVENTORIES

	2022 R'000	Restated 2021 R'000
Raw materials	350 931	181 011
Finished goods	1 747 391	705 467
Consumable stores and work-in-progress	189 681	144 905
Inventory obsolescence provision	(9 219)	(9 426)
Transfer to assets held for sale	(8 025)	–
Total	2 270 759	1 021 957

During the year, inventory valued at R21.7 million (2021: R113.0 million) was written-off and reflected in cost of sales excluding R10.7 million (2021: R9.7 million) of inventory loss relating to hijackings, short deliveries and which were recovered from third party transporters. During the prior year the amount included R86.1 million written-off as a result of theft during the civil unrest in KwaZulu-Natal and Gauteng and R17.3 million relating to damaged and obsolete stock which had largely been provided for in prior years.

Finished goods include inventory held at net realisable value of Rnil (2021: Rnil).

21. TRADE AND OTHER RECEIVABLES

	2022 R'000	Restated 2021 R'000
Net trade receivables	1 210 323	951 573
Gross trade receivables net of rebates and trade allowances	1 215 915	957 440
Less: allowance for credit notes	(720)	(2 452)
Less: expected credit losses on trade receivables	(4 872)	(3 415)
Net short-term loans and advances	11 667	9 137
Gross short-term loans and advances	11 751	9 166
Less: expected credit losses on loans and advances	(84)	(29)
Amount owing by foreign suppliers	39 914	7 494
Accrued income and other receivables	55 242	55 171
Insurance claims receivable	–	144 827
Forward exchange revaluation asset	16 607	10 645
Transfer to assets held for sale	(30 141)	–
Financial assets	1 303 612	1 178 847
Other	15 289	51 348
Prepayments	170 955	138 346
Value added taxation	112 990	74 958
Transfer to assets held for sale	(8 914)	–
Non-financial assets	290 320	264 652
Total	1 593 932	1 443 499

21. TRADE AND OTHER RECEIVABLES continued

EXPECTED CREDIT LOSS AND CONCENTRATION OF CREDIT

	2022 R'000	Restated 2021 R'000
Movement in expected credit loss allowance for trade receivables		
Balance at the beginning of the year	**3 415**	7 342
Amounts written off	**–**	(479)
Impairment losses recognised / (reversed)	**563**	(3 448)
Balance at the end of the year	**3 978**	3 415
Concentration of credit risk in trade receivables		
By geographical region		
South Africa and Namibia	**412 004**	410 224
Other Africa	**34 594**	46 463
Europe	**538 828**	270 852
America	**204 422**	210 613
Far East and other	**20 475**	13 421
Net trade receivables	**1 210 323**	951 573
By customer sector		
SA domestic FMCG, wholesale, retail (JSE-listed or insured) and export	**484 126**	475 324
USA Domestic FMCG, wholesale, retail and export	**634 825**	357 964
Cold storage (secured by lien)	**30 141**	36 668
Exports/ cash with documents	**50 002**	74 709
Open account	**11 229**	6 908
Net trade receivables	**1 210 323**	951 573
By segment		
Canned fish and fishmeal (Africa)	**513 198**	411 666
Fishmeal and fish oil (USA)	**634 825**	362 488
Horse mackerel, hake, lobster and squid	**32 159**	140 751
Commercial cold storage and logistics	**30 141**	36 668
Net trade receivables	**1 210 323**	951 573
Movement in provisions for loans and advances		
Balance at the beginning of the year	**29**	2 360
Impairment losses recognised / (reversed)	**55**	(2 331)
Balance at the end of the year	**84**	29

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

All trade receivables and short-term loans and advances which are considered irrecoverable are written off. The carrying value of accounts receivable approximates their fair value.

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

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

21. TRADE AND OTHER RECEIVABLES continued

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

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

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

At 30 September 2022, the Group has assessed the expected credit losses for trade receivables, loans and advances, amounts owing by foreign suppliers and other receivables, factoring in the financial uncertainty as we emerge from the Covid-19 pandemic, management have increased the expected loss rates for trade receivables and loans and advances based on their assessment of the level of exposure. The Group has also determined that the expected credit loss for amounts owing by foreign suppliers is insignificant.

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

21.1 CREDIT RISK ASSESSMENT

	2022			Restated 2021		
	Trade receivables[1]	**Expected credit loss**	**Expected credit loss rate**	Trade receivables[1]	Expected credit loss	Expected credit loss rate
	R'000	**R'000**	**%**	**R'000**	**R'000**	**%**
Ageing of trade receivables provided for:						
Within due date	**1 115 991**	**1 423**	**0.13%**	866 022	534	0.06%
30 days	**64 564**	**159**	**0.25%**	48 927	86	0.18%
60 days	**31 600**	**765**	**2.42%**	36 859	618	1.68%
90 days	**544**	**379**	**69.67%**	737	96	13.03%
120 days and over	**2 496**	**2 146**	**85.98%**	2 443	2 081	85.18%
	1 215 195	**4 872**	**0.40%**	954 988	3 415	0.36%

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

The Group applied the simplified approach in calculating ECLs on trade receivables. Trade receivables are assessed collectively in groups that share similar credit risk characteristics. The Group has established a provision matrix based on its historical credit loss experienced, adjusted for forward-looking factors specific to the debtors and economic environment. Forward-looking assumptions include the relative uncertainty of the social and economic impacts of Covid-19, loadshedding, increase in fuel prices and cost of living and potential future civil unrests.

The granting of credit is controlled by application and credit-vetting procedures which are reviewed and updated on an ongoing basis. Credit risk is reduced by other measures depending on the nature of the customer and market. Credit exposure relating to the domestic fast-moving consumer goods (FMCG) retail market, other than JSE-listed and USA domestic customers, is largely covered by credit guarantee insurance. Credit Guarantee Insurance Cover (CGIC) will settle a percentage of the lower of the credit limit approved by CGIC or the amount outstanding at the bad debt date subject to certain criteria, including strict adherence to CGIC procedures in the event of a customer paying after payment due date. 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 where we act as a principal in this relationship. Individual customer/supplier default risks as well as country risks are closely monitored.

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

21. TRADE AND OTHER RECEIVABLES continued

21.2 ALLOWANCE FOR CREDIT NOTES

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

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

22. SHARE CAPITAL

22.1 SHARE CAPITAL

	2022 Shares	2021 Shares
Authorised ordinary shares of no par value	300 000 000	300 000 000
Issued ordinary shares of no par value	(130 431 804)	(130 431 804)
Unissued shares	**169 568 196**	169 568 196

The unissued ordinary shares are under the control of the directors who may issue them on such terms and conditions as they deem fit, limited to 5%, until the company's next annual general meeting.

22.2 ISSUED SHARE CAPITAL

	2022 R'000	2021 R'000
Opening balance	1 222 388	1 200 493
Add: decrease in OET treasury shares held by share trust	2 339	30 672
Add: treasury shares purchased allocated to beneficiaries	122	–
Less: shortfall on vesting of equity settled share-based payments	–	(8 777)
Closing balance	**1 224 849**	1 222 388

22.3 TREASURY SHARES COMPRISE SHARES HELD BY:

	2022 Shares	2021 Shares
Oceana Empowerment Trust (OET)	109 071	262 521
Lucky Star Limited	238 796	288 400
Oceana Group Share Trust	16 500	16 500
Saam-Sonke Trust	7 825 908	7 825 908
Oceana Stakeholders Empowerment Trust	652 159	652 159
Closing balance	**8 842 434**	9 045 488
Opening balance	9 045 488	13 685 206
Treasury shares held by OET sold on behalf of death beneficiaries (note 31.1)	(70 799)	(143 799)
Treasury shares cancelled	–	(8 478 067)
Treasury shares sold by Lucky Star Limited in the open market	(49 604)	–
Treasury shares issued to Saam-Sonke Trust (note 31.7)	–	7 825 908
Treasury shares issued to OSET (note 31.7)	–	652 159
Treasury shares sold to the open market on behalf of OET beneficiaries (note 31.1)	–	(4 292 214)
Treasury shares transferred to employee beneficiaries (note 31.1)	(82 651)	(203 705)
Closing balance	**8 842 434**	9 045 488

The value of the treasury shares included in share capital is R0.2 million (2021: R2.6 million).

23. CASH FLOW HEDGING RESERVE

	2022 R'000	Restated 2021 R'000
Opening balance	**(31 778)**	(76 223)
Movement on the cash flow hedge reserve	**101 572**	44 445
Profit recognised on cash flow hedges	**122 275**	39 493
Transferred from profit or loss	**3 656**	14 248
Transferred to initial carrying amount of hedged item	**–**	(2 558)
Income tax related to gain recognised in equity	**(23 591)**	(3 575)
Income tax related to amounts transferred to profit or loss	**(768)**	(3 163)
Closing balance	**69 794**	(31 778)

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

24. BORROWINGS

	2022 R'000	Restated 2021 R'000
South African Rand-denominated loans	**1 172 847**	1 248 682
USA dollar-denominated term loan	**1 811 510**	1 614 889
Total borrowings	**2 984 357**	2 863 571
Reconciliation of total borrowings:		
Opening balance	**2 863 571**	3 421 867
Gross loans repaid	**(220 218)**	(373 273)
Interest paid	**(134 915)**	(126 663)
Interest capitalised	**153 547**	130 608
Transaction costs capitalised	**(1 078)**	–
Foreign exchange movement on translation	**323 450**	(188 968)
Closing balance	**2 984 357**	2 863 571
Categorised between non-current and current portions		
Non-current portion of liabilities	**2 686 000**	2 663 792
Current portion of liabilities	**298 357**	199 779
Total borrowings	**2 984 357**	2 863 571
Maturity analysis long-term and current portion		
Due within one year	**298 357**	199 779
Due within two years	**1 809 512**	1 640 097
Due within three years	**75 378**	148 210
Due within four years	**251 110**	75 485
Due within and later than five years	**550 000**	800 000
Total borrowings	**2 984 357**	2 863 571

24. BORROWINGS continued

The South African rand-denominated loans includes term loans of R1 164.8 million (2021: R1 237.7 million) which bear interest at a rate of JIBAR plus average margin of 1.69% (2021: 1.68%) and are repayable through a combination of semi-annual instalments and bullet instalments. The loans were refinanced in the 2021 financial year with the final principal payment due on 15 October 2026. The revolving credit facility of R500m, remains undrawn. The loans are secured by intercompany, guarantees provided by Lucky Star Limited, Blue Continent Products Proprietary Limited, Commercial Cold Storage Proprietary Limited, Erongo Marine Enterprises Proprietary Limited, Amawandle Pelagic Proprietary Limited and Amawandle Hake Proprietary Limited.

The USA dollar-denominated borrowings include R1 811.5 million / USD 100 million (2021: R1 614.9 million / USD 107.0 million) owing by Daybrook The Daybrook borrowings bears interest at a rate of SOFR (2021 LIBOR) plus applicable margin of 2.25% (2021: 3.0%) which varies with the total leverage ratio at the pricing date. The facility is structured as an amortisation payment facility repayable in quarterly instalments with the final payment due on 30 September 2024. The loan is secured by substantially all of the tangible and intangible assets of the Oceana US Holdings Inc., Daybrook Investors Inc., Daybrook Holdings Inc. and Daybrook Fisheries Inc..

In June 2022, as part of the amendments made to the credit facilities, the referenced floating rate index was changed from LIBOR to SOFR. The impact on the USD LIBOR loans was not considered to be material. At year end the change to JIBAR has not yet been determined and the likely impact cannot be calculated at this time.

COVENANTS

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

	2022		2021	
	Required covenant	Achieved	Required covenant	Achieved
Covenants regarding term loans and revolving credit facilities				
South African Rand-denominated term loans				
Net debt: EBITDA cover	**2.75**	**Yes**	2.75	Yes
Interest cover	**3.75**	**Yes**	3.75	Yes
Debt service cover	**1.30**	**Yes**	1.30	Yes
Daybrook USA dollar-denominated term loan				
Net debt: EBITDA cover	**3.25**	**Yes**	4.00	Yes
Fixed cover	**1.25**	**Yes**	1.25	Yes

25. DERIVATIVES

	2022 R'000	Restated 2021 R'000
Derivative asset		
Opening balance	–	–
Profit recognised in other comprehensive income	**111 755**	–
Transfer from derivative liability	**(20 856)**	–
Foreign exchange movement on translation	**12 668**	–
Total derivative assets	**103 569**	–
Categorised between non-current and current portions		
Non-current portion of assets	**103 569**	–
Current portion of assets	–	–
Total derivative assets	**103 569**	–
Derivative liability		
Opening balance	**28 050**	84 790
Profit recognised in other comprehensive income	**(7 194)**	(50 980)
Transfer to derivative asset	**(20 856)**	–
Foreign exchange movement on translation	–	(5 760)
Total derivative liabilities	–	28 050
Categorised between non-current and current portions		
Non-current portion of liabilities	–	20 856
Current portion of liabilities	–	7 194
Total derivative liabilities	–	28 050

In May 2019, interest rate swaps on South African debt were executed with a maturity date of 20 July 2021 and 20 July 2022 at swap rates of between 7.090% and 7.094%. All interest swaps related to South African term debt have matured in full.

Interest rate swaps were executed to hedge interest payable under USA debt facilities on the 4 October 2019 and 29 April 2020 respectively with a maturity date of 27 September 2024. This comprises term debt of R1 812 million (2021: R1 615 million) at a swap rate of between 0.349% and 1.437% (2021: 0.349% and 1.437%).

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

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

26. LEASE LIABILITIES

	2022 R'000	Restated 2021 R'000
Opening balance	**270 270**	249 015
Current year movement		
New leases contracted into during the year	**–**	68 201
Interest	**23 409**	23 873
Lease payments	**(65 860)**	(72 222)
Lease liability amendments/modifications	**9 128**	4 326
Foreign exchange movement on translation	**2 962**	(2 923)
Transfer to assets held for sale	**(113 354)**	–
Closing balance	**126 555**	270 270
Lease liabilities maturity analysis		
Due within one year	**38 148**	67 706
Due within two years	**23 725**	68 079
Due within three years	**20 436**	55 970
Due within four years	**17 285**	35 490
Due within and later than five years	**187 284**	246 790
Total minimum lease payments	**286 878**	474 035
Less: unearned interest	**(160 323)**	(203 765)
Present value of lease liability	**126 555**	270 270
Categorised between non-current and current portions		
Non-current liabilities	**97 754**	224 635
Current liabilities	**28 801**	45 635
	126 555	270 270

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

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

	2022 Terms	Restated 2021 Terms
Lease terms		
The term varies for each lease entered into the Group with lease periods falling into the following range:		
Weighted average lease term at inception of lease contracts in years	**17**	17
Weighted average lease term remaining at 30 September in years	**11**	12
Incremental borrowing rate based on where funding is sourced:		
South Africa and Namibia	**8.9%**	8.9%
USA	**4.3%**	4.3%

27. EMPLOYEE PROVISIONS

	2022 R'000	Restated 2021 R'000
Customer claims		
Opening balance	**1 657**	4 202
Charge / (reversal) to operating profit before other operating items	**1 419**	(684)
Utilised during the year	**(1 020)**	(1 861)
Transfer to assets held for sale	**(2 056)**	–
Closing balance	**–**	1 657
Ex gratia and post employment medical obligation		
Opening balance	**2 728**	2 818
(Reversal) / charge to operating profit before other operating items	**(385)**	172
Utilised during the year	**(195)**	(262)
Transfer to assets held for sale	**(386)**	–
Closing balance	**1 762**	2 728
Non-qualified deferred compensation benefits		
Opening balance	**34 601**	21 927
(Reversal) / charge to operating profit before other operating items	**(12 752)**	10 425
Utilised during the year	**(4 375)**	(2 529)
Transferred from accruals	**4 171**	6 472
Foreign exchange movement on translation	**6 487**	(1 694)
Closing balance	**28 132**	34 601
Crew bonuses		
Opening balance	**6 119**	7 178
Charge to operating profit before other operating items	**12 258**	7 048
Utilised during the year	**(11 966)**	(8 107)
Closing balance	**6 411**	6 119
Provision for penalties		
Opening balance	**–**	712
Reversal to operating profit before other operating items	**–**	(712)
Closing balance	**–**	–
Total provisions		
Opening balance	**45 105**	36 837
Charged to operating profit before other operating items	**540**	16 249
Transferred from accruals	**4 171**	6 472
Utilised during the year	**(17 556)**	(12 759)
Foreign exchange movement on translation	**6 487**	(1 694)
Transfer to assets held for sale	**(2 442)**	–
Closing balance	**36 305**	45 105
Categorised between non-current and current portions		
Non-current provisions	**27 838**	39 925
Current provisions	**8 467**	5 180
	36 305	45 105

28. TRADE AND OTHER PAYABLES

	2022 R'000	Restated 2021 R'000
Trade payables	**1 607 360**	927 647
Accrued expenses	**140 331**	97 803
Audit fee accrued	**13 925**	5 863
Credit balances in debtors	**7 344**	7 398
Agency disbursements	**3 584**	3 724
Agterskot and quota fee accrual	**61 806**	42 892
Short-term loans and advances	**7 892**	8 081
Other payables	**10 783**	30 729
Transferred to assets held for sale	**(35 096)**	–
Financial liabilities	**1 817 929**	1 124 137
Payroll-related accruals	**117 560**	98 073
Leave pay accrual	**36 152**	34 981
Bonus accrual	**141 558**	75 041
Value added taxation	**6 545**	2 993
Transferred to assets held for sale	**(20 698)**	–
Non-financial liabilities	**281 117**	211 088
Total trade & other payables	**2 099 046**	1 335 225

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

Short-term loans and advances consist of secured and unsecured loans, and bear interest ranging from 5.20% to 7.75% (2021: 5.2% to 5.5%), which are repayable within one year.

29. CAPITAL COMMITMENTS

	2022 R'000	Restated 2021 R'000
Capital commitments		
Budgeted capital expenditure is as follows:		
Contracted	**27 161**	22 188
Not contracted	**468 823**	321 592
Total	**495 984**	343 780

Capital commitments relates to acquisition of property, plant and equipment and intangible assets and will be financed from the Group's cash resources and short-term banking facilities. Capital expenditure as approved by management for the 2023 financial year includes R52 million (2021: R0.2 million) for Group expansion projects. 2021 figures have been adjusted to account for the classification of CCS Logistics as a discontinued operation. Refer to note 11.

30. CASH FLOW INFORMATION

30.1 CASH GENERATED FROM OPERATIONS

	2022 R'000	Restated 2021 R'000
Operating profit before joint ventures and associate profit / (loss) and other operating items	1 237 937	1 130 457
Adjustment for non-cash and other items	331 478	368 844
Depreciation, amortisation and impairment	260 042	236 324
Share-based payment expense (equity settled)	44 393	33 099
Share based payment expense (cash settled)	1 344	6 410
Once-off transaction costs pertaining to new BBBEE trusts	–	(11 348)
Net loss on disposal of property, plant and equipment	573	2 841
Transaction costs relating to disposal of CCS Logistics	1 078	–
Cash-settled deferred compensation payments	–	6 487
Other comprehensive income recycled to profit or loss	–	(3 698)
Unrealised foreign exchange losses and (gains)	8 471	(4 814)
Inventory written off net of provision	9 219	96 000
Impairment reversal on financial assets	–	(6 259)
Reduction of non-cash provision movements	6 358	13 739
Reduction in long-term loan receivable provision	–	63
Total cash operating profit	**1 569 415**	1 499 301
Working capital changes		
(Increase) / decrease in inventories	(1 258 021)	535 194
Increase in trade and other receivables	(140 569)	(310 737)
Decrease / (increase) in trade and other payables	819 614	(244 416)
Decrease in hedging reserve	–	4 362
Total working capital changes[1]	**(578 976)**	(15 597)
Total cash operating profit	1 569 415	1 499 301
Total working capital changes	(578 976)	(15 597)
Total cash generated from operations	**990 439**	1 483 704

[1] *Working capital changes disclosed in the reviewed condensed annual financial statements have been corrected by R8 million (2021: R43 million) to accurately reflect non-cash flow transactions. There was no impact on total cash generated from operations*

30.2 TAXATION PAID

	2022 R'000	Restated 2021 R'000
Net amount overpaid / (unpaid) at the beginning of the year	28 900	(12 933)
Charged to profit or loss (note 10)	(255 450)	(274 090)
Foreign currency translation reserve	753	1 495
Net amount overpaid at the end of the year	(62 419)	(28 900)
Taxation paid	**(288 216)**	(314 428)

30.3 DIVIDEND PAID

	2022 R'000	Restated 2021 R'000
Distribution to share scheme beneficiaries	(3 809)	(19 608)
Dividends to ordinary shareholders	(365 610)	(474 006)
Dividends paid to non-controlling interests	(37 262)	(29 353)
Dividends paid	**(406 681)**	(522 967)

30. CASH FLOW INFORMATION continued

	2022 R'000	Restated 2021 R'000
30.4 PROFIT ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT, NON-CURRENT ASSETS HELD FOR SALE AND INTANGIBLE ASSETS		
Profit on sale of property, plant and equipment		
Proceeds on disposal of property, plant and equipment	4 448	44
Proceeds not yet received	3 230	–
Insurance proceeds on disposal of property, plant and equipment	–	4 595
Net book value of property, plant and equipment disposed	(7 104)	(2 798)
Profit on disposal of property, plant and equipment	574	1 841
Profit on sale of non-current assets held for sale		
Net proceeds on disposal of non-current assets held for sale[1]	–	32 129
Net book value of non-current assets held for sale[1]	–	(8 725)
Proceeds not yet received	–	4 280
Profit on disposal of non-current assets held for sale	–	27 684

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

30.5 FINANCING ACTIVITY RECONCILIATION

	2022 R'000	Restated 2021 R'000
Proceeds from sale of treasury shares		
Gain on disposal of shares distributed to deceased employee beneficiaries of OET	2 863	2 360
	2 863	2 360
Equity-settled share-based payment		
Performance shares compensation scheme (note 31.2) – exercised – Grant 5	–	15 689
Performance shares compensation scheme – Grant 6	1 011	100
Restricted shares compensation scheme – Grant 5	–	169
Restricted shares compensation scheme – Grant 6	12 193	72
	13 204	16 030

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Non-cash movements						
	Opening balance R'000	Lease liability Additions and amendments/ modifications R'000	Transaction costs R'000	Net Interest R'000	Foreign exchange movement on translation R'000	Transfer to assets held for sale R'000	Cash movement R'000	Closing balance R'000
2022								
Leases	270 270	9 128	–	–	2 962	(113 354)	(42 451)	126 555
Borrowings	2 863 571	–	(1 078)	18 632	323 450	–	(220 218)	2 984 357
Restated 2021								
Leases	249 015	72 527	–	–	(2 923)	–	(48 349)	270 270
Borrowings	3 421 867	–	–	3 945	(188 968)	–	(373 273)	2 863 571
Notes		[26]	[24]	[24]	[24; 26]	[26]		

30.6 CASH AND CASH EQUIVALENTS

	2022 R'000	Restated 2021 R'000
Cash and cash equivalents per statement of cash flows	486 861	827 796

31. SHARE-BASED PAYMENTS

	2022 R'000	2021 R'000
Equity-settled compensation schemes		
Black economic empowerment (BEE) scheme (notes 31.1 and 31.7)	**12 740**	955
Performance shares compensation scheme (note 31.2)	**35 330**	19 377
Restricted shares compensation scheme (note 31.3)	**40 050**	40 847
Share-based payment reserve	**88 120**	**61 179**
Cash-settled compensation schemes		
Share appreciation rights compensation scheme (note 31.6)	**7 564**	14 329
Liability for share-based payments	**7 564**	**14 329**

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

Oceana Empowerment Trust acquired 14 380 465 Oceana shares at a cost of R15.21 per share in 2006 as part of the Group's BEE transaction. Rights to acquire these shares were allocated to qualifying black employees by the trustees of the Trust. Provided the employee remained in service, the rights vested in three equal annual tranches from the date of allocation. After vesting the employee acquired a right to take up the shares, but transfer of the shares took place after a lock-in period of 14 years from the date of the initial allocation. The lock-in period was extended in 2014 by a further four years as a result of a once-off cash distribution of R20.50 per right held by employee beneficiaries.

Earlier vesting and transfer of benefits were allowed in the event of the death of the employee. Rights not exercised were available for future allocation to other qualifying employees. The fair value of equity-settled share rights is estimated using the Black-Scholes Option Pricing Model, at grant date, taking into account the terms and conditions upon which the rights were granted

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

The Oceana Empowerment Trust lock-in period expired in January 2021 and the trust commenced with a winding up process in line with the trust deed. Following the expiration of the OET lock-in period the Group established two new BEE trusts, the Oceana Saam-Sonke Trust and OSET. Refer to note 31.7.

During the year 70 799 (2021: 143 799) rights were realised on behalf of beneficiaries of deceased employees. No expense was raised during the year as the full amount was provided for in prior periods.

Based on elections made by the beneficiaries, a total of nil shares had been sold on the open market for the benefit of the beneficiaries. 82 651 (2021: 203 705) shares were transferred to beneficiaries and the Group acquired and subsequently cancelled nil (2021: 8 478 067) shares, leaving 109 071 (2021: 262 521) shares still awaiting beneficiary elections.

31.2 EQUITY-SETTLED (PERFORMANCE SHARES) COMPENSATION SCHEME

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

The following assumptions were applied in the valuation:

Weighted average price per share(rands): 55.52
Dividend Yield: 0%
Volatility: 30.36%
Risk free interest rate: 7.06%

During the year Share Appreciations Rights (SARs) were converted to Replacement Performance Shares (RPSs). Using the Binomial Tree Pricing Option Model, the fair value of SARs holdings were independently determined and a number of RPSs were issued as replacement shares for the converted SARs.

31. SHARE-BASED PAYMENTS continued

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

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

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

	2022		2021	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	**497 733**	**66.22**	394 898	68.49
Granted during the year[1]	**493 766**	**55.52**	190 235	67.94
Forfeited during the year[2]	**(171 631)**	**67.21**	(9 700)	65.37
Exercised during the year[3]	**(15 704)**	**73.79**	(226 300)	82.21
Top-up on vesting during the year[4]	**2 000**	**67.94**	148 600	82.27
Outstanding at the end of the year	**806 164**	**66.29**	497 733	66.22

[1] *Included in granted during the year is grant R1A (156 065) and grant R1B (63 301) which is as a result of the conversion of the SARs as described in note 31.6. The remaining grants relate to scheme 9A.*

[2] *Options forfeited during the year includes 126 935(2021: 9 700) forfeited due to resignations and 44 696 (2021: nil) forfeited due to performance conditions not having been achieved.*

[3] *Grant 6A options vested on 13 February 2022 as the specified performance criteria over the intervening period were achieved. The weighted average share price on settlement was R56.15 (2021: R69.70) per share.*

[4] *A TSR multiplier of 26% (2021: 300% Grant 5A) was applied for Grant 6A options settled due to Oceana being placed in the highest quartile of the comparable group. TSR is defined as the increase in the market value of a portfolio of shares on the assumption that dividends are reinvested.*

The weighted average remaining contractual life for the share options outstanding as at 30 September 2022 is 1.9 years (2021: 1.5 years).

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

	Grant number	2022 Number of share options	2021 Number of share options
R73.79 per share exercisable after 12 February 2022	6A	**57 400**	120 900
R59.78 per share exercisable after 01 March 2023	7A	**130 400**	181 300
R58.71 per share exercisable after 30 June 2023	7B	**9 198**	9 198
R67.87 per share exercisable after 31 October 2023	8A	**-**	11 935
R67.94 per share exercisable after 4 March 2024	8B	**115 400**	174 400
R55.52 per share exercisable until 01 June 2025	9A	**274 400**	–
R57.00 per share exercisable until 01 Nov 2024	R1A	**156 065**	–
R57.00 per share exercisable until 01 Nov 2024	R1B	**63 301**	–
		806 164	497 733

31. SHARE-BASED PAYMENTS continued

31.3 EQUITY-SETTLED (RESTRICTED SHARES) COMPENSATION SCHEME

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

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

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

	2022		2021	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	777 849	71.69	586 451	75.06
Granted during the year	–	–	202 819	61.93
Forfeited during the year[1]	(76 419)	66.50	(7 633)	63.67
Exercised during the year	(216 020)	76.60	(3 788)	87.16
Outstanding at the end of the year	485 410	70.33	777 849	71.69

[1] *76 419 options (2021: 7 633 options) were forfeited due to employee resignations*

The weighted average remaining contractual life for the share options outstanding as at 30 September 2022 is 0.4 years (2021: 1 year).

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

	Grant number	2022 Number of share options	2021 Number of share options
R85.20 per share exercisable after 13 November 2021	6A	46 800	80 700
R75.00 per share exercisable after 7 May 2022	6B	203 367	386 987
R68.26 per share exercisable after 12 November 2022	7A	80 800	106 100
R58.71 per share exercisable after 30 June 2023	7B	6 643	6 643
R86.71 per share exercisable after 31 October 2023	8A	–	8 619
R60.85 per share exercisable after 11 November 2023	8B	147 800	188 800
		485 410	777 849

31. SHARE-BASED PAYMENTS continued

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

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

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

	2022		2021	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	163 973	60.85	–	–
Granted during the year	–	–	163 973	60.85
Outstanding at the end of the year	**163 973**	**60.85**	**163 973**	**60.85**

Grant 8B options vested in the prior year on 11 November 2020 and the weighted average share price on grant date was R60.85 per share.

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

The weighted average remaining contractual life for the share options outstanding as at 30 September 2022 is 1.1 years (2021: 2.1 years).

31.5 EQUITY-SETTLED (BONUS DEFERRAL) COMPENSATION SCHEME - LTI 2022

Bonus Deferral shares are granted to executive and senior managers by the board on the recommendation of the Remuneration Committee in terms of the Oceana share incentive plan which was implemented in 2022. Bonus deferral shares granted will be linked to the annual cash bonus scheme, in one of, or a combination of, a bonus match or a deferred bonus. The exercise price of the options is equal to the 30-day VWAP of the shares prior to the date of grant. Restricted shares will vest on the third anniversary of their grant. Options are settled in shares. Options that have not been exercised in accordance with the rules of the scheme are forfeited upon termination of employment, other than on death, retrenchment, retirement or other no fault terminations. Executives receive Dividend Equivalent Shares in respect of the Bonus Deferral Shares that are the subject of the Award. Whenever an ordinary or special dividend is declared, between the Award Date and the Vesting Date, a number of Dividend Equivalent Shares will be paid to the number of Bonus Deferral Shares constituting the Award in accordance with the LTI 2022 Plan rules.

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

The following assumptions were applied in the valuation:

Weighted average price per share(rands): 55.52
Dividend Yield: 0%
Volatility: 30.36%
Risk free interest rate: 7.06%

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

	2022		2021	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Granted during the year	267 100	55.52	–	–
Outstanding at the end of the year	**267 100**	**55.52**	–	–

31.6 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 31.3, but the contractual life of the options

31. SHARE-BASED PAYMENTS continued

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

is seven years and gains on options are settled in cash. Share appreciation rights allocated have a performance criteria, linked to growth in headline earnings per share, which reduces when the Group's financial performance targets are not met.

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

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

	2022		2021	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	**5 063 765**	**66.70**	2 864 771	65.79
Granted during the year	**–**	**–**	2 383 789	67.94
Forfeited during the year[1]	**(3 262 455)**	**65.47**	(184 795)	70.81
Outstanding at the end of the year	**1 801 310**	**65.13**	5 063 765	66.70

1. *2022: Grant 4A (17 244) Grant 5A (93 000) Grant 6A (137 900) Grant 7A (652 576) Grant 7B (91 455) Grant 8A (none) Grant 8B (1 103 922). 524 300 options were forfeited due to employee resignations.*

2021: Grant 1A (73 274 options) were forfeited due to HEPS performance criteria not being achieved. 111 521 options were forfeited due to employee resignations.

The weighted average remaining contractual life for the share options outstanding as at 30 September 2022 is 4.5 years (2021: 5.6 years).

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

		2022	2021
	Grant number	Number of share options	Number of share options
R116.81 per share exercisable after 14 February 2024	4A	**33 650**	58 664
R82.27 per share exercisable after 14 February 2025	5A	**163 400**	291 100
R73.79 per share exercisable after 14 February 2026	6A	**210 100**	441 500
R59.78 per share exercisable after 1 March 2027	7A	**776 760**	1 841 257
R58.71 per share exercisable after 30 June 2027	7B	**–**	91 455
R67.87 per share exercisable after 31 October 2027	8A	**–**	118 667
R67.94 per share exercisable after 4 March 2028	8B	**617 400**	2 221 122
		1 801 310	5 063 765

The significant inputs into the model used to value the liability for share-based payments were a 30-day volume weighted average share price of R54.01 (2021: R65.63), an expected option life of 7 years and expected dividend yield of 6.2% (2021: 5.8%). The interest rate yield used was the Standard Bank Closing Swap Curve. Risk-free rates ranged from 7.6% to 8.5% (2021: 4.9% to 7.1%). Expected volatility of 29.5% to 32.7% (2021: 26.2% to 30.5%) was based on historical share price volatility.

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

During the prior year the Group established two new BEE trusts namely, Oceana Saam-Sonke trust and OSET following the expiration of the OET lock-in period referenced in note 31.1.

The Oceana Saam-Sonke Trust acquired 7 825 908 shares in the Company in March 2021 at a cost of 1 cent per share. The rights to acquire these shares were allocated to qualifying employees of the Company and direct and indirect subsidiaries on 30 September 2021 at a grant price of R67.70. The rights vest in three tranches, one third after a period of eight years, one third over a period of nine years and a final third after ten years provide the employee remains in service. These equity settled rights are valued at fair value on grant date using a Black Scholes option pricing model taking into account terms and conditions upon which rights have been granted. No allocations have been made to beneficiaries as at year end 30 September 2022.

The OSET was established in March 2021 and subscribed for 652 159 shares in Oceana Group Limited at a cost of 1 cent per share. No allocations have been made to beneficiaries as at year end 30 September 2022.

32. RETIREMENT BENEFITS

32.1 DEFINED-CONTRIBUTION BENEFIT PLANS

The Group provides a total of five retirement plans that cover all employees. The plans consist of four defined-contribution provident funds and one defined-contribution pension fund. In 2015 with the acquisition of Daybrook the Group added a defined-contribution retirement pension fund to its portfolio which is governed by the Internal Revenue Code in the United States. The assets of the funds in South Africa are held in independent funds, administered by their trustees in terms of the Pension Funds Act, 24 of 1956, as amended. In terms of the Pension Funds Act, the Group retirement funds are exempt from actuarial valuation. The amount expensed for defined contribution plans for the Group was R73.6 million (2021: R78.6 million). The only obligation the Group has with respect to the retirement benefit plans' funds is to make the specified contributions each month.

32.2 POST-EMPLOYMENT MEDICAL OBLIGATIONS

The Group operates a post-employment medical benefit scheme that covers certain of its retirees. This benefit is no longer offered by the Group to current employees or new employees. The liabilities are valued annually using the projected unit credit method and have been funded by contributions to an independently administered insurance plan. The liability at reporting date is reflected within provisions, refer to note 27. The latest full actuarial valuation was performed at 30 September 2022.

	2022 R'000	2021 R'000
Present value of post-employment medical obligations	4 159	5 057
Less: Fair value of plan assets	(3 616)	(3 502)
Liability at the reporting date	543	1 555
The principal actuarial assumptions used for accounting purposes relating to post-employment medical obligations:		
Medical inflation p.a.	8.47%	7.40%
Discount rate p.a.	11.03%	8.97%

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 9.5% and 7.5% (2021: 8.4% and 6.4%) respectively.

A 100 basis point increase or decrease in the discount rate would lead to an increase or decrease in the present value of obligations of 12.0% and 11.0% (2021: 9.9% and 7.9%) respectively.

33. NON-CONTROLLING INTEREST

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

	2022 R'000	2021 R'000
Material subsidiaries with non-controlling interests (refer to table on page 111)	167 559	165 596
Individually immaterial subsidiaries with non-controlling interests	52 408	33 912
Total	219 967	199 508

33. NON-CONTROLLING INTEREST continued

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

Segment	Primary Activities	Holding Company Name	Subsidiary name	Ownership held by non-controlling interests
Horse mackerel, hake, lobster and squid	Vessel Owner	Erongo Marine Enterprises Proprietary Limited	Erongo Sea Products Proprietary Limited	48.30%
	Horse mackerel rights holder		Erongo Seafoods Proprietary Limited	53.79%
	Catching and processing of fish	Blue Continent Products Proprietary Limited	Desert Diamond Fishing Proprietary Limited	10.00%
			Compass Trawling Proprietary Limited	54.70%
Canned Fish and Fishmeal (Africa)	Rights holder, catching and processing of fish	Oceana Group Limited	Amawandle Hake Proprietary Limited	25.00%
			Amawandle Pelagic Proprietary Limited	25.00%
Commercial cold storage and logistics	Cold storage and logistical services	Commercial Cold Storage Group Limited	Commercial Cold Storage (Ports) Proprietary Limited	30.00%

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

Refer to schedule: Interest in principal subsidiaries and joint ventures on page 111.

	Erongo Sea Products Proprietary Limited	Erongo Seafoods Proprietary Limited	Desert Diamond Fishing Proprietary Limited	Compass Trawling Proprietary Limited	Amawandle Hake Proprietary Limited	Commercial Cold Storage (Ports) Proprietary Limited	Amawandle Pelagic Proprietary Limited
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	12 304	12 933	324 109	81 302	215 671	52 234	1 037 706
Profit for the year	1 109	8 910	26 215	4 537	6 505	5 475	30 116
Profit attributable non-controlling interest	465	4 544	2 622	2 482	1 626	1 643	7 529
Non-current assets	35 110	–	157 344	23 448	150 161	72 792	382 405
Current assets	1 655	10 928	56 729	21 535	50 798	11 859	648 978
Non-current liabilities	(4 435)	–	(35 051)	(6 936)	(47 415)	(1 498)	(289 242)
Current liabilities	(2 267)	(60)	(55 659)	(10 419)	(48 852)	(8 428)	(448 702)
Net assets	30 063	10 868	123 363	27 628	104 692	74 725	293 439
Net assets attributable to non-controlling interest	12 617	5 543	12 336	15 113	26 173	22 418	73 360
Net cash and cash equivalents	27	10 456	7 081	–	29	7	57
Dividends paid	–	5 600	80 000	20 000	–	30 000	–

33. NON-CONTROLLING INTEREST continued

	Erongo Sea Products Proprietary Limited	Erongo Seafoods Proprietary Limited	Desert Diamond Fishing Proprietary Limited	Compass Trawling Proprietary Limited	Amawandle Hake Proprietary Limited	Commercial Cold Storage (Ports) Proprietary Limited	Amawandle Pelagic Proprietary Limited
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	9 539	8 291	296 891	99 416	227 470	57 713	696 746
Profit / (loss) for the year	1 150	5 716	94 254	20 229	19 272	15 797	(206)
Profit / (loss) attributable non-controlling interest	483	2 915	9 425	11 065	4 818	4 739	(51)
Non-current assets	31 856	–	203 238	41 943	160 542	90 067	227 796
Current assets	4 171	7 623	77 118	26 841	66 519	16 776	207 394
Non-current liabilities	(4 818)	–	(37 131)	(9 066)	(33 580)	(1 487)	(67 807)
Current liabilities	(4 064)	(65)	(66 178)	(16 966)	(95 540)	(6 419)	(147 017)
Net assets	27 145	7 558	177 047	42 752	97 941	98 937	220 366
Net assets attributable to non-controlling interest	11 393	3 855	17 705	23 386	24 486	29 681	55 091
Net cash and cash equivalents	237	8 789	10 448	–	29	10	40
Dividends paid	–	3 730	36 000	–	6 000	–	–

34. CONTINGENT ASSETS, LIABILITIES AND GUARANTEES

CONTINGENT ASSETS

As reported in the prior financial year, the Group's USA fishmeal and fish oil operations' ability to process fish was interrupted due to the disruption of the supply of power, fuel and water following Hurricane Ida which made landfall on 29 August 2021.In September 2021, the Group lodged a business interruption insurance claim relating to the operational impact of the disruption and received R63 million which was accounted for in the current financial year as a settlement. A further claim relating to costs and damages incurred as a result of Hurricane Ida, for an amount of USD4.3 million was acknowledged and approved for settlement on 15 December 2022 and fully settled as at 25 January 2023. Overall operating profit will increase by R78.5 million assuming the year end exchange rate of R18.15. As the review and approval of the claim had not been finalised at 30 September 2022 and the Group was not virtually certain regarding the settlement, the income and corresponding receivable was not recognised within the current reporting period.

CROSS GUARANTEE

The Company and its subsidiaries have given guarantees and cross suretyships in support of borrowings to the value of R1 164.8 million (2021: R1 237.7 million), short-term banking facilities to the value of R1 100 million (2021: R1 100 million) and a revolving credit facility of R500 million (2021: R500 million) available to the Group. The unutilised value of the short-term banking facilities and revolving credit facility amounts to R1 524 million (2021: R1 509 million).

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

35. 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.

35. FINANCIAL RISK MANAGEMENT continued

RISK MANAGEMENT

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

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

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

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

MARKET RISK

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

The key components of market risk are as follows:

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

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

CURRENCY RISK

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

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

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

Currency risks arising from foreign trading operations are partially hedged by means of forward exchange contracts denominated in the same currency and for the same period as the foreign transaction being hedged as well as through the set off effect of foreign currency denominated assets and liabilities. Derivatives are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period. These contracts are generally designated as cash flow hedges. The Group's accounting policy for its cash flow hedges is set out in note 1.20. The Group does not enter into derivative contracts for speculative purposes.

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

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

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

35. FINANCIAL RISK MANAGEMENT continued

EXPOSURE TO CURRENCY RISK

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

	US Dollar '000	Euro '000	Sterling '000	Australian Dollar '000
2022				
Trade receivables	**6 823**	**462**	**–**	**165**
Other trade receivables	**592**	**2**	**–**	**–**
Cash and cash equivalents	**5 354**	**550**	**–**	**–**
Trade payables	**(33 069)**	**(441)**	**–**	**–**
Total	**(20 300)**	**573**	**–**	**165**
Foreign currency forwards	**7 910**	**–**	**–**	**–**
Net exposure	**(12 390)**	**573**	**–**	**165**
Year-end exchange rate	**18.15**	**17.72**	**20.20**	**11.67**
2021				
Trade receivables	5 229	2 674	186	311
Other trade receivables	424	15	–	–
Cash and cash equivalents	2 602	1 370	–	–
Trade payables	(24 405)	(1 252)	–	–
Total	(16 150)	2 807	186	311
Foreign currency forwards	13 805	–	–	–
Net exposure	(2 345)	2 807	186	311
Year-end exchange rate	15.10	17.65	20.49	10.87

The Group holds FECs which have been marked to market value 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 operations in the 2022 financial year.

	US Dollar '000	Euro '000
2022		
Forward exchange contracts	**3 000**	–
Average exchange rate	**15.10**	–
2021		
Forward exchange contracts	2 000	–
Average exchange rate	15.06	–

Currency sensitivity analysis

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

	2022 R'000	Restated 2021 R'000
Increase / (decrease) in profit after taxation		
US Dollar	**(26 528)**	(17 558)
Euro	**731**	3 567
Sterling	**–**	274
Australian Dollar	**139**	243

35. FINANCIAL RISK MANAGEMENT continued

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

	2022	Restated 2021
South African Rand value per unit of foreign currency:		
US Dollar	**18.15**	15.10
Euro	**17.72**	17.65
Sterling	**20.20**	20.49
Australian Dollar	**11.67**	10.87

INTEREST RATE RISK

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

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

During the year the referenced floating rate ind*ex* was changed from LIBOR to SOFR. The change to the SOFR had no material impact on the existing hedges, the impact on the USD LIBOR loans was also not considered to be material. There has been no derecognitions as a result of the change. There was no replacement rate for JIBAR at year end.

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

Hedging is applied to the variable portion of the interest rate applicable to a specific level of debt. Given that the hedged instrument and hedged item both move in tandem with any changes in LIBOR (US debt) they have a 1:1 hedge relationship. During the year, an increase in value of the hedging instruments of R108 million (2021: decrease of R37.4 million) was offset by a change in value of the hedged item to the same extent.

EXPOSURE TO INTEREST RATE RISK

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

	Notes	2022 R'000	Restated 2021 R'000
Fixed-rate instruments			
Borrowings	24	**2 984 357**	2 863 571
		2 984 357	2 863 571
Variable-rate instruments			
Cash and cash equivalents	30.6	**486 462**	827 796
Short-term banking facility		**(76 000)**	(91 000)
Loans receivable	19	**177 406**	93 667
		587 868	830 463

INTEREST RATE SENSITIVITY ANALYSIS

A reasonably possible change of 100 basis points in the interest rates at the reporting date would have decreased profit or loss by R4.1 million (2021 restated: R8.6 million). The interest rate sensitivity is calculated based on the rates at reporting date and taking into account any interest rate hedges applicable. The USA cash is not included in the sensitivity given the ruling US rates being well below 1%. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

LIQUIDITY RISK

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

35. FINANCIAL RISK MANAGEMENT continued

The Group manages its liquidity risk by monitoring and forecasting cash flows and by maintaining adequate borrowing facilities to meet short-term demands. In this regard, the Group has undrawn working capital facilities of R1 024 million (2021: R1 009 million) as at the reporting date. In terms of the Company's Memorandum of Incorporation, the Company's borrowing powers are unlimited. Cash flows are monitored on an ongoing basis to ensure that cash resources are adequate to meet the Group's funding requirements. Sufficient short term facilities have been negotiated to manage any short fall in these funding requirements. The Group has an undrawn revolving credit facility of R500 million (2021: R500.0 million). Daybrook has a US revolving credit facility of R453.8 million / USD 25 million (2021: R377.4 million / USD25 million) which is currently undrawn.

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

EXPOSURE TO LIQUIDITY RISK

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

	Notes	Carrying amount	1 year or less	2-4 years	>5 years
		R'000	R'000	R'000	R'000
2022					
Non-derivatives					
Borrowings[1]	24	**2 984 357**	**453 422**	**2 358 789**	**560 977**
Trade and other payables	28	**1 817 929**	**1 817 929**	**–**	**–**
Lease liabilities	26	**126 555**	**38 148**	**61 446**	**187 284**
Total non-derivatives		**4 928 841**	**2 309 499**	**2 420 235**	**748 261**
2021					
Non-derivatives					
Borrowings[1]	24	2 863 571	324 807	2 380 859	629 945
Trade and other payables	28	1 124 137	1 124 137	–	–
Lease liabilities	26	270 270	67 706	159 539	246 790
Total non-derivatives		4 257 978	1 516 650	2 540 398	876 735
Derivatives					
Interest rate swaps	25	28 050	20 856	7 194	–
Total derivatives		28 050	20 856	7 194	–

[1] *The prior year note has been restated to present gross and undiscounted cash flows as required by IFRS.*

CREDIT RISK

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

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

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

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

SECURITY

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

35. FINANCIAL RISK MANAGEMENT continued

IMPAIRMENT OF FINANCIAL ASSETS

A significant increase in credit risk and export are defined as occurring when amounts are 30 days and 90 days past due respectively. Amounts are written if they are considered irrecoverable.

Trade receivables

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

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

The calculation of expected credit loss rates, is based on:

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

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

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

The carrying amount of financial assets represents the maximum credit exposure

	Notes	2022 R'000	2021 R'000
Long-term receivables	19	**177 406**	93 667
Trade and other receivables	21	**1 303 612**	1 178 847
Cash and cash equivalents	30.6	**486 861**	827 796
Total		**1 967 879**	2 100 310

Expected credit loss allowance are recognised on trade and other receivables are disclosed in note 21.

LOAN RECEIVABLES

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

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

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

Expected credit loss allowances recognised on loans receivable are disclosed in note 21.

CASH AND CASH EQUIVALENTS

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

35. FINANCIAL RISK MANAGEMENT continued

FINANCIAL GUARANTEES

The Company and certain subsidiaries have given cross suretyships in support of short-term banking facilities available to the Group to the value of R1 100 million (2021: R1 100 million), which are assessed and renewed annually, and has guaranteed the borrowings of R1 164.8 million (2021: R1 237.7 million) as disclosed in note 34 as well as a R500 million (2021: R500.0 million) undrawn revolving credit facility.

Whilst the maximum credit risk in respect of financial guarantees is the full extent of the above facilities and borrowings of R2 764.8 million (2021: R2 837.7 million), the extent of the exposure at year end is R1 240.8 million (2021: R1 328.7 million) taking bank overdraft facilities into consideration. The Group maintains flexibility of funding through the use of committed facility lines.

CAPITAL RISK

The Group's objectives when managing capital, which consists of net debt (borrowings as detailed in note 24, offset by cash and bank balances as detailed in note 30.6) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed in the statement of changes in equity), are to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to ensure the operations continue as a going concern while taking advantage of expansion opportunities in order to grow shareholder value as they arise.

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

FINANCIAL INSTRUMENTS BY CATEGORY

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

	Notes	2022 R'000	Restated 2021 R'000
Classification of financial instruments			
Financial assets			
Derivative instruments at fair value through profit and loss		**103 569**	–
Cash and cash equivalents at amortised cost	30.6	**486 462**	827 796
Loans and receivables at amortised cost			
Loans	19	**177 406**	93 667
Trade and other receivables	21	**1 303 612**	1 178 847
Investments at fair value		**464**	710
Financial liabilities			
Derivative instruments at fair value through profit and loss	25	**–**	28 050
Short-term banking facility		**76 000**	91 000
Loans and payables at amortised cost			
Loans	24	**2 984 357**	2 863 571
Trade and other payables	28	**1 817 929**	1 124 137

There were no transfers between levels 1,2 or 3 of the fair value hierarchy for the years ended 30 September 2022 and 30 September 2021.

FAIR VALUES

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

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

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

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

35. FINANCIAL RISK MANAGEMENT continued

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

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

	Notes	2022 R'000	Restated 2021 R'000
Level 2			
Derivative instruments			
Interest rate swaps	25	**103 569**	(17 846)
Forward exchange contracts		**–**	(10 204)
Level 3			
Other investments	19	**464**	710

Measurement of fair values

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

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

36. PRIOR PERIOD ERRORS AND RESTATEMENTS

36.1 ACCOUNTING TREATMENT OF WESTBANK – EQUITY ACCOUNTED ASSOCIATE

The accounting treatment of Westbank was revised in the current year. Westbank has been classified as an associate and its results have been equity accounted.

In the previous year Westbank was classified as a joint operation, and proportionately consolidated. Although the Group owns 25% of the shares of Westbank, it was decided to recognise 100% of the assets and liabilities, together with revenue and expenses, on a line-by-line basis because Daybrook takes 100% of Westbank's output.

This accounting approach resulted in the recognition of a liability to the 75% shareholder for its share of the net assets and net profit / loss to which the Group is not entitled. This liability was called 'liability to joint operator's and all charges (except for dividends paid by Westbank) were recognised in cost of sales in order to reflect the Group's cost of fish acquired from Westbank. Refer to the note 2.7, Significant judgement and estimates for background and the reason for the change in the current year.

36. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

36.2 DISCONTINUED OPERATION

As announced on the 4th of October 2022, the Group entered into an agreement relating to the disposal of CCS Logistics. The Group assessed the requirements of IFR5 (Non-current Asset held for Sale and Discontinued Operations) and deemed the disposal to meet the criteria of being held for sale prior to year end taking account of the effective date of when the board had finalised a decision to discontinue the operation. The Group has consequently disclosed CCS Logistics as a discontinued operation and has re-presented the comparative information as required by IFRS 5.

	2021			
Consolidated Statement of Comprehensive Income	**Previously reported**	**Effect of equity accounted associate**	**Effect of discontinued operation**	**Restated**
(extract)	**R'000**	**R'000**	**R'000**	**R'000**
Revenue	7 633 416	–	(337 530)	7 295 886
Cost of sales	(5 062 180)	(48 555)	–	(5 110 735)
Gross Profit	**2 571 236**	**(48 555)**	**(337 530)**	**2 185 151**
Sales and distribution expenditure	(364 527)	–	–	(364 527)
Marketing expenditure	(43 107)	–	–	(43 107)
Overhead expenditure	(1 078 592)	56 452	282 620	(739 520)
Other income	73 488	–	–	73 488
Net foreign exchange gain	20 757	–	(67)	20 690
Net impairment reversal on financial assets	6 259	–	–	6 259
Operating profit before joint ventures and associates loss and other operating items	**1 185 514**	**7 897**	**(54 977)**	**1 138 434**
Joint ventures and associates loss	(332)	(9 915)	–	(10 247)
Operating profit before other operating items	**1 185 182**	**(2 018)**	**(54 977)**	**1 128 187**
Other operating items	16 306	118	(27 273)	(10 849)
Profit including other operating items	**1 201 488**	**(1 900)**	**(82 250)**	**1 117 338**
Interest income	36 320	(17 050)	(975)	18 295
Interest expense	(228 773)	18 950	10 264	(199 559)
Profit before taxation	**1 009 035**	**–**	**(72 961)**	**936 074**
Taxation expense	(290 535)	–	30 046	(260 489)
Profit after taxation from continuing operations	**718 500**	**–**	**(42 915)**	**675 585**
Profit from discontinued operations	–	–	42 915	42 915
Profit for the year	**718 500**	**–**	**–**	**718 500**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Movement on foreign currency translation reserve	(552 349)	–	280	(552 069)
Movement on foreign currency translation reserve from joint ventures	164	–	–	164
Movement on cash flow hedging reserve	51 901	(804)	–	51 097
Income tax related to gain recognised in other comprehensive income	(7 542)	804	–	(6 738)
Other comprehensive (loss) / income, net of taxation	**(507 826)**	**–**	**280**	**(507 546)**
Other comprehensive (loss) / income from discontinued operations				
Movement on foreign currency translation reserve	–	–	(280)	(280)
Other comprehensive (loss), net of taxation	**–**	**–**	**(280)**	**(280)**
Total comprehensive income	**210 674**	**–**	**–**	**210 674**
Profit after taxation attributable to:				
Shareholders of Oceana Group Limited	676 280	–	–	676 280
Non-controlling interests	42 220	–	–	42 220
	718 500	**–**	**–**	**718 500**
Total comprehensive income attributable to:				
Shareholders of Oceana Group Limited	168 540	–	–	168 540
Non-controlling interests	42 134	–	–	42 134
	210 674	**–**	**–**	**210 674**

36. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

Consolidated Statement of Financial Position	2021 Previously reported R'000	2021 Effect of equity accounted associate R'000	2021 Restated R'000
ASSETS			
Non-current assets			
Property, plant and equipment	2 590 207	(713 273)	1 876 934
Right-of-use assets	202 912	(1 630)	201 282
Goodwill and intangible assets	4 914 750	(13 640)	4 901 110
Interest in joint ventures and associates	70 919	177 173	248 092
Deferred taxation	6 661	–	6 661
Investments and loans	94 377	–	94 377
Total non-current assets	**7 879 826**	**(551 370)**	**7 328 456**
Current assets			
Inventories	1 049 986	(28 029)	1 021 957
Trade and other receivables	1 424 268	19 231	1 443 499
Taxation receivable	48 682	–	48 682
Cash and cash equivalents	933 612	(105 816)	827 796
Total current assets	**3 456 548**	**(114 614)**	**3 341 934**
Total assets	**11 336 374**	**(665 984)**	**10 670 390**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	1 222 388	–	1 222 388
Foreign currency translation reserve	715 291	–	715 291
Cash flow hedging reserve	(31 778)	–	(31 778)
Share-based payment reserve	61 179	–	61 179
Distributable reserve	3 336 527	–	3 336 527
Interest of own shareholders	5 303 607	–	5 303 607
Non-controlling interests	199 508	–	199 508
Total capital and reserves	**5 503 115**	**–**	**5 503 115**
Non-current liabilities			
Deferred taxation	500 222	–	500 222
Borrowings	2 663 792	–	2 663 792
Derivative liabilities	34 306	(13 450)	20 856
Lease liabilities	225 539	(904)	224 635
Provisions	39 925	–	39 925
Liability for share-based payments	14 329	–	14 329
Total non-current liabilities	**3 478 113**	**(14 354)**	**3 463 759**
Current liabilities			
Borrowings	697 594	(497 815)	199 779
Derivative liabilities	7 194	–	7 194
Short-term banking facility	91 000	–	91 000
Lease Liabilities	46 528	(893)	45 635
Provisions	7 776	(2 596)	5 180
Trade and other payables	1 343 620	(8 395)	1 335 225
Liability to Joint operator	141 654	(141 654)	–
Taxation payable	19 780	(277)	19 503
Total current liabilities	**2 355 146**	**(651 630)**	**1 703 516**
Total liabilities	**5 833 259**	**(665 984)**	**5 167 275**
Total equity and liabilities	**11 336 374**	**(665 984)**	**10 670 390**

36. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

	2020		
Consolidated Statement of Financial Position	Previously reported	Effect of equity accounted associate	Restated
	R'000	R'000	R'000
ASSETS			
Non-current assets			
Property, plant and equipment	2 593 844	(758 371)	1 835 473
Right-of-use assets	175 815	–	175 815
Goodwill and intangible assets	5 453 428	(15 134)	5 438 294
Interest in joint ventures and associates	72 229	233 680	305 909
Deferred taxation	20 793	–	20 793
Derivative asset	2 662	(2 662)	–
Investments and loans	84 910	–	84 910
Total non-current assets	**8 403 681**	**(542 487)**	**7 861 194**
Current assets			
Inventories	1 713 485	(23 742)	1 689 743
Trade and other receivables	1 045 630	18 939	1 064 569
Taxation receivable	23 663	–	23 663
Cash and cash equivalents	1 432 692	(232 124)	1 200 568
Total current assets	**4 215 470**	**(236 927)**	**3 978 543**
Assets held for sale	**19 420**	**–**	**19 420**
Total assets	**12 638 571**	**(779 414)**	**11 859 157**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	1 200 493	–	1 200 493
Foreign currency translation reserve	1 268 554	–	1 268 554
Cash flow hedging reserve	(76 223)	–	(76 223)
Share-based payment reserve	99 066	–	99 066
Distributable reserve	3 271 309	–	3 271 309
Interest of own shareholders	5 763 199	–	5 763 199
Non-controlling interests	182 796	–	182 796
Total capital and reserves	**5 945 995**	**–**	**5 945 995**
Non-current liabilities			
Deferred taxation	534 029	–	534 029
Borrowings	3 502 425	(462 615)	3 039 810
Derivative liabilities	113 490	(28 700)	84 790
Provisions	27 626	(2 881)	24 745
Lease liabilities	206 232	(1 993)	204 239
Liability for share-based payments	7 919	–	7 919
Total non-current liabilities	**4 391 721**	**(496 189)**	**3 895 532**
Current liabilities			
Liability to Joint Operator	223 203	(223 203)	–
Borrowings	410 107	(28 050)	382 057
Lease Liabilities	45 712	(936)	44 776
Provisions	12 092	–	12 092
Trade and other payables	1 573 146	(31 036)	1 542 110
Taxation payable	36 595	–	36 595
Total current liabilities	**2 300 855**	**(283 225)**	**2 017 630**
Total liabilities	**6 692 576**	**(779 414)**	**5 913 162**
Total equity and liabilities	**12 638 571**	**(779 414)**	**11 859 157**

36. PRIOR PERIOD ERRORS AND RESTATEMENTS continued

Consolidated Statement of Cash Flows (extract)	2021 Previously reported R'000	2021 Effect of equity accounted associate R'000	2021 Restated R'000
Cash generated from operations	1 446 613	37 091	1 483 704
Investment income received	30 021	(17 048)	12 973
Interest paid	(224 829)	12 029	(212 800)
Taxation paid	(314 428)	–	(314 428)
Dividends paid	(522 967)	–	(522 967)
Net cash inflow from operating activities	**414 410**	**32 072**	**446 482**
Purchases of property, plant and equipment	(398 257)	107 338	(290 919)
Purchases of intangible assets	(3 753)	–	(3 753)
Proceeds on disposal of property, plant and equipment	6 240	(1 601)	4 639
Decrease in loans receivable from business partners	4 724	–	4 724
Proceeds on disposal of non-current asset held for sale	32 129	–	32 129
Cash flows used in investing activities	**(358 917)**	**105 737**	**(253 180)**
Proceeds on sale of treasury shares to open market	287 170	–	287 170
Payment to OET beneficiaries	(420 320)	–	(420 320)
Short-term borrowings repaid	(401 845)	28 602	(373 243)
Long-term borrowings raised	88 371	(88 371)	–
Loans advanced	(2 850)	–	(2 850)
Payment of joint operator liability	(21 678)	21 678	–
Short-term banking facility raised	3 593 000	–	3 593 000
Short-term banking facility repaid	(3 502 000)	–	(3 502 000)
Benefit / cost relating to loan and derivative finance	4 012	(4 012)	–
Repayment of principal portion of lease liability	(49 260)	911	(48 349)
Proceeds from sale of treasury shares	2 360	–	2 360
Purchase of treasury shares for the settlement of long-term incentives	(16 030)	–	(16 030)
Cash flows used in financing activities	**(439 070)**	**(41 192)**	**(480 262)**
Net decrease in cash and cash equivalents	(383 577)	96 617	(286 960)
Cash and cash equivalents at the beginning of the year	1 432 692	(232 124)	1 200 568
Effect of exchange rate changes	(115 503)	29 691	(85 812)
Cash and cash equivalents at end of the year	**933 612**	**(105 816)**	**827 796**

37. RELATED PARTIES

Related party relationships exist with one shareholder, subsidiaries, joint venture and associate companies within the Group. Details of the Group's subsidiaries, joint ventures and associate are set out in note 42.

Details of the Group's shareholders are set out on page 112.

These transactions are concluded in the normal course of business. All material intergroup transactions are eliminated on consolidation. The amounts outstanding are unsecured and will be settled in cash. The amounts outstanding are unsecured and will be settled in cash. Guarantees have been given or received as disclosed in note 34 between Group entities.

TRADING BALANCES AND TRANSACTIONS

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

	2022	Restated 2021
	R'000	R'000
Transactions with outside shareholder in joint ventures		
Administration fees received	3 035	6 396
Oceana Paragon joint venture	34	31
Oceana Pegasus joint venture	–	21
Oceana Concorde joint venture	–	20
Premier/BCP Hake joint venture	3 001	6 324
Net interest received from	340	334
Oceana Paragon joint venture	(64)	(23)
Oceana Pegasus joint venture	(5)	(14)
Oceana Concorde joint venture	(51)	119
Premier/BCP Hake joint venture	460	252
Goods and services sold	(8 335)	(6 898)
Oceana Paragon joint venture	(5 319)	(3 961)
Oceana Pegasus joint venture	(135)	(943)
Oceana Concorde joint venture	(2 881)	(1 994)
Goods and services procured	35 976	40 557
Oceana Paragon joint venture	2 645	1 636
Oceana Pegasus joint venture	–	1 186
Oceana Concorde joint venture	4 182	1 314
Premier/BCP Hake joint venture	29 149	36 421
Amount receivable / (payable)	2 645	(7 278)
Oceana Paragon joint venture	2 645	1 306
Oceana Pegasus joint venture	–	521
Premier/BCP Hake joint venture	–	(9 105)
Transactions and balances with joint ventures and associate		
Administration fees received		
Etosha Fishing Corporation Limited	590	565
Goods and services sold to joint ventures		
Etosha Fishing Corporation Limited	3 549	36 453
Goods and services bought from joint ventures	31 325	177 103
Etosha Fishing Corporation Limited	31 325	176 938
MFV Romano Paulo Vessel	–	165

37. RELATED PARTIES continued

	2022 R'000	Restated 2021 R'000
Goods and services sold to associate		
Westbank Fishing LLC	(18 072)	(16 136)
Good and services procured from associate		
Westbank Fishing LLC	1 038 903	453 494
Interest (received from) / paid to		
Etosha Fishing Corporation Limited	(108)	1 120
Amount payable to joint ventures	(7 023)	(10 099)
Etosha Fishing Corporation Limited	(7 018)	(10 099)
MFV Romano Paulo Vessel	(5)	–
Amount payable to associate		
Westbank Fishing LLC	(131 369)	(52 586)
Amount receivable from associate		
Westbank Fishing LLC	84 282	55 778
Transactions and balances with other related parties		
Good and services procured from other related parties	7 749	6 620
Obsidian Health Proprietary Limited[1]	1 037	2 351
Sea Harvest Group Limited[1]	1 725	2 343
Ulwandle Management Services Proprietary Limited[2]	519	1 479
Ulwandle Fishing Proprietary Limited[2]	4 468	447
Goods and services sold to other related parties		
Sea Harvest Group Limited[1]	–	(16)
Interest received from other related parties		
Ulwandle Fishing Proprietary Limited	(8 271)	(7 135)
Amount receivable from / (payable to) other related parties	23	(96)
Sea Harvest Group Limited[1]	23	–
Ulwandle Management Services Proprietary Limited[2]	–	(96)
Loans receivable from shareholders of subsidiary companies		
Ulwandle Fishing Proprietary Limited[2]	93 888	90 783
Loans payable to shareholders of subsidiary companies		
Ulwandle Fishing Proprietary Limited[2]	(8 374)	(14 768)
Compensation of key management personnel	106 703	90 537
Short-term employee benefits	56 907	54 175
Post-employment benefits	2 823	3 194
Share-based payments – cash-settled compensation scheme	4 852	2 521
Share-based payments – equity-settled compensation scheme	32 650	19 397
Share-based payments – OET	–	5 966
Non-executive directors' emoluments	9 471	5 284

[1] These entities have common shareholder with Oceana.

[2] Non-controlling shareholder in Group companies.

INTEREST OF DIRECTORS IN CONTRACTS

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

POST-RETIREMENT BENEFIT PLANS

The Group is a member of various defined-contribution plans as well as a defined-benefit plan. Further details are shown in note 32.

THE GROUP'S INTEREST IN SUBSIDIARIES AND JOINT VENTURES

The Group provides financing to subsidiary companies and joint ventures and invests surplus cash on their behalf. Loan accounts between wholly-owned Group companies in South Africa are interest-free with the exception of when the Company is required to fund subsidiary working capital requirements from available overdraft facilities in which event interest is charged at prevailing market rates. Other loan accounts bear interest at rates similar to rates levied by banks. Details of interests in subsidiary and joint venture companies are disclosed in note 42. Details of treasury shares held by share trusts are disclosed in note 22.3.

37. RELATED PARTIES continued

TRANSACTIONS WITH OTHER RELATED PARTIES

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

ULWANDLE LOAN PLEDGE

On 2 February 2015, Blue Continent Products Proprietary Limited ("BCP") and Lucky Star Limited ("Lucky Star") each concluded loan agreements with Ulwandle Fishing Proprietary Limited ("Ulwandle") in terms of which BCP and Lucky Star (the "Lenders"), lent to Ulwandle (the "Borrower"), an aggregate amount not exceeding R115,6 million. In order to secure the rights of the Lenders, Ulwandle has pledged and ceded all of its rights, title and interest in and to the shares in Amawandle Hake and Amawandle Pelagic to the Lenders of the respective loan agreements. The loan is a full recourse loan and bears interest at the prime rate plus 3%, with fixed terms of repayment. The final instalment is due on 30 November 2025.

38. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

38.1 EXECUTIVE DIRECTORS' REMUNERATION

	Salary	Notice period and accrued leave pay	Allowances and other[1]	Retirement fund contributions	Incentive bonuses[2]	Gain on exercise of cash-settled/ equity-settled share options[3]	Total emoluments
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2022							
N Brink[7]	**3 345**	**–**	**172**	**233**	**3 226**	**–**	**6 976**
R Buddle[8]	**1 600**	**–**	**–**	**–**	**2 484**	**–**	**4 084**
I Soomra[6]	**2 961**	**4 575**	**100**	**117**	**–**	**4 999**	**12 752**
H Karrim[4]	**2 538**	**310**	**93**	**207**	**–**	**–**	**3 148**
Total	**10 444**	**4 885**	**365**	**557**	**5 710**	**4 999**	**26 960**
2021							
I Soomra[6]	6 437	–	110	350	–	4 201	11 098
H Karrim[4]	3 667	–	478	321	908	–	5 374
T Giles[5]	582	–	168	113	–	–	863
Total	**10 686**	**–**	**756**	**784**	**908**	**4 201**	**17 335**

1. *Allowances and other include monthly fuel and petrol. H Karrim's allowance in 2021 included a once-off relocation cost and T Giles included an acting allowance for the period October 2020 to December 2020.*
2. *Performance bonuses are accounted for on an accrued basis, to match the amount payable to the applicable financial year. H Karrim's incentive bonus in 2021 included a once-off sign-on bonus.*
3. *Includes dividends and gross proceeds received from OET.*
4. *H Karrim was appointed CFO 1 November 2020; Employment terminated 3 June 2022.*
5. *T Giles was appointed as acting Chief Financial Officer effective 11 February 2020 to 30 October 2020.*
6. *I Soomra resigned effective 14 February 2022. Included in his emoluments for the year are contractual payments in lieu of his notice period and accrued leave.*
7. *N Brink was appointed CEO effective 21 February 2022.*
8. *R Buddle was appointed CFO effective 23 February 2022 and as Executive Director on 3 June 2022.*

38. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

38.2 EXECUTIVE DIRECTORS' SHARE SCHEME DETAILS

N BRINK

2022			Options as at 30 Sep 2021		Options awarded during the year		Options forfeited during the year		Options exercised during the year			Options as at 30 Sep 2022			
Scheme	Award date	Initial vesting date	Number	Price	Number	Price	Number[4]	Price	Number	Price	Gain (R'000)	Vested[2]	Unvested[3]	Option value[1] (R'000)	Expiry date
Share appreciation rights															
Grant 4A	15 Feb 17	15 Feb 20	5 736	116.81	–	–	–	–	–	–	–	–	5 736	–	14 Feb 24
Grant 5A	15 Feb 18	15 Feb 21	25 700	82.27	–	–	–	–	–	–	–	–	25 700	–	14 Feb 25
Grant 6A	15 Feb 19	15 Feb 22	30 300	73.79	–	–	–	–	–	–	–	–	30 300	–	14 Feb 26
Grant 7A	02 Mar 20	02 Mar 23	108 763	59.78	–	–	–	–	–	–	–	–	108 763	–	01 Mar 27
			170 499		–		–		–		–	–	170 499	–	
Restricted shares															
Grant 6A	14 Nov 18	14 Nov 21	6 700	85.20	–	–	–	–	–	–	–	6 700	–	357	13 Nov 21
Grant 6B	08 May 19	08 May 22	17 897	75.00	–	–	–	–	–	–	–	17 897	–	953	07 May 22
Grant 7A	13 Nov 19	13 Nov 22	4 500	68.26	–	–	–	–	–	–	–	–	4 500	240	12 Nov 22
Grant 8B	12 Nov 20	12 Nov 23	7 000	60.85	–	–	–	–	–	–	–	–	7 000	373	12 Nov 23
			36 097		–		–		–		–	24 597	11 500	1 923	
Performance shares															
Grant 6A	13 Feb 19	13 Feb 22	8 400	73.79	–	–	6 216	–	–	–	–	2 184	–	116	12 Feb 22
Grant 7A	02 Mar 20	02 Mar 23	10 900	59.78	–	–	–	–	–	–	–	–	10 900	581	01 Mar 23
			19 300		–		6 216		–		–	2 184	10 900	697	
Co Investment Plan															
Grant 2	13 Nov 20	13 Nov 20	40 401	–	–	–	–	–	–	–	–	–	40 401	2 152	12 Nov 23
			40 401		–		–		–		–	–	40 401	2 152	
Total			266 297		–		6 216		–		–	26 781	233 300	4 772	

1. *Option value for equity-settled schemes are calculated using the closing VWAP at 30 September 2021 of R53.26. Option value for cash- settled schemes are calculated using the closing VWAP at 30 September 2021 of R54.01 less the grant date price.*
2. *Vested using a TSR multiplier of 26%, balance of grant 6 forfeited due to performance criteria not met.*
3. *None of the shares vested during the financial year could be exercised due to prohibited period.*
4. *Forfeited due to HEPS criteria not being met.*

38. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

I SOOMRA

2022			Options as at 30 Sep 2021		Options awarded during the year		Options forfeited during the year		Options exercised during the year			Options as at 30 Sep 2022			
Scheme	Award date	Initial vesting date	Number	Price	Number	Price	Number[2]	Price	Number[1]	Price	Gain (R'000)	Vested	Unvested	Option value (R'000)	Expiry date
Share appreciation rights															
Grant 5A	15 Feb 18	15 Feb 21	34 700	82.27	–	–	34 700	82.3	–	–	–	–	–	–	14 Feb 25
Grant 6A	15 Feb 19	15 Feb 22	87 400	73.79	–	–	87 400	73.8	–	–	–	–	–	–	14 Feb 26
Grant 7A	02 Mar 20	02 Mar 23	313 346	59.78	–	–	313 346	59.8	–	–	–	–	–	–	01 Mar 27
Grant 8A	05 Mar 21	05 Mar 24	289 900	67.94	–	–	289 900	67.9	–	–	–	–	–	–	04 Mar 28
			725 346		–		725 346		–		–	–	–	–	
Restricted shares															
Grant 6A	14 Nov 18	14 Nov 21	10 100	85.20	–	–	–	–	10 100	85.20	574	–	–	–	13 Nov 21
Grant 6B	08 May 19	08 May 22	72 623	75.00	–	–	–	–	72 623	75.00	3 974	–	–	–	07 May 22
Grant 7A	13 Nov 19	13 Nov 22	6 000	68.26	–	–	6 000	–	–	–	–	–	–	–	12 Nov 22
Grant 8B	12 Nov 20	12 Nov 23	19 600	60.85	–	–	19 600	–	–	–	–		–	–	12 Nov 23
			108 323		–		25 600		82 723		4 548	–	–	–	
Performance shares															
Grant 6A	13 Feb 19	13 Feb 22	30 600	73.79	–	–	22 644	–	7 956	73.79	451	–	–	–	12 Feb 22
Grant 7A	02 Mar 20	02 Mar 23	39 800	59.78	–	–	39 800	–	–	–	–	–	–	–	01 Mar 23
Grant 8B	05 Mar 21	05 Mar 24	36 900	67.94	–	–	36 900	–	–	–	–	–	–	–	05 Mar 28
			107 300		–		99 344		7 956		451	–	–	–	
Total			940 969		–		850 290		90 679		4 999	–	–	–	

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

38. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

I SOOMRA

2021 Scheme	Award date	Initial vesting date	Options as at 30 Sep 2020 Number	Options as at 30 Sep 2020 Price	Options awarded during the year Number	Options awarded during the year Price	Options forfeited during the year Number	Options forfeited during the year Price	Options exercised during the year Number	Options exercised during the year Price	Options exercised during the year Gain (R'000)	Options as at 30 Sep 2021 Vested	Options as at 30 Sep 2021 Unvested	Options as at 30 Sep 2021 Option value[1] (R'000)	Expiry date
Share appreciation rights															
Grant 4	15 Feb 17	15 Feb 20	7 776	R116.81	–	–	7 776[3]	R116.81	–	–	–	–	–	–	14 Feb 24
Grant 5	15 Feb 18	15 Feb 21	34 700	R82.27	–	–	–	–	–	–	–	11 565	23 135	–	14 Feb 25
Grant 6	15 Feb 19	15 Feb 22	87 400	R73.79	–	–	–	–	–	–	–	–	87 400	–	14 Feb 26
Grant 7	02 Mar 20	02 Mar 23	313 346	R59.78	–	–	–	–	–	–	–	–	313 346	1 833	01 Mar 27
Grant 8	05 Mar 21	05 Mar 24	–	–	289 900	R67.94	–	–	–	–	–	–	289 900	–	05 Mar 28
			443 222		289 900		7 776		–		–	11 565	713 781	1 833	
Restricted shares															
Grant 6	14 Nov 18	14 Nov 21	10 100	–	–	–	–	–	–	–	–	–	10 100	663	13 Nov 21
Grant 6B	08 May 19	08 May 22	72 623	–	–	–	–	–	–	–	–	–	72 623	4 766	08 May 22
Grant 7	13 Nov 19	13 Nov 22	6 000	–	–	–	–	–	–	–	–	–	6 000	394	13 Nov 22
Grant 8	12 Nov 20	12 Nov 23	–	–	19 600	R60.85	–	–	–	–	–		19 600	1 286	12 Nov 23
			88 723		19 600		–		–		–	–	108 323	7 109	
Performance shares															
Grant 5	15 Feb 18	15 Feb 21	9 600	–	–	–	–	–	28 800[2]	R69.74	2 007	–	–	–	14 Feb 21
Grant 6	13 Feb 19	13 Feb 22	30 600	–	–	–	–	–	–	–	–	–	30 600	2 008	13 Feb 22
Grant 7	02 Mar 20	02 Mar 23	39 800	–	–	–	–	–	–	–	–	–	39 800	2 612	02 Mar 23
Grant 8	05 Mar 21	05 Mar 24	–	–	36 900	R67.94	–	–	–	–	–	–	36 900	2 422	05 Mar 24
			80 000		36 900		–		28 800		2 007	–	107 300	7 042	
Oceana Empowerment Trust[4]															
Participatory rights	01 Sep 13		32 000	–	–	–	–	–	32 000	–	1 148	–	–	–	
			32 000		–		–		32 000		1 148	–	–	–	
Total			643 945		346 400		7 776		60 800		3 155	11 565	929 404	15 984	

1. *Option value for equity-settled schemes are calculated using the closing VWAP at 30 September 2020 of R61.40. Option value for cash-settled schemes are calculated using the closing VWAP at 30 September 2020 of R61.40 less the grant date price.*
2. *Settled using a TSR multiplier of 62.50%.*
3. *Forfeited due to 2020 HEPS performance target not achieved.*
4. *Disclosure in this schedule was restated due to non disclosure of OET trust in the prior year 2020 reported schedule.*

38. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

EXECUTIVE DIRECTORS' SHARE SCHEME DETAILS

H KARRIM

2022			Options as at 30 Sep 2021		Options awarded during the year		Options forfeited during the year		Options exercised during the year			Options as at 30 Sep 2022			
Scheme	Award date	Initial vesting date	Number	Price	Number	Price	Number[1]	Price	Number	Price	Gain (R'000)	Vested	Unvested	Option value (R'000)	Expiry date
Share appreciation rights															
Grant 8A	01 Nov 20	01 Nov 23	118 667	67.87	–	–	118 667	67.87	–	–	–	–	–	–	01 Nov 27
Grant 8B	05 Mar 21	05 Mar 24	118 700	67.94	–	–	118 700	67.94	–	–	–	–	–	–	05 Mar 28
			237 367		–		237 367		–		–	–	–	–	
Restricted shares															
Grant 8A	01 Nov 20	01 Nov 23	8 619	86.71	–	–	8 619	86.71	–	–	–	–	–	–	01 Nov 27
Grant 8B	12 Nov 21	12 Nov 24	9 600	60.85	–	–	9 600	60.85	–	–	–	–	–	–	05 Mar 28
			18 219		–		18 219		–		–	–	–	–	
Performance shares															
Grant 8A	01 Nov 20	01 Nov 23	11 935	67.87	–	–	11 935	67.87	–	–	–	–	–	–	01 Nov 27
Grant 8B	05 Mar 21	05 Mar 24	11 900	67.94	–	–	11 900	67.94	–	–	–	–	–	–	05 Mar 28
			23 835		–		23 835		–		–	–	–	–	
			279 421		–		279 421		–		–	–	–	–	

1. *All options forfeited due to dismissal.*

38. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

H KARRIM

2021 Scheme	Award date	Initial vesting date	Options as at 30 Sep 2020 Number	Price	Options awarded during the year Number	Price	Options forfeited during the year Number	Price	Options exercised during the year Number	Price	Gain (R'000)	Options as at 30 Sep 2021 Vested	Unvested	Option value[1] (R'000)	Expiry date
Share appreciation rights															
Grant 8A	01 Nov 20	01 Nov 23	–	–	118 667	68	–	–	–	–	–	–	118 667	–	01 Nov 27
Grant 8B	12 Nov 20	12 Nov 23	–	–	118 700	68	–	–	–	–	–	–	118 700	–	12 Nov 23
			–		237 367		–		–		–	–	237 367	–	
Restricted shares															
Grant 8A	01 Nov 20	01 Nov 23	–	–	8 619	68	–	–	–	–	–	–	8 619	556	01 Nov 23
Grant 8B	12 Nov 20	12 Nov 23	–	–	9 600	61	–	–	–	–	–	–	9 600	630	12 Nov 23
			–		18 219		–		–		–	–	18 219	1 186	
Performance shares															
Grant 8A	01 Nov 20	01 Nov 23	–	–	11 935	68	–	–	–	–	–	–	11 935	783	01 Nov 23
Grant 8B	12 Nov 20	12 Nov 23	–	–	11 900	61	–	–	–	–	–	–	11 900	781	12 Nov 23
			–		23 835		–		–		–	–	23 835	1 564	
Total			–		279 421		–		–		–	–	279 421	2 750	

1. *Option value for equity-settled schemes are calculated using the closing VWAP at 30 September 2021 of R65.63. Option value for cash-settled schemes are calculated using the closing VWAP at 30 September 2021 of R65.63 less the grant date price. Where the VWAP is less than the grant date price the option value is nil.*

38. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

T GILES

			Options as at 30 Sep 2020		Options awarded during the year		Options forfeited during the year		Options exercised during the year			Options as at 30 Sep 2021			
2021 Scheme	Award date	Initial vesting date	Number	Price	Number	Price	Number	Price	Number	Price	Gain (R'000)	Vested	Unvested	Option value[1] (R'000)	Expiry date
Share appreciation rights															
Grant 4	15 Feb 17	15 Feb 20	2 334	117	–	–	2 334[3]	117	–	–	–	–	–	–	14 Feb 24
Grant 5	15 Feb 18	15 Feb 21	10 700	82	–	–	–	–	–	–	–	3 567	7 133	–	14 Feb 25
Grant 6	15 Feb 19	15 Feb 22	22 000	74	–	–	–	–	–	–	–	–	22 000	–	14 Feb 26
Grant 7	02 Mar 20	02 Mar 23	81 228	60	–	–	–	–	–	–	–	–	81 228	475	01 Mar 27
Grant 8	05 Mar 21	05 Mar 24	–	–	75 200	68	–	–	–	–	–	–	75 200	–	05 Mar 28
			116 262		75 200		2 334		–		–	3 567	185 561	475	
Restricted shares															
Grant 6	14 Nov 18	14 Nov 21	6 400	–	–	–	–	–	–	–	–	–	6 400	420	13 Nov 21
Grant 6B	08 May 19	08 May 22	16 358	–	–	–	–	–	–	–	–	–	16 358	1 074	07 May 22
Grant 7	13 Nov 19	13 Nov 22	3 200	–	–	–	–	–	–	–	–	–	3 200	210	12 Nov 22
Grant 8	12 Nov 20	12 Nov 23	–	–	8 300	61	–	–	–	–	–	–	8 300	545	12 Nov 23
			25 958		8 300		–		–		–	–	34 258	2 249	
Performance shares															
Grant 5	15 Feb 18	15 Feb 21	2 600	–	–	–	–	–	7800[2]	70	544	–	–	–	14 Feb 21
Grant 6	13 Feb 19	13 Feb 22	6 100	–	–	–	–	–	–	–	–	–	6 100	400	12 Feb 22
Grant 7	02 Mar 20	02 Mar 23	8 200	–	–	–	–	–	–	–	–	–	8 200	538	01 Mar 23
Grant 8	05 Mar 21	05 Mar 24	–	–	7 600	68	–	–	–	–	–	–	7 600	499	05 Mar 24
			16 900		7 600		–		7 800		544	–	21 900	1 437	
Total			159 120		91 100		2 334		7 800		544	3 567	241 719	4 161	

1. *Option value for equity-settled schemes are calculated using the closing VWAP at 30 September 2020 of R61.40. Option value for cash- settled schemes are calculated using the closing VWAP at 30 September 2020 of R61.40 less the grant date price.*
2. *Settled using a TSR multiplier of 62.50%.*
3. *Forfeited due to 2020 HEPS criteria not being met.*
4. *Forfeited due to TSR position being below the lower quartile.*

The above details are indicated for the full financial year although Mr T Giles was only a prescribed officer during October 2020.

38. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

38.3 NON-EXECUTIVE DIRECTORS' REMUNERATION

	2022				2021		
	Board fees	Committee fees	Ad hoc fees*	Total	Board fees	Committee fees	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
MA Brey	860	189	400	1 449	823	106	929
PG de Beyer	430	426	400	1 256	319	280	599
ZBM Bassa[1]	333	477	500	1 310	319	308	627
P Golesworthy[2]	333	208	350	891	159	69	228
A Jakoet	333	228	350	911	319	199	518
TM Mokgosi-Mwantembe[2]	333	189	300	822	159	90	249
NA Pangarker[3]	333	189	300	822	319	180	499
S Pather[1]	–	–	–	–	292	231	523
L Sennelo[3]	333	302	350	985	319	220	539
NV Simamane	333	344	350	1 027	319	255	574
Total	**3 621**	**2 552**	**3 300**	**9 473**	**3 347**	**1 938**	**5 285**

1. *S Pather served on the board until his unexpected passing on 5 July 2021, and was replace by ZBM Bassa as the chairperson of the Audit Committee.*
2. *P Golesworthy and TM Mokgosi-Mwantembe were appointed to the board of directors on 1 April 2021.*
3. *NA Pangarker fees were paid to Brimstone Investment Corporation Limited and L Sennelo fees were paid to Gosele Advisory Services.*

* *Includes additional work relating to the special events of 2022 as described in the Audit Committee report.*

39. GROUP ENTITIES

The Group's principal subsidiaries, associate and joint ventures, including applicable ownership interests, are detailed in note 42 and material non-controlling interests are disclosed in note 33. There are no significant restrictions on the ability of the Group to realise assets or settle liabilities of any of its subsidiaries. There are no contractual obligations on the company or any of its subsidiaries to provide financial support other than what is disclosed in note 34.

40. EVENTS AFTER THE REPORTING DATE

No events occurred after the reporting date that have an impact on the Group's reported financial position at 30 September 2022 or require separate disclosure in these financial statements other than that disclosed in note 11 regarding the sale of CCS Logistics.

41. GOING CONCERN

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

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

42. INTEREST IN PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE

for the year ended 30 September 2022

Name of company	Nature of business	Issued capital 2022 R	Effective holding 2022 %	Issued capital 2021 R	Effective holding 2021 %
Amawandle Hake Proprietary Limited	Hake	400	75	400	75
Amawandle Pelagic Proprietary Limited	Canned fish, fishmeal/oil	178 507 494	75	178 507 494	75
Arechanab Fishing & Dev Co Proprietary Limited	Horse mackerel	3 000	35	3 000	35
Blue Continent Products Proprietary Limited	Horse mackerel, hake	1 000	100	1 000	100
Calamari Fishing Proprietary Limited	Squid	4 000	100	4 000	100
Cerocic Fishing Proprietary Limited	Horse mackerel	7 500	48	7 500	48
Commercial Cold Storage Proprietary Limited	Cold storage	100	100	100	100
Commercial Cold Storage Limited[5]	Holding company	1 000 000	100	1 000 000	100
Commercial Cold Storage (Ports) Proprietary Limited	Cold storage	100	70	100	70
Commercial Cold Storage (Namibia) Proprietary Limited – Namibia	Cold storage	15 300	69	15 300	69
Compass Trawling Proprietary Limited	Hake	1 000	45	1 000	45
Desert Diamond Fishing Proprietary Limited	Horse mackerel	120	90	120	90
Oceana US Investment Holdings Corporation – United States of America	Holding company	3 221 400 000	100	3 221 400 000	100
Oceana US Holdings Corporation – United States of America	Holding company	3 042 682 453	100	3 042 682 453	100
Daybrook investment Incorporated – United States of America	Holding company	44 242 171	100	44 242 171	100
Daybrook Fisheries Incorporated – United States of America	Holding company	57 905 400	100	57 905 400	100
Daybrook Holdings Incorporated – United States of America	Fishmeal/oil	54 748 814	100	54 748 814	100
Westbank Fishing Limited Liability Company – United States of America[2]	Fishmeal/oil	520 380 000	25	520 380 000	25
Erongo Marine Enterprises Proprietary Limited – Namibia	Horse mackerel	100	100	100	100
Erongo Seafoods Proprietary Limited – Namibia	Horse mackerel	40 000	46	40 000	46
Erongo Sea Products Proprietary Limited – Namibia	Horse mackerel	100	52	100	52
Etosha Fisheries Holding Company Proprietary Limited – Namibia[1]	Canned fish, fishmeal/oil	9 085	45	9 085	45
Le Monde Holdings Limited – Seychelles	Cold storage	116	100	116	100
MFV Romano Paulo Vessel Company Proprietary Limited[1]	Rock lobster	3 000	35	3 000	35
Ntabeni Fishing Proprietary Limited	Canned fish, fishmeal/oil	200	74	200	74
Lucky Star Limited	Canned fish, fishmeal/oil	600 000	100	600 000	100
Oceana Africa Holdings Limited – Mauritius	Holding company	100	100	100	100
Oceana Peche International Limited – Mauritius[4]	Fishmeal/oil	–	–	26	100
Oceana Empowerment Trust[3]	Empowerment Trust	n/a	n/a	n/a	n/a
Oceana Lobster Limited	Rock lobster	965 500	100	965 500	100
Oceana Boa Pesca Limitada – Angola[1]	Fishmeal/oil	–	–	2 444 000	50
Ulwandle Inshore Proprietary Limited	Hake	1 000	100	1 000	100
Oceana Saam-Sonke Trust	Empowerment Trust	–	–	–	–
Oceana Stakeholder Empowerment Trust	Empowerment Trust	–	–	–	–
Oceana Share Trust	Empowerment Trust	–	–	–	–

Only principal trading subsidiaries, joint ventures and the associate company have been included in the above list. Details of all subsidiaries and joint ventures are available upon request from the company secretary. The Group has 17 (2021: 17) wholly-owned subsidiaries and 15 (2021: 15) non-wholly-owned subsidiaries. All subsidiaries and joint ventures are incorporated in South Africa unless otherwise indicated.

1. *Joint venture.*
2. *Associate*
3. *The trust is funded by capital contributions from Oceana Group Limited and participating South African subsidiary companies.*
4. *Deregistered on 18 April 2022.*
5. *Asset held for sale*

Shareholder Analysis

As at 30 September 2022

	Number of shareholders	%	Number of shares	%
SHAREHOLDER SPREAD				
1 – 1 000 shares	6 053	82.6	860 138	0.7
1 001 – 10 000 shares	791	10.8	2 696 294	2.1
10 001 – 100 000 shares	360	4.9	12 102 256	9.3
100 001 – 1 000 000 shares	103	1.4	29 358 897	22.5
1 000 001 shares and over	20	0.3	85 414 219	65.5
	7 327	100	130 431 804	100
DISTRIBUTION OF SHAREHOLDERS				
Banks	77	1.1	8 148 274	6.3
Brokers	24	0.3	83 950	0.1
Close corporations	44	0.6	46 112	–
Empowerment	3	–	33 511 898	25.7
Individuals	5 429	74.1	3 408 069	2.7
Insurance companies	39	0.5	1 980 193	1.5
Investment companies	4	0.1	66 409	0.1
Mutual funds	254	3.5	39 705 297	30.5
Nominees and trusts	734	10.0	850 603	0.7
Other corporate bodies	68	0.9	3 944 805	3.0
Pension funds	482	6.6	29 258 904	22.5
Private companies	162	2.2	324 047	0.2
Public companies	2	–	29 587	–
Treasury shares held by share trusts	4	0.1	8 706 360	6.7
Treasury shares held by subsidiary	1	–	238 796	0.2
	7 327	100	130 303 304	100
SHAREHOLDER TYPE				
Non-public shareholders	22	0.3	42 643 054	32.7
Directors and employees	14	0.2	186 000	0.2
Treasury shares held by share trusts	4	0.1	8 706 360	6.7
Treasury shares held by subsidiary	1	–	238 796	0.2
Empowerment	2	–	777 767	0.6
Other holdings greater than 10%	1	–	32 734 131	25.0
Public shareholders	7 305	99.7	87 788 750	67.3
	7 327	100	130 431 804	100
SHAREHOLDERS HOLDING 5% OR MORE				
Brimstone Investment Corporation Limited			32 734 131	25.10
M and G Investment Managers (Pty) Ltd			14 319 188	11.00
Public Investment Corporation (SOC) Limited[1]			10 733 578	8.20
Coronation Fund Managers Limited			10 969 173	8.40
Camissa Asset Management Pty Ltd			7 087 809	5.40

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

Administration

REGISTERED OFFICE AND BUSINESS ADDRESS

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

COMPANY REGISTRATION NUMBER

1939/001730/06

JSE SHARE CODE

OCE

NSX SHARE CODE

OCG

COMPANY ISIN

ZAE000025284

TRANSFER SECRETARIES

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

COMPANY SECRETARY

Adela Fortune (Resigned 4 March 2022)
R Buddle appointed interim company secretary (Appointed 9 March 2022, resigned 31 July 2022)
Nicole Morgan (Appointed 1 August 2022)

BANKERS

The Standard Bank of South Africa Limited
Investec Bank Limited
Rand Merchant Bank Holdings Limited
BMO Harris Bank N.A.
Nedbank Limited

EXTERNAL AUDITORS

Mazars (appointed 21 July 2022)
PWC (resigned in 27 May 2022)

INTERNAL AUDITORS

BDO Advisory Services Proprietary Limited

JSE SPONSOR

The Standard Bank of South Africa Limited

NSX SPONSOR

Old Mutual Investment Services (Namibia) Proprietary Limited

EXECUTIVE DIRECTORS

Chief Executive Officer
Imraan Soomra (Resigned 14 February 2022)

Chief Executive Officer
Neville Brink (Appointed Interim CFO on 14 February 2022, Executive Director on 21 February 2022 and CEO on 2 June 2022)

Chief Financial Officer
Hajra Karrim (Appointed 1 November 2020; Employment terminated 3 June 2022)

Interim Chief Financial Officer
Ralph Buddle (Appointed Interim Chief Financial Officer on 23 February 2022) (Appointed Executive Director on 3 June 2022)

NON-EXECUTIVE DIRECTORS

Chairman
Mustaq Brey[3,4]

Lead independent director
Peter de Beyer (Appointed 15 July 2021)[2,3,4]
Saamsodien Pather[2,3] (Deceased 5 July 2021)

Zarina Bassa[2,4,5]
Nisaar Pangarker[1,5]
Lesego Sennelo[1,5]
Nomahlubi Simamane[1,3,4]
Aboubakar Jakoet[2,4,5]
Thoko Mokgosi-Mwantembe[1,3]
Peter Golesworthy[2,5]

1. Social, Ethics and Transformation Committee
2. Audit Committee
3. Remuneration Committee
4. Corporate Governance and Nominations Committee
5. Risk Committee

Oceana Group Limited Company Financial Statements

Contents

The audited annual financial statements for the year ended 30 September 2022, as set out on pages 117 to 157, were prepared under the supervision of Mr R Buddle CA(SA). The financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa No 71 of 2008.

Report of the Directors

The directors submit their report which forms part of the annual financial statements for the year ended 30 September 2022.

NATURE OF BUSINESS AND OPERATIONS

Oceana Group Limited (the Company) is an investment holding company incorporated in 1918 and listed on the Johannesburg (JSE) and Namibian (NSX) stock exchanges.

In addition, the Company also carries on the business of investing funds surplus to its immediate requirements and providing funding, administration and management services to subsidiaries and joint ventures.

SHARE CAPITAL

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

During the year under review, 70 799 (2021: 143 799) treasury shares were allocated in terms of the Company's share scheme.

Further details of the authorised and issued share capital of the Company are set out in Note 20.

FINANCIAL RESULTS

The results for the year under review are reflected in the statement of comprehensive income on page 117.

PRIOR PERIOD RESTATEMENT

The Company has restated its previously reported financial statements and all related disclosures to correct the overstatement of a bonus accrual, which was a result of a processing error.

SPECIAL RESOLUTIONS

During the year, the Company's shareholders passed special resolutions:

- To approve and authorise the provision of financial assistance by the Company to related or inter-related companies and others as contemplated in the Companies Act, No. 71 of 2008;
- To approve the new employee Share Incentive Plan;
- 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

DIVIDENDS

Dividends paid during the year and dividends declared after the reporting date are set out in Note 8.

DIRECTORS AND OFFICERS

The names of the directors and officers for the current financial year and up to the date of this report can be found in a separate schedule on page 159, along with the name, business and postal address of the Company Secretary.

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

- Imraan Soomra resigned as CEO and an executive director effective 14 February 2022
- Neville Brink was appointed as Interim CEO on 14 February 2022 and as an executive director of the Board on 21 February 2022. His appointment as CEO was made permanent on 2 June 2022
- Adela Fortune resigned as the Company Secretary on 15 March 2022
- Ralph Buddle was appointed as Interim CFO on 23 February 2022, as interim Company Secretary on 9 March 2022 and as an executive director on 3 June 2022
- Hajra Karrim's employment as CFO was terminated on 3 June 2022 and her tenure as an ex-officio director of the Company also ceased on this date
- Nicole Morgan was appointed as Company Secretary on 1 August 2022
- Zafar (Zaf) Mahomed is currently the CFO designate and will assume the role of CFO and executive director of the Company on 1 February 2023

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 2022 was as follows:

	Number of shares		
	Direct beneficial	Indirect beneficial	Aggregate
2022			
N Brink	**5 832**	**22 400**	**28 232**
2021			
I Soomra[1]	24 247	215 623	239 870
H Karrim[2]	–	42 054	42 054

[1] *I Soomra resigned effective 14 February 2022.*

[2] *H Karrim was appointed CFO 1 November 2020; Employment terminated 3 June 2022.*

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 33.

GOING CONCERN

The directors have made an assessment of the ability of the Company to continue as a going concern and have no reason to believe that the business will not be a going concern in the period ahead. Taking into account the risks associated with the COVID-19 pandemic, the directors believe that the Company has adequate financial resources to continue its operations into the foreseeable future. The Company obtained a subordination agreement from Lucky Star Limited confirming its intention to continue providing financial and/or other support to Oceana Group Limited with a view to it being able to meet its liabilities as and when they fall due. Refer to Note 35 for further details.

LITIGATION

No material litigious matters are outstanding for the Company that require further presentation or disclosure in these audited annual financial statements.

EVENTS SUBSEQUENT TO THE REPORTING DATE

No events occurred after the reporting date that may have an impact on the Company's reported financial position at 30 September 2022 or require separate disclosure in these financial statements other than the that disclosed in note 19 regarding the sale of CCS Logistics.

Statement of Comprehensive Income

for the year ended 30 September 2022

	Notes	2022 R'000	2021 Restated[1] R'000
Revenue	1	**313 140**	285 322
Dividends received	2	**183 164**	742 944
Overhead expenditure		**(330 530)**	(245 190)
Net foreign exchange gain		**20**	9 082
Operating profit before other operating items	3	**165 794**	**792 158**
Other operating items	4	**(7 237)**	(14 177)
Operating profit including other operating items		**158 557**	**777 981**
Interest income	5	**36 880**	35 464
Interest expense	6	**(42 241)**	(39 912)
Profit before taxation		**153 196**	**773 533**
Taxation expense	7	**3 816**	(24 315)
Profit after taxation		**157 012**	**749 218**
Other comprehensive income		**–**	–
Total comprehensive income for the year		**157 012**	**749 218**

[1] *Prior period values have been restated, refer to note 31 for further details.*

Statement of financial position

As at 30 September 2022

	Notes	2022 R'000	2021 Restated[1] R'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	**36 733**	33 328
Right-of-use assets	10	**19 554**	24 768
Intangible assets	11	**72 002**	75 117
Interest in joint ventures and subsidiaries	12	**3 370 863**	3 377 849
Deferred taxation	13	**10 625**	6 274
Investments and loans	14	**463**	709
Loan to Oceana Group Share Trust	15	**337**	332
Total non-current assets		**3 510 577**	**3 518 377**
Current assets			
Trade and other receivables	16	**90 984**	92 281
Loans to share trusts	17	**3 366**	7 997
Amounts owing by related parties	18	**2 764**	59 382
Taxation receivable		**3 069**	–
Cash and cash equivalents		**53 246**	227 782
Total current assets		**153 429**	**387 442**
Assets held for sale	19	**57 468**	–
Total assets		**3 721 474**	**3 905 819**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	20	**1 225 035**	1 225 035
Share-based payment reserve	26	**32 907**	26 047
Distributable reserve		**(317 214)**	(108 535)
Total capital and reserves		**940 728**	**1 142 547**
Non-current liabilities			
Lease liabilities	21	**33 675**	42 525
Liability for share-based payments	26	**2 984**	6 856
Total non-current liabilities		**36 659**	**49 381**
Current liabilities			
Lease liabilities	21	**8 850**	7 361
Employee Provisions	22	**480**	679
Trade and other payables	23	**71 599**	65 803
Taxation payable		**–**	8 476
Amounts owing to related parties	18	**2 285 207**	2 540 572
Short-term banking facilities		**76 000**	91 000
Total current liabilities		**2 442 136**	**2 713 891**
Liabilities held for sale	19	**301 951**	–
Total liabilities		**2 780 746**	**2 763 272**
Total equity and liabilities		**3 721 474**	**3 905 819**

[1] *Prior period values have been restated, refer to note 31 for further details.*

Statement of Changes in Equity

for the year ended 30 September 2022

	Notes	Share capital R'000	Share-based payment reserve R'000	Distributable reserve R'000	Total R'000
Balance at 1 October 2020[1]		1 289 552	23 636	128 597	1 441 785
Changes in equity					
Total comprehensive income for the year[1]		–	–	749 218	749 218
Share-based payment expense		–	14 825	–	14 825
Share-based payment exercised		(8 777)	(2 083)	–	(10 860)
Repurchase of shares from Oceana Empowerment Trust[2]		(55 825)	–	(478 034)	(533 859)
Transfers between reserves[3]		–	(10 331)	10 331	–
Issue of shares		85	–	–	85
Dividends	8	–	–	(518 647)	(518 647)
Restated balance at 30 September 2021[1]		**1 225 035**	**26 047**	(108 535)	1 142 547
Changes in equity					
Total comprehensive income for the year		**–**	**–**	**157 012**	**157 012**
Share-based payment expense		**–**	**15 111**	**–**	**15 111**
Share-based payment exercised		**–**	**(6 525)**	**–**	**(6 525)**
Transfers from subsidiaries		**–**	**6 238**	**–**	**6 238**
Transfer from cash settled share-based payments		**–**	**2 287**	**–**	**2 287**
Transfers between reserves[4]		**–**	**(10 251)**	**10 251**	**–**
Dividends	8	**–**	**–**	**(375 942)**	**(375 942)**
Balance at 30 September 2022		**1 225 035**	**32 907**	**(317 214)**	**940 728**
Notes		20	26		

[1] *Prior period balances have been restated, refer to note 31 for further details.*

[2] *The company repurchased 8 478 067 shares from the Oceana Empowerment Trust at a 30-day Volume Weighted Average Price ("VWAP") of R67.90.*

[3] *IFRS 2 costs relating to share trusts, for which rights have vested with employee beneficiaries, were transferred from the share-based payment reserve to the distributable reserve.*

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

Statement of Cash Flows

for the year ended 30 September 2022

	Notes	2022 R'000	2021 Restated[1] R'000
Cash operating profit	25.1	**6 080**	76 427
Working capital changes	25.2	**123 082**	(68 401)
Cash generated from operations		**129 162**	8 026
Interest received	5	**36 880**	35 464
Interest paid	6	**(42 241)**	(39 912)
Taxation paid	25.3	**(10 022)**	(11 877)
Dividends received[2]		**183 164**	742 944
Dividends paid	25.4	**(375 942)**	(518 647)
Cash (outflow) / inflow from operating activities		**(78 999)**	215 998
Cash flows from investing activities			
Purchases of property, plant and equipment		**(12 452)**	(16 383)
Purchases of intangible assets		**(5 525)**	(3 753)
Decrease in shareholding in other investments		**246**	–
Changes in deposits with subsidiaries		**(48 920)**	140 322
Repayment of other loans receivable		**–**	219
Cash (outflow) / inflow from investing activities		**(66 651)**	**120 405**
Cash flows used in financing activities			
Lease liabilities repaid		**(7 361)**	(6 045)
Repurchase of treasury shares	25.6	**–**	(311 622)
Equity-settled share-based payment	25.6	**(6 525)**	(10 860)
Oceana Empowerment Trust capital contribution acquired from related parties		**–**	(147 897)
Decrease in loan to Oceana Group Share Trust		**–**	26
Proceeds from issue of share capital		**–**	85
Short-term banking facility raised		**3 861 000**	3 593 000
Short-term banking facility repaid		**(3 876 000)**	(3 502 000)
Cash outflow from financing activities		**(28 886)**	**(385 313)**
Net decrease in cash and cash equivalents		**(174 536)**	(48 910)
Cash and cash equivalents at the beginning of the year		**227 782**	276 692
Cash and cash equivalents at end of the year	25.5	**53 246**	227 782

[1] Prior period balances have been restated, refer to note 31 for further details.

[2] Dividends received has been reclassified from cash generated from operations to the being separately disclosed in line with the requirements of IAS 7.

Notes to the Company Financial Statements

for the year ended 30 September 2022

1. REVENUE

	2022 R'000	2021 R'000
Rendering of services		
Administration fees from related parties	313 140	285 322

Refer to the Revenue recognition accounting policy outlining revenue streams and performance obligations.

2. DIVIDENDS RECEIVED

	2022 R'000	2021 R'000
Dividends received from group companies	183 164	742 944

3. OPERATING PROFIT BEFORE OTHER OPERATING ITEMS

Operating profit before other operating items is arrived at after taking into account the following items:

	2022 R'000	2021 R'000
Employment related expenditure		
Employment costs	97 563	95 337
Retirement costs	9 470	9 745
Share-based payments – cash-settled compensation scheme	2 613	3 505
Share-based payments – equity-settled compensation scheme	9 614	14 825
Share-based payments – equity-settled BEE IFRS 2 charge	785	–
	120 045	123 412
Depreciation of property, plant and equipment		
Leasehold improvements	416	380
Furniture, office equipment and computer hardware	8 631	7 064
	9 047	7 444
Lease expenditure		
Depreciation of right-of-use assets	5 214	5 214
Low-value lease expenses	1 152	655
Short-term lease expenses	712	743
	7 078	6 612
Expenditure		
Administrative, technical and secretarial fees	27 022	20 209
Software maintenance	17 843	19 229
Legal and consulting fees	25 398	4 252
Outsourced services	19 369	16 840
	89 632	60 530
Amortisation of intangible assets		
Computer software	8 640	8 020
	8 640	8 020
Auditors' remuneration		
Fees for audit – current year	17 211	1 826
Fees for audit – prior year overprovision	–	(1 526)
Other services	–	130
	17 211	430

4. OTHER OPERATING ITEMS

	2022 R'000	2021 R'000
Transaction costs relating to disposal of CCS Logistics	7 237	–
Impairment of loan[1]	–	459
Impairment loss on software	–	2 370
Once-off transaction costs pertaining to new BBBEE trusts[2]	–	11 348
	7 237	14 177

[1] *The company's loan with Oceana Africa Holdings Limited, a dormant subsidiary, was considered to be irrecoverable and therefore written-off. The loan was extended to cover the administrative costs of the subsidiary.*

[2] *Transaction costs were incurred in relation to the specific repurchase of shares from the OET and the establishment of Oceana Saam-Sonke Trust and OSET.*

5. INTEREST INCOME

	2022 R'000	2021 R'000
Amounts owing by group companies	28 280	29 447
Bank and short-term deposits	8 600	6 017
	36 880	35 464

6. INTEREST EXPENSE

	2022 R'000	2021 R'000
Amounts owing to group companies	21 786	16 363
Bank and short-term borrowing facilities	15 981	18 533
Lease liabilities	4 474	5 016
	42 241	39 912

7. TAXATION EXPENSE

	2022 R'000	2021 R'000
Current taxation		
South African current taxation		
Current year	520	8 180
Securities transfer tax	–	1 439
Adjustments in respect of previous years	(2 043)	(3)
	(1 523)	9 616
Deferred tax		
Foreign current taxation		
Withholding tax[1]	–	10 646
Total current taxation	–	10 646
Deferred taxation		
South African deferred taxation		
Current year	(2 131)	3 834
Adjustments in respect of previous years	(93)	219
Rate change adjustment[2]	(69)	–
Total deferred taxation	(2 293)	4 053
Total taxation charge	(3 816)	24 315

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

[2] *The change in the tax rate was substantively enacted on 23 February 2022, effective for years ending on or after 31 March 2023. As at 30 September 2022, current tax is determined using a tax rate of 28%, as that is the rate enacted for the current reporting period. As 30 September 2023, current tax will be determined using a tax rate of 27%.*

7. TAXATION EXPENSE continued

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

	2022 %	2021 %
Effective rate of taxation	**(2.5)**	3.1
Adjustment to rate due to:		
Dividend income	**33.5**	26.8
Foreign taxation rate differentials and withholding taxes	–	(1.4)
Exempt income arising from capital profits and foreign exchange gains	–	0.2
Expenses not allowable for taxation	**(4.2)**	(0.8)
Over provision of prior year tax	**1.3**	0.1
Rate change adjustment	**(0.1)**	–
South African company income tax rate	**28.0**	28.0

8. DIVIDENDS

	2022 R'000	2021 R'000
Final dividend of 248 cents per share was declared on 9 March 2022 paid 4 April 2022 (2021: 293 cents)	**307 702**	382 165
Interim of 55 cents per share declared on 21 June 2022 paid 27 June 2022 (2021: 110 cents)	**68 240**	136 482
Dividends paid during the year	**375 942**	518 647
Dividend declared after the reporting date and not accrued	**353 856**	302 833
Dividends per share (cents)	**346**	358
– Interim paid	**55**	110
– Final declared after reporting date	**291**	248

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings R'000	Leasehold land and buildings R'000	Computer hardware R'000	Furniture and office equipment R'000	Motor vehicles R'000	Total R'000
2021						
Cost	1 312	3 713	42 378	9 637	631	57 671
Accumulated depreciation and impairment losses	–	(831)	(26 959)	(4 906)	(574)	(33 270)
Net book value at 1 October 2020	**1 312**	**2 882**	**15 419**	**4 731**	**57**	**24 401**
Movements for the year						
Additions	–	–	15 230	1 153	–	16 383
Disposals – cost	–	–	(6 696)	–	–	(6 696)
Disposals – accumulated depreciation	–	–	6 684	–	–	6 684
Depreciation	–	(380)	(6 165)	(899)	–	(7 444)
Balance at 30 September 2021	**1 312**	**2 502**	**24 472**	**4 985**	**57**	**33 328**
Cost	1 312	3 713	50 912	10 790	631	67 358
Accumulated depreciation and impairment losses	–	(1 211)	(26 440)	(5 805)	(574)	(34 030)
Net book value at 30 September 2021	**1 312**	**2 502**	**24 472**	**4 985**	**57**	**33 328**

9. PROPERTY, PLANT AND EQUIPMENT continued

	Freehold land and buildings R'000	Leasehold land and buildings R'000	Computer hardware R'000	Furniture and office equipment R'000	Motor vehicles R'000	Total R'000
2022						
Movements for the year						
Additions	–	–	11 120	1 332	–	12 452
Depreciation	–	(416)	(7 492)	(1 139)	–	(9 047)
Balance at 30 September 2022	1 312	2 086	28 100	5 178	57	36 733
Cost	1 312	3 713	62 032	12 122	631	79 810
Accumulated depreciation and impairment losses	–	(1 627)	(33 932)	(6 944)	(574)	(43 077)
Net book value at 30 September 2022	1 312	2 086	28 100	5 178	57	36 733

10. RIGHT-OF-USE ASSETS

	2022 R'000	2021 R'000
Opening balance at 1 October	24 768	29 982
Movements for the year		
Depreciation	(5 214)	(5 214)
Net book value at 30 September	19 554	24 768
Made up as follows:		
Cost	35 196	35 196
Accumulated depreciation and impairment losses	(15 642)	(10 428)
Net book value at 30 September	19 554	24 768

The company leases land and building at Oceana House. The remaining lease term is 3.75 years.

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

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

11. INTANGIBLE ASSETS

	Computer software R'000
2021	
Cost	127 197
Accumulated amortisation	(45 443)
Net book value 1 October 2020	**81 754**
Movements for the year	
Amortisation for the year	(8 020)
Additions	3 753
Impairment	(2 370)
Balance at 30 September 2021	**75 117**
Made up as follows:	
Cost	130 951
Accumulated amortisation	(55 834)
Net book value at 30 September 2021	**75 117**
2022	
Movements for the year	
Amortisation for the year	**(8 640)**
Additions	**5 525**
Net book value at 30 September 2022	**72 002**
Made up as follows:	
Cost	**136 476**
Accumulated amortisation	**(64 474)**
Net book value at 30 September 2022	**72 002**

The remaining amortisation period for intangible assets are as follows:

Computer software 1 – 8 years

12. INTEREST IN JOINT VENTURES AND SUBSIDIARIES

	2022 R'000	2021 R'000
Opening carrying amount of shares	**3 377 849**	3 377 849
Transfer to assets held for sale	**(6 986)**	–
	3 370 863	3 377 849
Reconciliation of interest in joint ventures and subsidiaries		
Amawandle Hake (Pty) Ltd	**0.30**	0.30
Vaxogystix (Pty) Ltd	**0.30**	0.30
Commercial Cold Storage Group Limited	**–**	6 986
Blue Continent Products Proprietary Limited	**1 932**	1 932
Oceana Lobster Limited	**965**	965
Lucky Star Limited	**1 706**	1 706
Etosha Fisheries Holding Company Proprietary Limited	**10 988**	10 988
Oceana US Investment Holdings Corporation	**3 221 400**	3 221 400
Amawandle Pelagic Proprietary Limited	**133 872**	133 872
Total	**3 370 863**	3 377 849

Refer to note 36 for further details.

13. DEFERRED TAXATION

	2022 R'000	2021 R'000
Deferred tax assets	10 625	6 274
Net deferred tax assets	**10 625**	6 274
Net assets at the beginning of the year	6 274	10 327
Deferred tax transferred from subsidiaries[1]	2 058	–
Credited / (debited) to the statement of comprehensive income	2 293	(4 053)
Net assets at the end of the year	**10 625**	6 274
Comprising:		
Property, plant and equipment	(16 219)	(17 310)
Right-of-use asset	(5 279)	(6 935)
Provisions and other credit balances	20 641	16 551
Lease Liabilities	11 482	13 968
	10 625	6 274

Deferred tax has been calculated at the standard corporate tax rate as at the reporting date taking into account the change in tax rate effective 1 March 2023, as management expects to recover the carrying value of assets and settle the carrying value of liabilities through use. Deferred tax assets are raised after due consideration of future taxable income based on approved budgets and forecasts.

In the current year, the deferred tax asset was fully realised against taxable income.

[1] *Employee provisions transferred from subsidiaries.*

14. INVESTMENTS

	2022 R'000	2021 R'000
Other investments	463	709
Total	**463**	709

Loans consist of an unsecured, interest-free loan with no fixed terms of repayment to a company in which the company holds a 3.5% (2021: 3.5%) equity share.

MOVEMENT IN OTHER INVESTMENTS

	2 022 R'000	2 021 R'000
Balance at the beginning of the year	709	709
Reduction in investment in Group Risk Holdings Proprietary Limited	(246)	–
Balance at the end of the year	**463**	709
Categorised between current and non-current portion		
Current asset	–	–
Non-current asset	463	709
	463	709

15. LOAN TO OCEANA GROUP SHARE TRUST

	2022 R'000	2021 R'000
Interest-bearing at 6.5% per annum (2021: 4.5%)	337	332

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

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

Interest is accrued at the repo rate plus 1%.

	2022 R'000	2021 R'000
Categories of current and non-current portions		
Current asset	–	–
Non-current asset	337	332
	337	332

16. TRADE AND OTHER RECEIVABLES

	2022 R'000	2021 R'000
Trade receivables	125	6
Insurance claims receivable	–	10 245
Accrued income and other receivables	106 112	71 188
Transfer to assets held for sale	(36 491)	–
Financial assets	69 746	81 439
Prepayments	10 685	8 966
Deposits	487	–
Value added taxation	10 066	1 876
Non-financial assets	21 238	10 842
Total	90 984	92 281

	2022 R'000	2021 R'000
Categories of financial and non-financial assets		
Financial assets	69 746	81 439
Non-financial assets	21 238	10 842
	90 984	92 281

The company applied the simplified approach in calculating the expected credit loss on trade receivables. The expected credit loss for trade receivables has been assessed to be insignificant.

17. LOANS TO SHARE TRUSTS

	2022 R'000	2021 R'000
Oceana Empowerment Trust	3 281	7 912
Oceana Saam-Sonke Trust	78	78
Oceana Stakeholder Empowerment Trust	7	7
	3 366	7 997

OCEANA EMPOWERMENT TRUST

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

A return of 7.46% will be repaid by the trust from dividends received from the company and from the proceeds of shares realised on behalf of qualifying employees after the 14 year lock-in period or on behalf of the beneficiaries of deceased qualifying employees. The loans expected credit loss is assessed to be insignificant.

OCEANA SAAM-SONKE TRUST AND OCEANA STAKEHOLDER EMPOWERMENT TRUST

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

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

	2022 R'000	2021 R'000
Categories of current and non-current portions		
Current asset	3 366	7 997
Non-current asset	–	–
	3 366	7 997

18. AMOUNTS OWING BY / (TO) RELATED PARTIES

	2022 R'000	2021 R'000
Current amounts owing by	2 764	59 382
Current amounts owing to	(2 285 207)	(2 540 572)
Total current amounts owing	(2 282 443)	(2 481 190)

Loans to related parties are unsecured and payable on demand. Loans to wholly-owned South African subsidiaries are interest-free with the exception of when the company is required to fund subsidiary working capital requirements from available overdraft facilities in which event interest is charged at prevailing market rates. Interest rates on other loans are floating and approximate prevailing market rates.

Included in amounts owing to related parties for the company is a R1 802 million (2021: R1 850 million) loan from Lucky Star Limited. The company obtained a subordination agreement from Lucky Star Limited confirming its intention to continue providing financial and/or other support to Oceana Group Limited with a view to it being able to meet its liabilities as and when they fall due. The subordination agreement shall remain in force and effect for so long as the current liabilities of the Company exceeds its current assets fairly valued.

EXPECTED CREDIT LOSS ALLOWANCE

The company applies the general approach in calculating ECLs for amounts owing by related parties. Amounts owing by related parties inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due. Loans receivable were valued based on the risk of the counterparty on the comprehensive method. The expected credit loss of amounts owing by related parties is assessed to be insignificant.

Details of the expected credit loss in relation to loans are disclosed in Note 30.

18. AMOUNTS OWING BY/ (TO) RELATED PARTIES continued

The ECL for loans held by the company as at 30 September reconciles to the opening ECL as follows:

	2022 R'000	2021 R'000
ECL allowance as at 1 October	–	43 042
Write-offs	–	(43 042)
Closing ECL allowance as at 30 September	**–**	–

19. ASSETS HELD FOR SALE

On the 3rd of October 2022 Oceana entered into an agreement to dispose of its cold storage business, Commercial Cold Storage Group Limited, trading as CCS Logistics ("CCS Logistics"), for a total consideration of R760 million net of the value accruing to minority interests in the Namibian (CCS Namibia Proprietary Limited 31%) and Duncan Dock (CCS Ports Proprietary Limited 30%) operations. The implied 100% enterprise value including minorities is R895 million.

The transaction includes supplementary agreements for Oceana Group entities to secure medium term cold-storage services from CCS Logistics at market related rates and for Oceana to continue providing transitional services at an agreed service fee to CCS Logistics for a period of at least 12 months following implementation.

The transaction was concluded on the 3rd of October 2022. The company assessed the requirements of IFRS 5 and deemed the asset to meet the criteria of being held of sale prior to year-end.

	2022 R'000
Non-current assets held for sale	**57 468**
Investment in subsidiary	**6 986**
Loans receivable	**50 482**
Non-current liabilities held for sale	**301 951**

20. SHARE CAPITAL

20.1 AUTHORISED SHARE CAPITAL

300 000 000 ordinary shares of no par value (2021: 300 000 000 ordinary shares of no par value)

20.2 ISSUED SHARE CAPITAL

130 431 804 ordinary shares of no par value (2021: 130 431 804 ordinary shares of no par value)

	2022 R'000	2021 R'000
Opening balance ordinary share capital	**1 225 035**	1 289 552
Less: treasury shares repurchased and cancelled[1]	–	(55 825)
Add: shares issued to new BBBEE share trusts	–	85
Less: shortfall on vesting of equity settled share-based payments	–	(8 777)
Balance at the end of the year	**1 225 035**	1 225 035

[1] *During the prior year, the Company repurchased 8 478 067 no par value shares from the Oceana Empowerment Trust on 19 March 2021 as part of expiration of the trust's lock-in period and the Company's new broad based black economic empowerment transaction. The shares were subsequently delisted from the JSE and cancelled.*

20.3 UNISSUED SHARES

	2022 Shares	2021 Shares
Unissued shares		
Authorised ordinary shares of no par value	**300 000 000**	300 000 000
Issued ordinary shares of no par value	**(130 431 804)**	(130 431 804)
Unissued shares	**169 568 196**	169 568 196

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

21. LEASE LIABILITIES

	2022 R'000	2021 R'000
Balance at 1 October[1]	**49 886**	55 931
Current year movement		
Interest	**4 474**	5 016
Lease payments	**(11 835)**	(11 061)
Balance at 30 September	**42 525**	49 886
Lease liabilities maturity analysis		
Due within one year	**12 664**	11 835
Due within two years	**13 550**	12 664
Due within three years	**14 499**	13 550
Due within four years	**11 435**	14 498
Due within and later than five years	**–**	11 435
Total minimum lease payments	**52 148**	63 982
Less: unearned interest	**(9 623)**	(14 096)
Present value of lease liability	**42 525**	49 886
Categorised between non-current and current portions		
Non-current liabilities	**33 675**	42 525
Current liabilities	**8 850**	7 361
	42 525	49 886

[1] *Lease liabilities relate to leasehold land and buildings.*

	2022 R'000	2021 R'000
The term varies for each lease entered into the Company with lease periods falling into the following range:		
Weighted average lease term at inception of lease contracts in years	**15**	15
Weighted average lease term remaining at 30 September in years	**4**	5
Incremental borrowing rate based on where funding is sourced (at transition date):		
South Africa	**9.0%**	9.0%

22. EMPLOYEE PROVISIONS

	2022 R'000	2021 R'000
Ex gratia retirement provision		
Balance at the beginning of the year	**679**	462
(Loss) / gain on fair value adjustments	**(199)**	217
Balance at the end of the year	**480**	679

23. TRADE AND OTHER PAYABLES

	2022 R'000	Restated 2021 R'000
Trade payables	**5 267**	27 887
Accrued expenses	**19 009**	5 578
Audit fee accrued	**2 798**	897
Unclaimed dividends	**3 888**	3 889
Financial liabilities	**30 962**	38 251
Leave pay accrual	**5 976**	7 328
Bonus accrual[1]	**34 661**	20 224
Non-financial liabilities	**40 637**	27 552
Total	**71 599**	65 803
Categories of financial and non-financial liabilities		
Financial liabilities	**30 962**	38 251
Non-financial liabilities	**40 637**	27 552
	71 599	65 803

1. Prior period balances has been restated, refer to note 31 for further details.

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

24. COMMITMENTS

	2022 R'000	2021 R'000
Capital commitments		
Budgeted capital expenditure is as follows:		
Contracted	**9 360**	2 180
Not contracted	**24 193**	58 602
Total	**33 553**	60 782

25. CASH FLOW INFORMATION

25.1 CASH OPERATING PROFIT

	2022 R'000	Restated 2021 R'000
Operating profit before other operating items	**165 794**	792 158
Adjustment for non-cash and other items	**(159 714)**	(715 731)
Depreciation and amortisation	**22 901**	20 678
Share-based payment expense (equity settled)	**10 399**	14 825
Share based payment expense (cash settled)	**(2 613)**	3 505
Net surplus on disposal of property, plant and equipment	–	12
Once-off transaction costs pertaining to new BBBEE trusts	–	(11 348)
Loan advanced and written-off included in non-operating items	–	(459)
Dividends received[2]	**(183 164)**	(742 944)
Transaction costs relating to disposal of CCS Logistics	**(7 237)**	–
Total cash operating profit	**6 080**	76 427

2 *Dividends received has been reclassified from cash operating profit to the being separately disclosed on the face of the statement of cash flow in line with the requirements of IAS 7.*

25. CASH FLOW INFORMATION continued

	2022 R'000	Restated 2021 R'000
25.2 WORKING CAPITAL CHANGES		
Decrease / (increase) in trade and other receivables	25 640	(31 623)
Increase / (decrease) in trade and other payables	82 895	(48 695)
Decrease in loans and receivables	14 547	11 917
Total working capital changes	123 082	(68 401)
25.3 TAXATION PAID		
Net amount unpaid at the beginning of the year	(8 476)	(91)
Charged to profit or loss (Note 7)	1 523	(20 262)
Net amount (overpaid) / unpaid at the end of the year	(3 069)	8 476
Cash amounts paid	(10 022)	(11 877)
25.4 DIVIDEND PAID		
Dividends	(375 942)	(518 647)
Cash amounts paid	(375 942)	(518 647)
25.5 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	53 246	227 782
Balances per statement of cash flows	53 246	227 782
25.6 CASH FLOWS USED IN FINANCING ACTIVITIES		
Repurchase of treasury shares	–	(311 622)
Decrease in treasury shares held by share trusts	–	(55 825)
OET transactions	–	264 039
Loss on repurchase of treasury shares	–	(519 836)
Equity-settled share-based payment	(6 525)	(10 860)
Performance shares compensation scheme - exercised	(523)	(10 692)
Restricted shares compensation scheme - exercised	(6 002)	(168)

26. SHARE-BASED PAYMENT PLANS

	2022 R'000	2021 R'000
Equity-settled compensation schemes		
Black economic empowerment (BEE) scheme (Note 26.1)	–	–
BEE Scheme – Oceana Saam-Sonke Trust & Oceana Stakeholder Empowerment Trust (Note 29.2)	785	53
Equity-settled (Performance shares) compensation scheme (Note 26.3)	13 257	10 202
Equity-settled (Restricted shares) compensation scheme (Note 26.4)	18 865	15 792
Share-based payment reserve	32 907	26 047
Cash-settled compensation schemes		
Cash-settled (Share Appreciation Rights) compensation scheme (Note 26.6)	2 984	6 856
Liability for share-based payments	2 984	6 856

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

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

During the year 70 799 (2021: 143 799) rights were realised on behalf of beneficiaries of deceased employees.

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

The Oceana Empowerment Trust lock-in period expired in January 2021. Accordingly, the trust commenced with its winding up process in line with the trust deed.

The Company had the following share based payment agreements which are described below:

26.2 BEE SCHEME – OCEANA SAAM-SONKE TRUST & OCEANA STAKEHOLDER EMPOWERMENT TRUST

The Oceana Saam-Sonke trust acquired 7 825 908 Oceana shares at a cost of 1 cents per share in March 2021 as part of the companies 2021 BEE transaction arising from the expiration Oceana Empowerment's trust lock-in period. Rights to acquire these shares are allocated to qualifying employees of the Company as well as direct and indirect subsidiaries.

Provided the employee remains in service, the rights vest in three tranches, 1 third after a period of 8 years, 1 third over a period of 9 years and the final third after 10 years. After vesting, the employee acquires the right to take up the share.

The initial allocation of rights has taken place on 30 September 2021 at a grant price of R67.70.

The fair value of equity settled rights is valued at grant date using a Black-Scholes Option Pricing Model taking into account terms and conditions upon which rights have been granted.

The Oceana Stakeholder Empowerment Trust was established in October 2020 and subscribed for 652 159 shares in Oceana Group Limited on 19 March 2021.

No allocations have been made to beneficiaries as at year ended 30 September 2022.

26. SHARE-BASED PAYMENT PLANS continued

26.3 EQUITY-SETTLED (PERFORMANCE SHARES) COMPENSATION SCHEME

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

The following assumptions were applied in the valuation:

Weighted average price per share(rands): 55.52
Dividend Yield: 0%
Volatility: 30.36%
Risk free interest rate: 7.06%

During the year Share Appreciations Rights (SARs) were converted to Replacement Performance Shares(RPSs). Using the Binomial Tree Pricing Option Model, the fair value of SARs holdings were independently determined and a number of RPSs were issued as replacement shares for the converted SARs.

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

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

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

	2022		2021	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	273 233	66.10	182 098	66.90
Transferred during the year[4]	27 400	66.08	–	73.79
Granted during the year	113 200	55.52	118 235	67.93
Adjusted during the year	2 000	67.94	–	–
Forfeited during the year[1]	(153 205)	66.42	(4 100)	63.76
Increase in vesting percentage[2]	–	–	46 000	82.27
Exercised during the year[3]	(9 230)	72.26	(69 000)	82.27
Outstanding at the end of the year	253 398	60.83	273 233	66.10

[1] *126 935 options (2021: 2 100 options) were forfeited due to employee resignations. 26 270 options (2021: 7 600) were forfeited due to performance condition not having being achieved.*

[2] *During the prior year a TSR multiplier of 300% Grant 5A was applied for Grant 6A options settled due to Oceana being placed between the mid and lower quartile of the comparable group.*

[3] *Grant 6A options vested on 12 February 2022 as the specified performance criteria over the intervening period were achieved. The weighted average share price on settlement was R56.15 (2021: R69.70) per share. TSR is defined as the increase in the market value of a portfolio of shares on the assumption that dividends are reinvested.*

[4] *Relates to employee transfers from subsidiaries.*

The weighted average remaining contractual life for the share options outstanding as at 30 September 2022 is 1.7 years (2021: 0.5 years).

26. SHARE-BASED PAYMENT PLANS continued

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

	Grant number	2022 Number of share options	2021 Number of share options
R54.71 per share exercisable until 01 June 2025	1A	–	–
R73.79 per share exercisable after 12 February 2022	6A	**28 400**	56 300
R59.78 per share exercisable after 01 March 2023	7A	**54 500**	91 500
R58.71 per share exercisable after 30 June 2023	7B	**9 198**	9 198
R67.87 per share exercisable after 31 October 2023	8A	–	11 935
R67.94 per share exercisable after 4 March 2024	8B	**48 100**	104 300
R55.52 per share exercisable until 01 June 2025	9A	**113 200**	–
		253 398	273 233

26.4 EQUITY-SETTLED (RESTRICTED SHARES) COMPENSATION SCHEME

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

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

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

	2022		2021	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	**372 112**	**71.18**	271 193	74.22
Transferred during the year[2]	**57 136**	**73.05**	–	–
Granted during the year	–	–	103 919	62.95
Forfeited during the year[1]	**(72 219)**	**66.67**	(3 000)	60.85
Exercised during the year	**(108 154)**	**76.34**	–	–
Outstanding at the end of the year	**248 875**	**70.70**	372 112	71.18

[1] *72 219 options (2021: 3 000 options) were forfeited due to employee resignations.*

[2] *Relates to employee transfers from subsidiaries.*

The weighted average remaining contractual life for the share options outstanding as at 30 September 2022 is 0.3 years (2021: 0.5 years).

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

	Grant number	2022 Number of share options	2021 Number of share options
R85.20 per share exercisable after 13 November 2021	6A	**26 800**	31 400
R75.00 per share exercisable after 7 May 2022	6B	**104 232**	170 350
R68.26 per share exercisable after 12 November 2022	7A	**45 700**	62 800
R58.71 per share exercisable after 30 June 2023	7B	**6 643**	6 643
R86.71 per share exercisable after 31 October 2023	8A	–	8 619
R60.85 per share exercisable after 11 November 2023	8B	**65 500**	92 300
		248 875	372 112

26. SHARE-BASED PAYMENT PLANS continued

26.5 EQUITY-SETTLED (BONUS DEFERRAL) COMPENSATION SCHEME – LTI 2022

Bonus Deferral shares are granted to executive and senior managers by the board on the recommendation of the Remuneration Committee in terms of the Oceana share incentive plan which was implemented in 2022. Bonus deferral shares granted will be linked to the annual cash bonus scheme, in one of, or a combination of, a bonus match or a deferred bonus. The exercise price of the options is equal to the 30-day VWAP of the shares prior to the date of grant. Restricted shares will vest on the third anniversary of their grant. Options are settled in shares. Options that have not been exercised in accordance with the rules of the scheme are forfeited upon termination of employment, other than on death, retrenchment, retirement or other no fault terminations. Executives receive Dividend Equivalent Shares in respect of the Bonus Deferral Shares that are the subject of the Award. Whenever an ordinary or special dividend is declared, between the Award Date and the Vesting Date, a number of Dividend Equivalent Shares will be paid to the number of Bonus Deferral Shares constituting your Award in accordance with the LTI 2022 Plan rules.

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

The following assumptions were applied in the valuation:

Weighted average price per share(rands): 55.52
Dividend Yield: 0%
Volatility: 30.36%
Risk free interest rate: 7.06%

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

	2022		2021	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Granted during the year	120 200	55.52	–	–
Outstanding at the end of the year	120 200	55.52	–	–

26.6 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 26.5, but the contractual life of the options is seven years and gains on options are settled in cash. Share appreciation rights allocated have a performance criteria, linked to growth in headline earnings per share, which reduces when company financial performance targets are not met.

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

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

	2022		2021	
	Number of share options	Weighted average grant price at award (Rand)	Number of share options	Weighted average grant price at award (Rand)
Outstanding at the beginning of the year	2 374 892	65.99	1 308 858	64.59
Transferred during the year[1]	255 952	67.59	–	–
Granted during the year	–		1 140 567	67.93
Exercised during the year	–		–	–
Forfeited during the year[2]	(1 847 756)	65.79	(74 533)	71.02
Outstanding at the end of the year	783 088	67.00	2 374 892	65.99

[1] Relates to employee transfers from subsidiaries

[2] 2022: 1 114 849 options were forfeited due to employee resignations.
2021: 45 955 options were forfeited due to employee resignations. 28 578 options were forfeited due to Grant 1A reaching expiration.

26. SHARE-BASED PAYMENT PLANS continued

The weighted average remaining contractual life for the share options outstanding as at 30 September 2022 is 4.4 years (2021: 5.7 years).

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

	Grant number	2022 Number of share options	2021 Number of share options
R116.81 per share exercisable after 14 February 2024	4A	**14 074**	18 970
R82.27 per share exercisable after 14 February 2025	5A	**67 800**	89 800
R73.79 per share exercisable after 14 February 2026	6A	**99 300**	188 200
R59.78 per share exercisable after 1 March 2027	7A	**365 114**	867 900
R58.71 per share exercisable after 30 June 2027	7B	**–**	91 455
R67.87 per share exercisable after 31 October 2027	8A	**–**	118 667
R67.94 per share exercisable after 4 March 2028	8B	**236 800**	999 900
		783 088	2 374 892

The significant inputs into the model used to value the liability for share-based payments were a 30-day volume weighted average share price of R54.01 (2021: R65.63), an expected option life of 7 years and expected dividend yield of 6.18% (2021: 5,8%). The interest rate yield used was the Standard Bank Closing Swap Curve. Risk-free rates ranged from 7.6% to 8.5% (2021: 4.9% to 7.1%). Expected volatility of 29.56% to 32.73% (2021: 26.2% to 30.5) was based on historical share price volatility.

27. RETIREMENT BENEFITS

DEFINED-CONTRIBUTION BENEFIT PLANS

The Company provides a total of five retirement plans that cover all employees. The plans consist of four defined-contribution provident funds and one defined-contribution pension fund. The assets of the funds in South Africa are held in independent funds, administered by their trustees in terms of the Pension Funds Act, 24 of 1956, as amended. In terms of the Pension Funds Act, certain of the retirement funds are exempt from actuarial valuation. The amount expensed for defined contribution plans for the Company was R9.5 million (2021: R9.8 million).

POST-EMPLOYMENT MEDICAL OBLIGATIONS

The Oceana Group operates a post-employment medical benefit scheme that covers certain of its retirees. This benefit is no longer offered by the Company to current employees or new employees. The liabilities are valued annually using the projected unit credit method and have been funded by contributions to an independently administered insurance plan. The latest full actuarial valuation was performed at 30 September 2022.

	Company 2022 R'000	Company 2021 R'000
Present value of post-employment medical obligations	**1 182**	1 417
Less: Fair value of plan assets	**(702)**	(738)
Liability at the reporting date	**480**	679
The principal actuarial assumptions used for accounting purposes relating to post-employment medical obligations:		
Medical inflation p.a.	**8.47%**	7.40%
Discount rate p.a.	**11.03%**	8.97%

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 9.5% and 7.5% (2021: 8.4% and 6.4%) respectively.

A 100 basis point increase or decrease in the discount rate would lead to an increase or decrease in the present value of obligations of 12.03% and 11.03% (2021: 9.97% and 7.97%) respectively.

28. CONTINGENT LIABILITIES AND GUARANTEES

The Company has given cross suretyships in support of bank overdraft facilities of the Company. Lucky Star Limited has subordinated the borrowings to the Company of R1 802 million (2021: R1 850 million) as disclosed in Note 18.

29. CONTINGENT ASSET

There were no contingent assets in the current or prior year.

30. FINANCIAL RISK MANAGEMENT

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

Financial Risk exists in the form of:

- Market risk (currency risk, interest rate risk and price risk)
- Liquidity Risk
- Credit Risk

RISK MANAGEMENT

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

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

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

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

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

MARKET RISK

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

The key components of market risk are as follows:

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

30. FINANCIAL RISK MANAGEMENT continued

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

EXPOSURE TO INTEREST RATE RISK

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

	2022 R'000	2021 R'000
Fixed-rate instruments		
Loan to Oceana Group Share Trust[1]	**337**	332
	337	332
Variable-rate instruments		
Cash and cash equivalents	**53 246**	227 782
	53 246	227 782

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

INTEREST RATE SENSITIVITY ANALYSIS

Based on the interest-bearing net assets and interest rates ruling at the reporting date, net interest earned would amount to R2.6 million (2021: R3.3 million). A 100 basis point change in the interest rate would result in an increase / (decrease) of R0.2 million (2021: R1.4 million).

LIQUIDITY RISK

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

The Company manages their liquidity risk by monitoring and forecasting cash flows and by maintaining adequate borrowing facilities to meet short-term demands. In this regard, the Company has undrawn working capital facilities of R1 024 million (2021: R1 009 million) as at the reporting date, assessed and renewed annually. In terms of the Company's Memorandum of Incorporation, the Company's borrowing powers are unlimited. Cash flows are monitored on an ongoing basis to ensure that cash resources are adequate to meet the Company's funding requirements. Sufficient short term facilities have been negotiated to manage any short fall in these funding requirements. The current liabilities of the Company exceeds the current assets. This is mitigated by the intercompany borrowings which Lucky Star Limited has subordinated to the Company of R1 802 million (2021: 1 850 million) as disclosed in Note 18.

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

EXPOSURE TO LIQUIDITY RISK

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

	Notes	Carrying amount R'000	1 year or less R'000	2 - 5 years R'000
2022				
Non-derivatives				
Amounts owing to related parties	18	**2 285 207**	**2 285 207**	**–**
Trade and other payables	23	**30 962**	**30 962**	**–**
Lease liabilities		**42 525**	**12 664**	**39 484**
Short-term banking facilities		**76 000**	**76 000**	
Total non-derivatives		**2 434 694**	**2 404 833**	**39 484**
2021				
Non-derivatives				
Amounts owing to related parties	18	2 540 572	2 540 572	–
Trade and other payables	23	38 251	38 251	–
Lease liabilities		49 886	11 835	38 051
Short-term banking facilities		91 000	91 000	
Total non-derivatives		2 719 709	2 681 658	38 051

The maximum liquidity risk in respect of financial guarantees is the full extent of the Group's facilities and borrowings in South Africa of R2 764.8 million (2021: R2 837.7 million), of which all would be within 1 year or less.

30. FINANCIAL RISK MANAGEMENT continued

CREDIT RISK

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

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

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

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

SECURITY

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

IMPAIRMENT OF FINANCIAL ASSETS

Trade receivables

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

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

The calculation of expected credit loss rates, is based on:

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

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

The Company considers that trade, other receivables and loan receivables have low credit risk and expected credit losses assessed were considered immaterial in nature for the 2022 and 2021 financial year.

Cash and cash equivalents

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

LOAN RECEIVABLES

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

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

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

30. FINANCIAL RISK MANAGEMENT continued

FINANCIAL GUARANTEES

The Company and certain subsidiaries have given cross suretyships in support of bank overdraft facilities of certain subsidiaries and the Company to the value of R1 100 million (2021: R1 100 million), which are assessed and renewed annually. The risks is shared between the company and certain subsidiaries.

The Company has a subordination agreement from Lucky Star Limited for the amounts owing, the probability of the amount being recovered from the company is low.

CAPITAL RISK

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

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

CATEGORIES AND FAIR VALUES OF FINANCIAL INSTRUMENTS

	2022 R'000	2021 R'000
Classification of financial instruments		
Financial assets		
Cash and cash equivalents at amortised cost	**53 246**	227 782
Trade and other receivables at amortised cost	**69 746**	81 439
Loan to Oceana Group Share Trust	**337**	332
Loans to share trusts	**3 366**	7 997
Investment at fair value through other comprehensive income	**463**	709
Amounts owing by related parties	**2 764**	59 382
Financial liabilities		
Amounts owing to related parties	**2 285 207**	2 540 572
Lease liabilities	**42 525**	49 886
Short-term banking facilities	**76 000**	91 000
Trade and other payables at amortised cost	**30 962**	38 251

FAIR VALUE

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

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

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

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

For the current year and prior year, there are no level 1 & 3 financial instruments held by the Amounts owing to subsidiaries and joint ventures.

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

	Note	2022 R'000	2021 R'000
Level 3			
Other investments	14	**463**	709

30. FINANCIAL RISK MANAGEMENT continued

Measurement of fair values

The following tables show the valuation techniques used in measuring Level 3 fair values for financial instrument in the statement of financial position, as well as the significant unobservable inputs used.

Instrument	Level	Valuation basis/techniques	Significant unobservable inputs
Investment	3	The shareholding and value of the investment in Group Risk Holdings (GRH) is based on Oceana's' proportionate share of premiums paid relative to total premiums paid by all other insured parties. There are no other significant inputs that are used in the valuation and any changes in these inputs would not result in a significant fair value change.	Not applicable

In the current year and prior year there were no movements between level 1,2 and 3 in the fair value measurement of the financial instruments held.

31. PRIOR PERIOD RESTATEMENTS

The Company has restated its previously reported financial statements and all related disclosures to correct the overstatement of the bonus provision. Refer to note 31.

31.1 RESTATEMENT WITHIN THE STATEMENT OF COMPREHENSIVE INCOME

	2021		
	Previously reported R'000	Effect of restatement R'000	Restated R'000
Statement of Comprehensive Income			
Revenue	285 322	–	285 322
Dividends received	742 944	–	742 944
Overhead expenditure	(265 763)	20 573	(245 190)
Net foreign exchange gain	9 082	–	9 082
Operating profit before other operating items	**771 585**	**20 573**	**792 158**
Other operating items	(14 177)	–	(14 177)
Operating profit including other operating items	**757 408**	**20 573**	**777 981**
Interest income	35 464	–	35 464
Interest expense	(39 912)	–	(39 912)
Profit before taxation	**752 960**	**20 573**	**773 533**
Taxation expense	(24 315)	–	(24 315)
Profit after taxation	**728 645**	**20 573**	**749 218**
Other comprehensive income	–	–	–
Total comprehensive income for the year	**728 645**	**20 573**	**749 218**

31. PRIOR PERIOD RESTATEMENTS continued

31.2 RESTATEMENT WITHIN THE STATEMENT OF FINANCIAL POSITION

	2021		
	Previously reported	Effect of restatement	Restated
	R'000	R'000	R'000
Statement of Financial Position			
ASSETS			
Non-current assets			
Property, plant and equipment	33 328	–	33 328
Right-of-use assets	24 768	–	24 768
Intangible assets	75 117	–	75 117
Interest in joint ventures and subsidiaries	3 377 849	–	3 377 849
Deferred taxation	6 274	–	6 274
Investments and loans	709	–	709
Loan to Oceana Group Share Trust	332	–	332
Total non-current assets	**3 518 377**	–	**3 518 377**
Current assets			
Trade and other receivables	92 281	–	92 281
Loans to share trusts	7 997	–	7 997
Amounts owing by related parties	59 382	–	59 382
Cash and cash equivalents	227 782	–	227 782
Total current assets	**387 442**	–	**387 442**
Total assets	**3 905 819**	–	**3 905 819**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	1 225 035	–	1 225 035
Share-based payment reserve	26 047	–	26 047
Distributable reserve	(129 108)	20 573	(108 535)
Total capital and reserves	**1 121 974**	**20 573**	**1 142 547**
Non-current liabilities			
Lease liabilities	42 525	–	42 525
Liability for share-based payments	6 856	–	6 856
Total non-current liabilities	**49 381**	–	**49 381**
Current liabilities			
Lease liabilities	7 361	–	7 361
Provisions	679	–	679
Trade and other payables	86 376	(20 573)	65 803
Taxation payable	8 476	–	8 476
Amounts owing to related parties	2 540 572	–	2 540 572
Short-term banking facilities	91 000	–	91 000
Total current liabilities	**2 734 464**	(20 573)	**2 713 891**
Total liabilities	**2 783 845**	(20 573)	**2 763 272**
Total equity and liabilities	**3 905 819**	–	**3 905 819**

31. PRIOR PERIOD RESTATEMENTS continued

31.3 RESTATEMENT WITHIN THE STATEMENT OF CASH FLOWS

Statement of Cash Flows	2021 Previously reported R'000	 Effect of restatement R'000	 Restated R'000
Cash operating profit	798 798	20 573	819 371
Working capital changes	(47 828)	(20 573)	(68 401)
Cash generated from operations	**750 970**	**–**	**750 970**
Interest received	35 464	–	35 464
Interest paid	(39 912)	–	(39 912)
Taxation paid	(11 877)	–	(11 877)
Dividends paid	(518 647)	–	(518 647)
Cash inflow from operating activities	**215 998**	**–**	**215 998**
Cash flows from investing activities			
Purchases of property plant and equipment	(16 383)	–	(16 383)
Purchases of intangible assets	(3 753)	–	(3 753)
Changes in deposits with subsidiaries	140 322	–	140 322
Repayment of other loans receivable	219	–	219
Cash inflow from investing activities	**120 405**	**–**	**120 405**
Cash flows used in financing activities			
Lease liabilities repaid	(6 045)	–	(6 045)
Repurchase of treasury shares	(311 622)	–	(311 622)
Equity settled share-based payment	(10 860)	–	(10 860)
Oceana Empowerment Trust capital contribution acquired from related parties	(147 897)	–	(147 897)
Decrease in loan to Oceana Group Share Trust	26	–	26
Proceeds from issue of share capital	85	–	85
Short-term banking facility raised	3 593 000	–	3 593 000
Short-term banking facility repaid	(3 502 000)	–	(3 502 000)
Cash outflow from financing activities	**(385 313)**	**–**	**(385 313)**
Net decrease in cash and cash equivalents	**(48 910)**	**–**	**(48 910)**
Net cash and cash equivalents at the end beginning of the year	276 692	–	276 692
Cash and cash equivalents at end of the year	**227 782**	**–**	**227 782**

32. RELATED PARTIES

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

Details of the Company's subsidiaries, associate and joint ventures are set out in Note 36.

Details of fellow group companies are set out in a separate schedule on pages 156 and 157 of these financial statements.

These transactions are concluded in the normal course of business. Guarantees have been given or received as disclosed in Note 18 between group entities.

TRADING BALANCES AND TRANSACTIONS

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

	2022 R'000	2021 R'000
Transactions and balances with subsidiaries and joint ventures		
Administration fees received	**308 426**	**291 504**
Lucky Star Limited	152 221	97 599
Etosha Fishing Corporation Proprietary Limited	590	565
Oceana Lobster Limited	6 087	7 142
Daybrook Fisheries Incorporated	31 852	18 375
Blue Continent Products Proprietary Limited	70 781	110 145
Calamari Fishing Proprietary Limited	2 765	5 209
Commercial Cold Storage Proprietary Limited	43 591	51 095
Oceana Empowerment Trust	559	1 030
Oceana Saam-Sonke Trust	251	–
Oceana Stakeholder Empowerment Trust	126	–
Erongo Marine Enterprises Proprietary Limited	(397)	344
Dividends received	**183 164**	**742 927**
Lucky Star Limited	61 164	250 972
Blue Continent Products Proprietary Limited	122 000	212 037
Oceana Lobster Limited	–	2 184
Commercial Cold Storage Proprietary Limited	–	61 839
Oceana US Investment Holdings Corporation	–	212 912
Oceana Empowerment Trust	–	2 917
Oceana Share Trust	–	66
Dividends paid	**8 080**	**44 640**
Lucky Star Limited	847	1 162
Oceana Share Trust	50	66
Oceana Empowerment Trust	761	41 081
Oceana Saam-Sonke Trust	5 928	2 152
Oceana Stakeholder Empowerment Trust	494	179
Net interest received / (paid)	**6 493**	**13 084**
Amawandle Pelagic Proprietary Limited	1 707	1 984
Lucky Star Limited	26 339	27 182
Desert Diamond Fishing Proprietary Limited	(2 932)	(2 277)
Erongo Marine Enterprises Proprietary Limited	(3 558)	(3 500)
Commercial Cold Storage Proprietary Limited	(15 067)	(10 309)
Oceana Share Trust	4	4

32. RELATED PARTIES continued

	2022 R'000	2021 R'000
Net amounts (payable) / receivable	**(5 571)**	**32 898**
Amawandle Pelagic Proprietary Limited	2 059	5 456
Lucky Star Limited	23 385	(11 005)
Etosha Fishing Corporation Proprietary Limited	118	57
Oceana Lobster Limited	(470)	(2)
Amawandle Hake Proprietary Limited	197	919
Ulwandle Inshore Proprietary Limited	14	–
Blue Continent Products Proprietary Limited	(32 924)	28 645
Calamari Fishing Proprietary Limited	(3 107)	175
Desert Diamond Fishing Proprietary Limited	243	1 258
Erongo Marine Enterprises Proprietary Limited	662	639
Commercial Cold Storage Proprietary Limited	4 252	6 756
Loans (payable) / receivable	**(2 528 223)**	**(2 510 873)**
Amawandle Pelagic Proprietary Limited	(45 925)	53 051
Lucky Star Limited	(1 802 340)	(1 840 980)
Oceana Lobster Limited	(54 124)	(56 075)
Blue Continent Products Proprietary Limited	(94 690)	(180 265)
Calamari Fishing Proprietary Limited	(17 170)	(23 267)
Desert Diamond Fishing Proprietary Limited	(80 812)	(110 891)
Erongo Marine Enterprises Proprietary Limited	(116 938)	(102 918)
Commercial Cold Storage Proprietary Limited	(255 721)	(249 528)
Oceana Empowerment Trust	2 553	–
Daybrook Fisheries Incorporated	(63 056)	–
Goods and services procured from other related parties	**1 037**	**2 035**
Obsidian Health Proprietary Limited	1 037	2 035
Compensation of key management personnel	**63 534**	**60 422**
Short-term employee benefits	42 894	35 053
Post-employment benefits	2 123	2 144
Share-based payments – cash-settled compensation scheme	1 642	1 692
Share-based payments – equity-settled compensation scheme	7 404	11 414
Share-based payments – Oceana Empowerment Trust	–	4 835
Non-executive directors' emoluments	9 471	5 284

INTEREST OF DIRECTORS IN CONTRACTS

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

THE COMPANY'S INTEREST IN SUBSIDIARIES AND JOINT VENTURES

The Company provides financing to subsidiary companies and joint ventures and invests surplus cash on their behalf. Loan accounts between wholly-owned group companies in South Africa are interest-free with the exception of when the Company is required to fund subsidiary working capital requirements from available overdraft facilities in which event interest is charged at prevailing market rates. Other loan accounts bear interest at rates similar to rates levied by banks. Details of loan balances with related parties are disclosed in Note 18.

33. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

33.1 EXECUTIVE DIRECTORS' REMUNERATION

	Salary	Notice period and accrued leave pay	Allowances and other[1]	Retirement fund contributions	Incentive bonuses[2]	Gain on exercise of cash-settled/ equity-settled share options[3]	Total emoluments
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2022							
N Brink[7]	3 345	–	172	233	3 226	–	6 976
R Buddle[8]	1 600	–	–	–	2 484	–	4 084
I Soomra[6]	2 961	4 575	100	117	–	4 999	12 752
H Karrim[4]	2 538	310	93	207	–	–	3 148
Total	10 444	4 885	365	557	5 710	4 999	26 960
2021							
I Soomra[6]	6 437	–	110	350	–	4 201	11 098
H Karrim[4]	3 667	–	478	321	908	–	5 374
T Giles[5]	582	–	168	113	–	–	863
Total	10 686	–	756	784	908	4 201	17 335

1. *Allowances and other include monthly fuel and petrol. H Karrim's allowance in 2021 included a once-off relocation cost and T Giles included an acting allowance for the period October 2020 to December 2020.*
2. *Performance bonuses are accounted for on an accrued basis, to match the amount payable to the applicable financial year. H Karrim's incentive bonus in 2021 included a once-off sign-on bonus.*
3. *Includes dividends and gross proceeds received from OET.*
4. *H Karrim was appointed CFO 1 November 2020; Employment terminated 3 June 2022.*
5. *T Giles was appointed as acting Chief Financial Officer effective 11 February 2020 to 30 October 2020.*
6. *I Soomra resigned effective 14 February 2022. Included in his emoluments for the year are contractual payments in lieu of his notice period and accrued leave.*
7. *N Brink was appointed CEO effective 21 February 2022.*
8. *R Buddle was appointed CFO effective 23 February 2022 and as Executive Director on 3 June 2022.*

33. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

33.2 EXECUTIVE DIRECTORS' SHARE SCHEME DETAILS

N BRINK

			Options as at 30 Sep 2021		Options awarded during the year		Options forfeited during the year		Options exercised during the year			Options as at 30 Sep 2022			
2022 Scheme	**Award date**	**Initial vesting date**	**Number**	**Price**	**Number**	**Price**	**Number**[4]	**Price**	**Number**	**Price**	**Gain (R'000)**	**Vested**[2]	**Unvested**[3]	**Option value**[1] **(R'000)**	**Expiry date**
Share appreciation rights															
Grant 4A	15 Feb 17	15 Feb 20	5 736	116.81	–	–	–	–	–	–	–	–	5 736	–	14 Feb 24
Grant 5A	15 Feb 18	15 Feb 21	25 700	82.27	–	–	–	–	–	–	–	–	25 700	–	14 Feb 25
Grant 6A	15 Feb 19	15 Feb 22	30 300	73.79	–	–	–	–	–	–	–	–	30 300	–	14 Feb 26
Grant 7A	02 Mar 20	02 Mar 23	108 763	59.78	–	–	–	–	–	–	–	–	108 763	–	01 Mar 27
			170 499		–		–		–		–	–	170 499	–	
Restricted shares															
Grant 6A	14 Nov 18	14 Nov 21	6 700	85.20	–	–	–	–	–	–	–	6 700	–	357	13 Nov 21
Grant 6B	08 May 19	08 May 22	17 897	75.00	–	–	–	–	–	–	–	17 897	–	953	07 May 22
Grant 7A	13 Nov 19	13 Nov 22	4 500	68.26	–	–	–	–	–	–	–	–	4 500	240	12 Nov 22
Grant 8B	12 Nov 20	12 Nov 23	7 000	60.85	–	–	–	–	–	–	–	–	7 000	373	12 Nov 23
			36 097		–		–		–		–	24 597	11 500	1 923	
Performance shares															
Grant 6A	13 Feb 19	13 Feb 22	8 400	73.79	–	–	6 216	–	–	–	–	2 184	–	116	12 Feb 22
Grant 7A	02 Mar 20	02 Mar 23	10 900	59.78	–	–	–	–	–	–	–	–	10 900	581	01 Mar 23
			19 300		–		6 216		–		–	2 184	10 900	697	
Co Investment Plan															
Grant 2	13 Nov 20	13 Nov 20	40 401	–	–	–	–	–	–	–	–	–	40 401	2 152	12 Nov 23
			40 401		–		–		–		–	–	40 401	2 152	
Total			266 297		–		6 216		–		–	26 781	233 300	4 772	

1. *Option value for equity-settled schemes are calculated using the closing VWAP at 30 September 2021 of R53.26. Option value for cash-settled schemes are calculated using the closing VWAP at 30 September 2021 of R54.01 less the grant date price.*
2. *Vested using a TSR multiplier of 26%, balance of grant 6 forfeited due to performance criteria not met.*
3. *None of the shares vested during the financial year could be exercised due to prohibited period.*
4. *Forfeited due to HEPS criteria not being met.*

33. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

I SOOMRA

2022 Scheme	Award date	Initial vesting date	Options as at 30 Sep 2021 Number	Price	Options awarded during the year Number	Price	Options forfeited during the year Number[2]	Price	Options exercised during the year Number[1]	Price	Gain (R'000)	Options as at 30 Sep 2022 Vested	Unvested	Option value (R'000)	Expiry date
Share appreciation rights															
Grant 5A	15 Feb 18	15 Feb 21	34 700	82.27	–	–	34 700	82.3	–	–	–	–	–	–	14 Feb 25
Grant 6A	15 Feb 19	15 Feb 22	87 400	73.79	–	–	87 400	73.8	–	–	–	–	–	–	14 Feb 26
Grant 7A	02 Mar 20	02 Mar 23	313 346	59.78	–	–	313 346	59.8	–	–	–	–	–	–	01 Mar 27
Grant 8A	05 Mar 21	05 Mar 24	289 900	67.94	–	–	289 900	67.9	–	–	–	–	–	–	04 Mar 28
			725 346		–		725 346		–		–	–	–	–	
Restricted shares															
Grant 6A	14 Nov 18	14 Nov 21	10 100	85.20	–	–	–	–	10 100	85.20	574	–	–	–	13 Nov 21
Grant 6B	08 May 19	08 May 22	72 623	75.00	–	–	–	–	72 623	75.00	3 974	–	–	–	07 May 22
Grant 7A	13 Nov 19	13 Nov 22	6 000	68.26	–	–	6 000	–	–	–	–	–	–	–	12 Nov 22
Grant 8B	12 Nov 20	12 Nov 23	19 600	60.85	–	–	19 600	–	–	–	–		–	–	12 Nov 23
			108 323		–		25 600		82 723		4 548	–	–	–	
Performance shares															
Grant 6A	13 Feb 19	13 Feb 22	30 600	73.79	–	–	22 644	–	7 956	73.79	451	–	–	–	12 Feb 22
Grant 7A	02 Mar 20	02 Mar 23	39 800	59.78	–	–	39 800	–	–	–	–	–	–	–	01 Mar 23
Grant 8B	05 Mar 21	05 Mar 24	36 900	67.94	–	–	36 900	–	–	–	–	–	–	–	05 Mar 28
			107 300		–		99 344		7 956		451	–	–	–	
Total			940 969		–		850 290		90 679		4 999	–	–	–	

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

33. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

I SOOMRA

2021 Scheme	Award date	Initial vesting date	Options as at 30 Sep 2020 Number	Price	Options awarded during the year Number	Price	Options forfeited during the year Number	Price	Options exercised during the year Number	Price	Gain (R'000)	Options as at 30 Sep 2021 Vested	Unvested	Option value[1] (R'000)	Expiry date
Share appreciation rights															
Grant 4	15 Feb 17	15 Feb 20	7 776	R116.81	–	–	7 776[3]	R116.81	–	–	–	–	–	–	14 Feb 24
Grant 5	15 Feb 18	15 Feb 21	34 700	R82.27	–	–	–	–	–	–	–	11 565	23 135	–	14 Feb 25
Grant 6	15 Feb 19	15 Feb 22	87 400	R73.79	–	–	–	–	–	–	–	–	87 400	–	14 Feb 26
Grant 7	02 Mar 20	02 Mar 23	313 346	R59.78	–	–	–	–	–	–	–	–	313 346	1 833	01 Mar 27
Grant 8	05 Mar 21	05 Mar 24	–	–	289 900	R67.94	–	–	–	–	–	–	289 900	–	05 Mar 28
			443 222		289 900		7 776		–		–	11 565	713 781	1 833	
Restricted shares															
Grant 6	14 Nov 18	14 Nov 21	10 100	–	–	–	–	–	–	–	–	–	10 100	663	13 Nov 21
Grant 6B	08 May 19	08 May 22	72 623	–	–	–	–	–	–	–	–	–	72 623	4 766	08 May 22
Grant 7	13 Nov 19	13 Nov 22	6 000	–	–	–	–	–	–	–	–	–	6 000	394	13 Nov 22
Grant 8	12 Nov 20	12 Nov 23	–	–	19 600	R60.85	–	–	–	–	–		19 600	1 286	12 Nov 23
			88 723		19 600		–		–		–	–	108 323	7 109	
Performance shares															
Grant 5	15 Feb 18	15 Feb 21	9 600	–	–	–	–	–	28 800[2]	R69.74	2 007	–	–	–	14 Feb 21
Grant 6	13 Feb 19	13 Feb 22	30 600	–	–	–	–	–	–	–	–	–	30 600	2 008	13 Feb 22
Grant 7	02 Mar 20	02 Mar 23	39 800	–	–	–	–	–	–	–	–	–	39 800	2 612	02 Mar 23
Grant 8	05 Mar 21	05 Mar 24	–	–	36 900	R67.94	–	–	–	–	–	–	36 900	2 422	05 Mar 24
			80 000		36 900		–		28 800		2 007	–	107 300	7 042	
Oceana Empowerment Trust[4]															
Participatory rights	01 Sep 13		32 000	–	–	–	–	–	32 000	–	1 148	–	–	–	
			32 000		–		–		32 000		1 148	–	–	–	
Total			643 945		346 400		7 776		60 800		3 155	11 565	929 404	15 984	

1. *Option value for equity-settled schemes are calculated using the closing VWAP at 30 September 2020 of R61.40. Option value for cash-settled schemes are calculated using the closing VWAP at 30 September 2020 of R61.40 less the grant date price.*
2. *Settled using a TSR multiplier of 62.50%.*
3. *Forfeited due to 2020 HEPS performance target not achieved.*
4. *Disclosure in this schedule was restated due to non disclosure of OET trust in the prior year 2020 reported schedule.*

33. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

EXECUTIVE DIRECTORS' SHARE SCHEME DETAILS

H KARRIM

2022			Options as at 30 Sep 2021		Options awarded during the year		Options forfeited during the year		Options exercised during the year			Options as at 30 Sep 2022			
Scheme	Award date	Initial vesting date	Number	Price	Number	Price	Number[1]	Price	Number	Price	Gain (R'000)	Vested	Unvested	Option value (R'000)	Expiry date
Share appreciation rights															
Grant 8A	01 Nov 20	01 Nov 23	118 667	67.87	–	–	118 667	67.87	–	–	–	–	–	–	01 Nov 27
Grant 8B	05 Mar 21	05 Mar 24	118 700	67.94	–	–	118 700	67.94	–	–	–	–	–	–	05 Mar 28
			237 367		–		237 367		–		–	–	–	–	
Restricted shares															
Grant 8A	01 Nov 20	01 Nov 23	8 619	86.71	–	–	8 619	86.71	–	–	–	–	–	–	01 Nov 27
Grant 8B	12 Nov 21	12 Nov 24	9 600	60.85	–	–	9 600	60.85	–	–	–	–	–	–	05 Mar 28
			18 219		–		18 219		–		–	–	–	–	
Performance shares															
Grant 8A	01 Nov 20	01 Nov 23	11 935	67.87	–	–	11 935	67.87	–	–	–	–	–	–	01 Nov 27
Grant 8B	05 Mar 21	05 Mar 24	11 900	67.94	–	–	11 900	67.94	–	–	–	–	–	–	05 Mar 28
			23 835		–		23 835		–		–	–	–	–	
			279 421		–		279 421		–		–	–	–	–	

1. *All options forfeited due to dismissal.*

33. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

H KARRIM

2021			Options as at 30 Sep 2020		Options awarded during the year		Options forfeited during the year		Options exercised during the year			Options as at 30 Sep 2021			
Scheme	Award date	Initial vesting date	Number	Price	Number	Price	Number	Price	Number	Price	Gain (R'000)	Vested	Unvested	Option value[1] (R'000)	Expiry date
Share appreciation rights															
Grant 8A	01 Nov 20	01 Nov 23	–	–	118 667	68	–	–	–	–	–	–	118 667	–	01 Nov 27
Grant 8B	12 Nov 20	12 Nov 23	–	–	118 700	68	–	–	–	–	–	–	118 700	–	12 Nov 23
			–		237 367		–		–		–	–	237 367	–	
Restricted shares															
Grant 8A	01 Nov 20	01 Nov 23	–	–	8 619	68	–	–	–	–	–	–	8 619	556	01 Nov 23
Grant 8B	12 Nov 20	12 Nov 23	–	–	9 600	61	–	–	–	–	–	–	9 600	630	12 Nov 23
			–		18 219		–		–		–	–	18 219	1 186	
Performance shares															
Grant 8A	01 Nov 20	01 Nov 23	–	–	11 935	68	–	–	–	–	–	–	11 935	783	01 Nov 23
Grant 8B	12 Nov 20	12 Nov 23	–	–	11 900	61	–	–	–	–	–	–	11 900	781	12 Nov 23
			–		23 835		–		–		–	–	23 835	1 564	
Total			–		279 421		–		–		–	–	279 421	2 750	

1. *Option value for equity-settled schemes are calculated using the closing VWAP at 30 September 2021 of R65.63. Option value for cash-settled schemes are calculated using the closing VWAP at 30 September 2021 of R65.63 less the grant date price. Where the VWAP is less than the grant date price the option value is nil.*

33. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

T GILES

2021 Scheme	Award date	Initial vesting date	Options as at 30 Sep 2020 Number	Price	Options awarded during the year Number	Price	Options forfeited during the year Number	Price	Options exercised during the year Number	Price	Gain (R'000)	Options as at 30 Sep 2021 Vested	Unvested	Option value[1] (R'000)	Expiry date
Share appreciation rights															
Grant 4	15 Feb 17	15 Feb 20	2 334	117	–	–	2 334 [3]	117	–	–	–	–	–	–	14 Feb 24
Grant 5	15 Feb 18	15 Feb 21	10 700	82	–	–	–	–	–	–	–	3 567	7 133	–	14 Feb 25
Grant 6	15 Feb 19	15 Feb 22	22 000	74	–	–	–	–	–	–	–	–	22 000	–	14 Feb 26
Grant 7	02 Mar 20	02 Mar 23	81 228	60	–	–	–	–	–	–	–	–	81 228	475	01 Mar 27
Grant 8	05 Mar 21	05 Mar 24	–	–	75 200	68	–	–	–	–	–	–	75 200	–	05 Mar 28
			116 262		75 200		2 334		–		–	3 567	185 561	475	
Restricted shares															
Grant 6	14 Nov 18	14 Nov 21	6 400	–	–	–	–	–	–	–	–	–	6 400	420	13 Nov 21
Grant 6B	08 May 19	08 May 22	16 358	–	–	–	–	–	–	–	–	–	16 358	1 074	07 May 22
Grant 7	13 Nov 19	13 Nov 22	3 200	–	–	–	–	–	–	–	–	–	3 200	210	12 Nov 22
Grant 8	12 Nov 20	12 Nov 23	–	–	8 300	61	–	–	–	–	–	–	8 300	545	12 Nov 23
			25 958		8 300		–		–		–	–	34 258	2 249	
Performance shares															
Grant 5	15 Feb 18	15 Feb 21	2 600	–	–	–	–	–	7800 [2]	70	544	–	–	–	14 Feb 21
Grant 6	13 Feb 19	13 Feb 22	6 100	–	–	–	–	–	–	–	–	–	6 100	400	12 Feb 22
Grant 7	02 Mar 20	02 Mar 23	8 200	–	–	–	–	–	–	–	–	–	8 200	538	01 Mar 23
Grant 8	05 Mar 21	05 Mar 24	–	–	7 600	68	–	–	–	–	–	–	7 600	499	05 Mar 24
			16 900		7 600		–		7 800		544	–	21 900	1 437	
Total			159 120		91 100		2 334		7 800		544	3 567	241 719	4 161	

1. *Option value for equity-settled schemes are calculated using the closing VWAP at 30 September 2020 of R61.40. Option value for cash- settled schemes are calculated using the closing VWAP at 30 September 2020 of R61.40 less the grant date price.*
2. *Settled using a TSR multiplier of 62.50%.*
3. *Forfeited due to 2020 HEPS criteria not being met.*
4. *Forfeited due to TSR position being below the lower quartile.*

The above details are indicated for the full financial year although Mr T Giles was only a prescribed officer during October 2020.

33. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

NON-EXECUTIVE DIRECTORS' REMUNERATION

	2022				2021		
	Board fees	Committee fees	Ad hoc fees*	Total	Board fees	Committee fees	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
MA Brey	860	189	400	1 449	823	106	929
PG de Beyer	430	426	400	1 256	319	280	599
ZBM Bassa[1]	333	477	500	1 310	319	308	627
P Golesworthy[2]	333	208	350	891	159	69	228
A Jakoet	333	228	350	911	319	199	518
TM Mokgosi-Mwantembe[2]	333	189	300	822	159	90	249
NA Pangarker[3]	333	189	300	822	319	180	499
S Pather[1]	–	–	–	–	292	231	523
L Sennelo[3]	333	302	350	985	319	220	539
NV Simamane	333	344	350	1 027	319	255	574
Total	3 621	2 552	3 300	9 473	3 347	1 938	5 285

1. *S Pather served on the board until his unexpected passing on 5 July 2021, and was replace by ZBM Bassa as the chairperson of the Audit Committee.*
2. *P Golesworthy and TM Mokgosi-Mwantembe were appointed to the board of directors on 1 April 2021.*
3. *NA Pangarker fees were paid to Brimstone Investment Corporation Limited and L Sennelo fees were paid to Gosele Advisory Services.*

* *Includes additional work relating to the special events of 2022 as described in the Audit Committee report.*

34. EVENTS AFTER THE REPORTING DATE

No events occurred after the reporting date that have an impact on the Group's reported financial position at 30 September 2022 or require separate disclosure in these financial statements other than that disclosed in note 22 regarding the sale of CCS Logistics.

35. GOING CONCERN

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

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

The Company has undrawn working capital facilities of R1 024 million (2021: R1 009 million) as at the reporting date, assessed and renewed annually, and an undrawn revolving credit facility of R500 million (2021: R500 million). In terms of the Company's Memorandum of Incorporation, the Company's borrowing powers are unlimited. Cash flows are monitored on an ongoing basis to ensure that cash resources are adequate to meet the Company's funding requirements. Sufficient short term facilities have been negotiated to manage any short fall in these funding requirements.

The Company obtained a subordination agreement from Lucky Star Limited confirming its intention to continue providing financial and/or other support to Oceana Group Limited with a view to it being able to meet its liabilities as and when they fall due.

36. INTEREST IN PRINCIPAL SUBSIDIARIES AND JOINT VENTURES

for the year ended 30 September 2022

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

Only principal trading subsidiaries, associate 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 (2021: 17) wholly-owned subsidiaries and 15 (2021: 15) non-wholly-owned subsidiaries. All subsidiaries and joint ventures are incorporated in South Africa unless otherwise indicated.

[1] *Joint venture.*
[2] *The trust is funded by capital contributions from Oceana Group Limited and participating South African subsidiary companies.*
[3] *Deregistered on 18 April 2022.*
[4] *Associate.*
[5] *Asset held for sale.*

				Interest of holding company			
Issued capital	Effective holding	Issued capital	Effective holding	Cost of shares		Indebtedness	
2022 R	2022 %	2021 R	2021 %	2022 R'000	2021 R'000	2022 R'000	2021 R'000
400	75	400	75	–	–	197	919
178 507 494	75	178 507 494	75	133 872	133 872	(43 866)	58 507
3 000	35	3 000	35	–	–	–	–
1 000	100	1 000	100	1 932	1 932	(127 614)	(151 621)
4 000	100	4 000	100	–	–	(17 170)	(23 092)
7 500	48	7 500	48	–	–	–	–
100	100	100	100	–	–	–	–
1 000 000	100	1 000 000	100	6 986	6 986	(251 469)	(242 771)
100	70	100	70	–	–	–	–
15 300	69	15 300	69	–	–	–	–
1 000	45	1 000	45	–	–	–	–
120	90	120	90	–	–	(80 569)	(109 632)
3 221 400 000	100	3 221 400 000	100	3 221 400	3 221 400	–	–
3 042 682 453	100	3 042 682 453	100	–	–	–	–
44 242 171	100	44 242 171	100	–	–	–	–
57 905 400	100	57 905 400	100	–	–	(63 056)	–
54 748 814	100	54 748 814	100	–	–	–	–
520 380 000	25	520 380 000	25	–	–	–	–
100	100	100	100	–	–	(116 276)	(102 279)
40 000	46	40 000	46	–	–	–	–
100	52	100	52	–	–	–	–
9 085	45	9 085	45	10 988	10 988	118	57
116	100	116	100	–	–	–	–
3 000	35	3 000	35	–	–	–	–
200	74	200	74	–	–	–	–
600 000	100	600 000	100	1 706	1 706	(1 778 955)	(1 851 986)
100	100	100	100	–	–	–	–
–	–	26	100	–	–	–	–
n/a	n/a	n/a	n/a	–	–	2 553	(3 115)
965 500	100	965 500	100	966	966	(54 594)	(56 076)
–	–	2 444 000	50	–	5	–	–
1 000	100	1 000	100	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
				3 377 850	3 377 855	(2 530 701)	(2 481 089)

Shareholder Analysis

As at 30 September 2022

	Number of shareholders	%	Number of shares	%
SHAREHOLDER SPREAD				
1 – 1 000 shares	6 053	82.6	860 138	0.7
1 001 – 10 000 shares	791	10.8	2 696 294	2.1
10 001 – 100 000 shares	360	4.9	12 102 256	9.3
100 001 – 1 000 000 shares	103	1.4	29 358 897	22.5
1 000 001 shares and over	20	0.3	85 414 219	65.5
	7 327	100	130 431 804	100
DISTRIBUTION OF SHAREHOLDERS				
Banks	77	1.1	8 148 274	6.3
Brokers	24	0.3	83 950	0.1
Close corporations	44	0.6	46 112	–
Empowerment	3	–	33 511 898	25.7
Individuals	5 429	74.1	3 408 069	2.7
Insurance companies	39	0.5	1 980 193	1.5
Investment companies	4	0.1	66 409	0.1
Mutual funds	254	3.5	39 705 297	30.5
Nominees and trusts	734	10.0	850 603	0.7
Other corporate bodies	68	0.9	3 944 805	3.0
Pension funds	482	6.6	29 258 904	22.5
Private companies	162	2.2	324 047	0.2
Public companies	2	–	29 587	–
Treasury shares held by share trusts	4	0.1	8 706 360	6.7
Treasury shares held by subsidiary	1	–	238 796	0.2
	7 327	100	130 303 304	100
SHAREHOLDER TYPE				
Non-public shareholders	22	0.3	42 643 054	32.7
Directors and employees	14	0.2	186 000	0.2
Treasury shares held by share trusts	4	0.1	8 706 360	6.7
Treasury shares held by subsidiary	1	–	238 796	0.2
Empowerment	2	–	777 767	0.6
Other holdings greater than 10%	1	–	32 734 131	25.1
Public shareholders	7 305	99.7	87 788 750	67.3
	7 327	100	130 431 804	100
SHAREHOLDERS HOLDING 5% OR MORE				
Brimstone Investment Corporation Limited			32 734 131	25.1
M and G Investment Managers Proprietary Limited			14 319 188	11.0
Public Investment Corporation (SOC) Limited[1]			10 733 578	8.2
Camissa Asset Management Pty Ltd			7 087 809	5.4
Coronation Fund Managers Limited			10 969 173	8.4

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

Administration

REGISTERED OFFICE AND BUSINESS ADDRESS

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

COMPANY REGISTRATION NUMBER

1939/001730/06

JSE SHARE CODE

OCE

NSX SHARE CODE

OCG

COMPANY ISIN

ZAE000025284

TRANSFER SECRETARIES

JSE Investor Services South Africa (Pty) Ltd ("JIS")
13th Floor, 19 Ameshoff Street, Braamfontein
PO Box 4844, Johannesburg, 2000

COMPANY SECRETARY

Adela Fortune (Resigned 4 March 2022)
Ralph Buddle appointed interim company secretary (Appointed 9 March 2022; Resigned 31 July 2022)
Nicole Morgan (Appointed 1 August 2022)

BANKERS

The Standard Bank of South Africa Limited
Investec Bank Limited
Rand Merchant Bank Holdings Limited
BMO Harris Bank N.A.
Nedbank Limited

EXTERNAL AUDITORS

Mazars (appointed 21 July 2022)
PWC (resigned in 27 May 2022)

INTERNAL AUDITORS

BDO Advisory Services Proprietary Limited

JSE SPONSOR

The Standard Bank of South Africa Limited

NSX SPONSOR

Old Mutual Investment Services (Namibia) Proprietary Limited

EXECUTIVE DIRECTORS

Chief Executive Officer
Imraan Soomra (Resigned on 14 February 2022)

Chief Executive Officer
Neville Brink (Appointed Interim CFO on 14 February 2022, Executive Director on 21 February 2022 and CEO on 2 June 2022)

Chief Financial Officer
Hajra Karrim (Appointed 1 November 2020; Employment terminated 3 July 2022)

Interim Chief Financial Officer
Ralph Buddle (Appointed Interim Chief Financial Officer on 23 February 2022) (Appointed Executive Director on 3 June 2022)

NON-EXECUTIVE DIRECTORS

Chairman
Mustaq Brey[3, 4]

Lead independent director
Saamsoodein Pather[2, 3] (Deceased 5 July 2021)
Peter de Beyer (Appointed 15 July 2021) [2, 3, 4]

Zarina Bassa[2, 4, 5]
Nisaar Pangarker[1, 5]
Lesego Sennelo[1, 5]
Nomahlubi Simamane[1, 3, 4]
Aboubakar Jakoet[2, 5, 4]
Thoko Mokgosi-Mwantembe[1, 3]
Peter Golesworthy[2, 5]

1. Social, Ethics and Transformation Committee
2. Audit Committee
3. Remuneration Committee
4. Corporate Governance and Nominations Committee
5. Risk Committee