Premier Fishing & Brands Limited

The First Choice

Company Annual Financial Statements 2019

A proudly South African Fishing Company

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The reports and statements set out below comprise the annual financial statements presented to the shareholders:

LEVEL OF ASSURANCE

These consolidated annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Preparer

Sandisiwe Myekwa AGA(SA)

Supervised by

Imraan Moosa CA(SA)

Chief Financial Officer

Published

30 October 2019

AUDIT AND RISK COMMITTEE REPORT

1. MEMBERS OF THE AUDIT AND RISK COMMITTEE AND ATTENDANCE AT MEETINGS

The audit and risk committee is consisted of independent non-executive directors listed below, all of whom have the requisite business acumen and experience as well as financial skills to fulfil the committee's duties.

During the year under review, four meetings were held and attendance of those meetings is set out in the table below:

Name	Qualification	Date of appointment	Changes	Attendance
Salim Young	BProc LLB (UWC) LLM	3 April 2018	Resigned as Chairperson on 04 April 2019	3 / 4
Rosemary Phindile Mosia (Chairperson)	BCom (University of the North), PDM, BCTA, MBL	2 May 2017	Appointed as the Chairperson on 04 April 2019	2 / 4
Clifford van der Venter	BCom (UNISA) and an MBA (UCT)	3 April 2018		3 / 4
Advocate Ngoako Abel Ramatlhodi	BA Law (NUL), LLB(NUL), MSc (UZ)	8 August 2018		2 / 4
Sebenzile Patrick Mngconkola	B Tech Business Administration, HR degree	8 August 2018		3 / 4

The committee is satisfied that the members thereof have the required, skills, knowledge and experience as set out in section 94 (5) of the Companies Act and regulation 42 of the Companies Regulation, 2011.

In addition to the committee members, the head of internal audit, chief executive officer, chief financial officer and the external auditors attend the meetings of the committee by invitation.

The external auditors may communicate directly with the Chairperson of the audit and risk committee and all of its members throughout the year. The Chairperson of the committee is also available at the annual general meeting to answer questions about the committee's activities.

During the year Mr S Young resigned as Chairperson of the Audit and Risk Committee and Ms R Mosia was appointed as Chairperson of the Audit and Risk Committee.

2. EXTERNAL AUDITOR

The audit and risk committee undertook a review of the cost and scope of the audit function performed by the independent auditors of the Company. BDO South Africa Incorporated ("BDO") was appointed as the Company's auditors for the 2019 reporting period. Ms Fayaz Mohamed was appointed as the designated auditor for the 2019 financial year. BDO South Africa Incorporated will not be seeking re-appointment as the auditors of the company and its subsidiaries at the next annual general meeting ("AGM") of the company.

The committee is of the view and is satisfied that the external auditor is independent of the Company.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The committee approved the level of scope, external audit fees and the extent of non-audit services for the 2019 audit. The nature and extent of all non-audit services provided by the external auditors are approved and reviewed by the committee. The extent of non-audit services did not exceed the approved limits.

The committee evaluated the audit and was satisfied with the performance of the external auditor during the reporting period and with the quality of the external audit procedure. BDO South Africa Incorporated has been the auditor of Premier Fishing and Brands Limited for 22 years.

3. INTERNAL AUDIT

The Company's internal audit function is fulfilled by the head of internal audit and the internal audit department provides the audit and risk committee with assurance of the effectiveness of the Company's internal control environment. The head of internal audit does not report directly to the Company's management and therefore the internal audit function is considered to be independent. The head of internal audit reports directly to the Chair of the audit and risk committee.

The committee reviewed the reports on the adequacy of the Company's internal control environment and based on that review it is satisfied that there has been no material breakdowns in the internal control environment of the Company.

4. KEY AUDIT MATTERS

The audit and risk committee considered the key audit matter as outlined in the independent auditor's report for the Company, set out on pages 7 to 11. The key audit matter was:

- Valuation of subsidiaries

The committee is satisfied that the key audit matter was adequately addressed in the context of the audit.

5. EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER

The committee has satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Limited Listings Requirements that the chief financial officer has the appropriate experience and expertise to meet the responsibilities of the position.

The committee has also has satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Limited Listings Requirements with the expertise of the finance department and is satisfied that the finance department has the appropriate expertise and is adequately resourced.

6. ANNUAL FINANCIAL STATEMENTS

The committee reviewed the annual financial statements of the Company for the year ended 31 August 2019 and is satisfied that they comply in all material respects with the requirements of International Financial Reporting Standards ("IFRS") the Companies Act, and the JSE Listings Requirements. The committee has recommended the annual financial statements to the Board for approval.

7. GOING CONCERN

The committee reviewed the going-concern status of the Company and recommended to the Board that the Company will continue to be considered on a going-concern basis for the foreseeable future and that the annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

8. CONCLUSION

I would like to thank my fellow committee members, executive and non-executive directors, the external and internal auditors, invitees and management for their contributions to the committee during the year.

On behalf of the audit committee

R Mosia
Chairperson audit and risk committee
30 October 2019

COMPANY SECRETARY'S CERTIFICATION

The Board considered the competence, qualifications and experience of the company secretary and is satisfied that they are appropriate. The Board considered the interactions between the company secretary and the Board during the past financial year and is satisfied that there is an arm's length relationship between the Board and the company secretary.

CERTIFICATE OF THE COMPANY SECRETARY

In my capacity as the company secretary, I hereby confirm in terms of the Companies Act, that for the year ended 31 August 2019, Premier Fishing and Brands Limited has lodged with the Companies and Intellectual Property Commission, all such returns and notices that are required of a public company in terms of the Companies Act, and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.

Wazeer Moosa
Company secretary
30 October 2019

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS. The external auditors are engaged to express an independent opinion on the annual financial statements, the SAICA financial reporting guides issued by the Accounting Practice committee, the Listing Requirements of the JSE Limited and the Companies Act.

The annual financial statements, set out on pages 16 to 42, are based on appropriate accounting policies which has been consistently applied throughout the Company and which are supported by reasonable and prudent judgements and estimates. The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment.

To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the Company's cash flow forecast for the year to 31 August 2019 and, in light of this review and the current financial position, they are satisfied that the Company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The independent external auditors are responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework. The independent auditor's report to the shareholders of the Company is set out on pages 7 to 11 of this report.

The annual financial statements set out on pages 16 to 42, which have been prepared on the going-concern basis, were approved by the board of directors on 30 October 2019 and were signed on their behalf by:

K Abdulla
Director
30 October 2019

MS Saban
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Premier Fishing and Brands Limited

OPINION

We have audited the separate financial statements of Premier Fishing and Brands Limited (the company) set out on pages 16 to 42, which comprise the separate statement of financial position as at 31 August 2019, and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the company as at 31 August 2019, and its separate financial performance and cash flows for the year then ended in accordance with the 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 Separate Financial Statements* section of our report. We are independent of the company in accordance with section 290 and 291 of the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (Revised January 2018),* parts 1 and 3 of the Independent Regulatory Board of Auditors' Code of Professional Conduct for Registered Auditors *(Revised November 2018)* (together with the IRBA codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

KEY AUDIT MATTER

VALUATION OF SUBSIDIARIES

Investment in subsidiaries are carried at fair value through profit or loss, amounting to R1 425 678 000 as at reporting date.

The valuations of these investments are based on an entity discounted cash flow valuation technique, which require significant judgement and estimates being applied by management. These are in accordance with Level 3 inputs as per International Financial Reporting Standard 13 Fair Value Measurement (IFRS 13).

The use of a discounted cash flow valuation requires the estimation of a number of significant inputs, including the future expected cash flows and the weighted average cost of capital used to perform the discounting. Many of these inputs may have a material impact on the valuation. The judgement are based on existing market condition, determined at the end of the reporting period.

Accordingly, the valuation of investment in subsidiaries at fair value through profit or loss was considered to be a key audit matter, due to the significant contribution to results of the separate financial statements as well as the significance of the assumptions, estimates and the level of judgement involved.

The disclosure relating to investment in subsidiaries are contained in note 1 (accounting policies) and note 3 (investment in subsidiaries).

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

In assessing the fair value of the unlisted investments, we obtained an understanding of the overall control environment as well as the processes which have been implemented by management with regards to the determination of the valuation of subsidiaries. The control environment and processes have been overseen by the board of directors.

In addition, our audit procedures included an assessment of the reasonability of the forecast by:

- Testing the mathematical accuracy of the valuation models, by performing a recalculation of each valuation;
- Agreeing management forecast to the approved budgets;
- Assessing the budgeting process, and confirming reasonability of the forecasts by comparing the actual performance to that of previous years' forecast.

We have assessed the key inputs in the valuation models by performing the following procedures:

- Comparing the inputs to the weighted average cost of capital discount rate to independently data obtained, such as the cost of debt, risk free rates in the market, market risk premiums, debt/equity ratios as well as the beta of comparable companies.
- Utilising our internal valuation experts, who have assessed the reasonableness and appropriateness of the key inputs.

We furthermore assessed the disclosures made for compliance with International Financial Reporting standards.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information in the document titled "Premier Fishing & Brands Limited Company Annual Financial Statements for the year ended 31 August 2019" and the document titled "Premier Fishing and Brands Limited Group Annual Financial Statements for the year ended 31 August 2019", which includes the Directors' Report, Audit and Risk Committee Report and the Company Secretary's Certification as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after the date. The other information does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate 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 separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 SEPARATE FINANCIAL STATEMENTS

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

In preparing the separate financial statements, the directors are responsible for assessing 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 company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the 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 separate financial statements.

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the 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 BDO South Africa Incorporated has been the auditor of Premier Fishing and Brands Limited for 22 years.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

Fayaz Mohamed
Partner
Registered Auditor

30 October 2019
6th Floor, BDO House,
119 - 123 Hertzog Boulevard
Foreshore
Cape Town
8001

DIRECTORS' REPORT

The directors have pleasure in submitting their report which forms part of the annual financial statements of Premier Fishing and Brands Limited for the year ended 31 August 2019.

1. NATURE OF BUSINESS

Premier Fishing and Brands Limited ("Premier") is an investment entity incorporated in South Africa with interests in the fishing industry. Premier has subsidiaries which operate in South Africa which are engaged in catching, processing and marketing of pelagic (pilchards and anchovy), west coast rock lobster, south coast rock lobster, squid and hake. The subsidiaries also earns cold storage revenue through the use of cold and dry storage space by its customers. The subsidiaries are also involved in aquaculture (abalone farming) as well as the manufacture of environmental friendly fertiliser products (organic liquid fertiliser).

2. FINANCIAL RESULTS

The annual financial statements have been prepared in accordance with IFRS, the SAICA financial reporting guides issues by the Accounting Practices Committee, the Listings Requirements of the JSE Limited, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the Companies Act.

Full details of the financial position, results of operations and cash flows of the Company are set out in these annual financial statements. Refer to the Company's website www.premierfishing.co.za for the consolidated financial statements and the integrated report of the Group.

3. GOING CONCERN

The directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going-concern basis. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

4. EVENTS AFTER THE REPORTING PERIOD

A final dividend of 10 cents per share was approved by the board of directors on 28 October 2019 in South African rand in respect of the year ended 31 August 2019. The dividend is payable on 25 November 2019 to shareholders recorded in the register of the Company at close of business on 19 November 2019. The directors are not aware of any other material facts or circumstances which occurred between the reporting date and the date of this report that would require any adjustments to the annual financial statements.

5. SHARE CAPITAL

There have been no changes to the authorised or issued share capital during the year under review.

6. DIVIDENDS

A final maiden dividend of 25 cents per share amounting to R65 million was paid to shareholders during the year under review in relation to 2018 financial year.

An interim dividend of 12 cents per share to R31.2 million was paid to shareholders during the year under review in relation to the 28 February 2019 interim reporting date. For the year end 31 August 2019, a final dividend of 10 cents per share was approved by the board of directors on 28 October 2019 in South African rand in respect of the year ended 31 August 2019. The dividend is payable on the 25 November 2019 to shareholders recorded in the register of the Company at close of business on the 19 November 2019.

7. REPORT OF THE AUDIT AND RISK COMMITTEE

The report of the audit and risk committee, as required in section 94(7)(f) of the Companies Act, is set out on pages 3 and 4 of these annual financial statements.

8. BOARD EVALUATION OF THE AUDIT AND RISK COMMITTEE

The board of directors believes that the committee has satisfied its responsibilities for the year in compliance with the terms of reference of the Companies Act.

9. DIRECTORATE

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Date of appointment	Date of resignation
MS Saban	Chief executive officer	Executive		
IT Bundo	Chief financial officer	Executive		21 January 2019
R Isaacs	Sales and marketing director	Executive		
Prof VC Mehana	Chairman	Non-executive		14 March 2019
K Abdulla	Deputy chairman	Non-executive		
S Young		Non-executive		
CF Hendricks		Non-executive		19 February 2019
I Moosa	Chief financial officer	Executive	21 January 2019	
AB Amod		Non-executive		
RP Mosia		Non-executive		
CL van der Venter		Non-executive		
Advocate N Ramatlhodi		Non-executive		
SP Mngconkola		Non-executive		

During the financial year ended 31 August 2019, Mr Isaiah Tatenda Bundo resigned from his role as Chief Financial Officer.

The resignation was effective 21 January 2019.

Mr Imraan Moosa was appointed as Chief Financial Officer on the 21 January 2019, and took up office thereto.

Miss CF Hendricks resigned from the board of Premier Fishing and Brands on the 19 February 2019.

Furthermore, Rev. Prof VC Mehana resigned as Chairman of the Board of Premier Fishing and Brands on the 14 March 2019.

10. LIQUIDITY AND SOLVENCY

The directors have performed the required liquidity and solvency tests required by the Companies Act for the Company. The directors are satisfied that the Company is solvent and have no reason to believe that the business will not be a going concern in the year ahead.

11. DIRECTORS' INTERESTS IN SHARES

During the year, the directors held in aggregate a direct beneficial interest of 136 500 (2018: 153 000) in the company's shares, equivalent to 0.05% (2018: 0.05%) of the issued share capital.

The individual interests of the directors are shown in the table below as at 31 August 2019.

Interests in shares – 2019

Directors	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total percentage
*K Abdulla	50 000	–	175 000	–	0.09%
S Young	50 000	–	–	–	0.02%
*AB Amod	–	–	–	26 722	0.01%
CL van der Venter	36 500	–	–	–	0.01%
	136 500	**–**	**175 000**	**26 722**	**0.13%**

Interests in shares – 2018

Directors	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total percentage
K Abdulla	70 000	–	–	–	0.03%
S Young	50 000	–	–	–	0.01%
CL van der Venter	33 000	–	–	–	0.01%
	153 000	**–**	**–**	**–**	**0.05%**

*Aziza Amod and Khalid Abdulla have an indirect interest in shares of 201 772 shares which equates to 0.08% (2018:0.00%) of total issued shares. This relates to shares held by their associates, and has been disclosed as per the JSE Listing requirements.

12. ULTIMATE HOLDING COMPANY

The Company's ultimate holding company is African Equity Empowerment Investments Limited which holds 56.23% (2018: 55%) of the Company's equity. African Equity Empowerment Investments Limited is listed on the JSE Limited.

13. SECRETARY

The Company secretary is Mr Wazeer Moosa.

Postal address:	PO Box 181 Waterfront Cape Town 8000
Business address:	3 South Arm Road Victoria Basin Waterfront Cape Town 8001

14. COMPANY SECRETARY

As required by JSE Listings Requirement 3.84(i), the Board has satisfied itself that the company secretary has the appropriate expertise, competence and experience. The company secretary is accountable to the Board and the following duties, among other things, were carried out:

- guidance to the directors in terms of their duties, responsibilities, powers, training and induction of the responsibilities and liabilities under the Companies Act;
- making the Board aware of any law relevant to and/or affecting the Company;
- preparation of Board packs and recording of proper detailed minutes of meetings;
- ensuring proper and orderly conduct at all Board, committee and annual general meetings;
- disclosure of corporate actions on SENS announcements and directors' dealings in securities;
- preparation and timeous delivery of the integrated report and annual general meeting notice and proxy to shareholders;
- compliance with JSE Listings Requirements and the Companies Act; and
- updated Board policies, Board charters in compliance with statutory, regulatory and legislative requirements.

All directors have access to the advice and services of the company secretary. The Board considered the competence, qualifications and experience of the company secretary and is satisfied that they are appropriate. This was concluded after due assessment following a review by the remuneration committee of the Company regarding the company secretary's qualifications, experience and performance.

15. AUDITORS

BDO continued in office as the independent external auditors of the Company and its subsidiaries for 2019.

BDO will not be seeking re-appointment as the auditors of the Company and its subsidiaries, at the next annual general meeting ("AGM") of the Company.

16. PREPARER

These annual financial statements were prepared by Sandisiwe Myekwa AGA(SA), under the supervision of the Chief Financial Officer, Imraan Moosa CA(SA).

17. SPECIAL RESOLUTIONS

The statutory information relating to special resolutions passed by subsidiaries is available from the registered office of the Company. The only special resolutions passed at the AGM on 19 February 2019 are as follows:

- Remuneration for executive and non-executive directors.
- Inter-company financial assistance.
- Financial assistance for the acquisition of shares in the Company or a related or inter-related company.
- Approval for the Company or its subsidiaries to repurchase Company shares.

18. CORPORATE GOVERNANCE

The directors subscribe to the principles incorporated in the King IV Report on Corporate Governance for South Africa (King IV) and, save as disclosed in the corporate governance review, have complied as far as practical with principles contained therein throughout the reporting period. The directors recognise the need to conduct the Company with integrity and in accordance with generally accepted corporate practices. The Board and the Board committees have reviewed the Company's corporate governance policies and procedures in the current year and no issues were identified.

19. INVESTMENTS IN SUBSIDIARIES AND JOINT ARRANGEMENTS

Details of material interests in subsidiary companies are presented in note 3 of the annual financial statements.

There were no significant acquisitions or divestitures during the year ended 31 August 2019.

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2019

	Notes	2019 R'000	2018 R'000
Assets			
Non-current assets			
Investments in subsidiaries	3	**1 425 678**	1 430 496
Loan to Group Company	4	**287 579**	246 406
		1 713 257	**1 676 902**
Current assets			
Trade and other receivables	5	**97 319**	1 926
Cash and cash equivalents	6	**128 270**	261 051
		225 589	**262 977**
Total assets		**1 938 846**	**1 939 879**
Equity and liabilities			
Equity			
Stated capital	7	**507 517**	507 517
Retained income		**1 124 035**	1 119 581
		1 631 552	**1 627 098**
Liabilities			
Non-current liabilities			
Loan from Group Company	4	**2 066**	1 867
Deferred tax	8	**304 744**	305 823
		306 810	**307 690**
Current liabilities			
Trade and other payables	9	**70**	218
Current tax payable		**414**	4 873
		484	**5 091**
Total liabilities		**307 294**	**312 781**
Total equity and liabilities		**1 938 846**	**1 939 879**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 R'000	2018 R'000
Revenue	10	**109 838**	30 415
Fair value adjustments	11	**(4 818)**	328 496
Other operating expenses		**(513)**	(1 821)
Operating profit		**104 507**	**357 090**
Finance costs	12	**(871)**	(179)
Profit before taxation		**103 636**	**356 911**
Taxation	13	**(2 982)**	(81 617)
Profit for the year		**100 654**	**275 294**
Other comprehensive income		**–**	–
Total comprehensive income for the year		**100 654**	**275 294**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2019

	Stated capital R'000	Retained income R'000	Total equity R'000
Balance at 1 September 2017	507 517	883 287	1 390 804
Profit for the year	–	275 294	275 294
Dividends	–	(39 000)	(39 000)
Balance at 1 September 2018	**507 517**	**1 119 581**	**1 627 098**
Profit for the year		**100 654**	**100 654**
Dividends		**(96 200)**	**(96 200)**
Balance at 31 August 2019	**507 517**	**1 124 035**	**1 631 552**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 R'000	2018 R'000
Cash flows from operating activities			
Cash receipts from customers		**110 644**	30 966
Cash paid to suppliers and employees		**(110 499)**	(31 411)
Cash generated/(used) in operations	14	**145**	**(445)**
Interest income		**13 638**	29 608
Finance costs		**(672)**	–
Tax paid	15	**(8 520)**	(8 159)
Net cash from operating activities		**4 591**	**21 004**
Cash flows from investing activities			
Loan to Group company repaid		**4 520**	48 236
Loan advanced to Group company		**(45 692)**	(277 784)
Net cash to investing activities		**(41 172)**	**(229 548)**
Cash flows from financing activities			
Dividends paid		**(96 200)**	(39 000)
Net cash to financing activities		**(96 200)**	**(39 000)**
Total cash movement for the year		**(132 781)**	**(247 544)**
Cash at the beginning of the year		**261 051**	508 595
Total cash at end of the year	6	**128 270**	**261 051**

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

The annual financial statements have been prepared on the going-concern basis in accordance with, and in compliance with IFRS, SAICA Financial Reporting Guides issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act, as amended and the Listings Requirements of the JSE Limited.

The annual financial statements have been prepared on the historical cost basis, except where otherwise stated and incorporate the principle accounting policies set out below.

These accounting policies are consistent with the previous period.

The presentation currency of the annual financial statements is South African Rand, except when stated otherwise.

These accounting policies are consistent with the previous period, except for the adoption of IFRS 9: Financial Instruments.

1.2 Investments in subsidiaries

Investments in subsidiaries are carried at fair value with fair value changes recognised in profit or loss.

1.3 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments. In the prior year, the Company applied IAS 39: Financial Instruments to its comparative figures. Refer to note 2 Change in Accounting Policy for the impact of the adoption of IFRS 9.

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

The Company's financial assets comprise:

- Loans receivables to related party
- Trade and other receivables
- Cash and cash equivalents

The Company's financial liabilities comprise:

- Loans from related parties
- Trade and other payables

The Company's financial assets and liabilities are measured at amortised cost.

Note 19 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans receivable at amortised cost

Classification

Loans to group company and loans receivable are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan 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.

Impairment

The company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

At each reporting date, the company assesses whether loans receivable classified at amortised cost are credit impaired. Loans receivable are credit impaired when one or more events identified has a detrimental impact on the estimated future cash flows. The company's definition for credit impaired is aligned to its internal credit risk definition of default, namely a failure to make payment when due.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the company compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports and financial analysts as well as consideration of various external sources of actual and forecast economic information.

Write off policy

The company writes off a loan 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. Loans written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Trade and other receivables

Classification

Trade and other receivables, excluding VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable 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.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT. The amount of expected credit losses is updated at each reporting date. The company applies the IFRS 9 simplified approach in measuring expected credit losses for trade and other receivables, which uses a lifetime expected loss allowance.

1.3 Financial instruments (continued)

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable. The company has established a provision matrix that is based on historical credit loss experience, adjusted for forward looking factors specific to trade and other receivables, including the economic factors.

Write off policy

The company writes off a receivable 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. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Loans from related parties

Classification

Loans from group companies and borrowings are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 12.)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 19 for details of risk exposure and management thereof.

Trade and other payables

Classification

Trade and other payables excluding VAT, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 19 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and short-term deposits which are initially measured at fair value. Given the short-term nature, amortised cost approximates fair value.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.4 Tax (continued)

Deferred tax assets and liabilities

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the annual financial statements and the corresponding tax bases used in the computation of taxable profit.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

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

Tax expenses

The total of current and deferred taxes is recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or a business combination.

The current tax charge is the expected tax payable on the taxable income for the period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts; and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.5 Stated capital and equity

When Premier shares are issued the consideration received is recognised directly in the statement of changes in equity. Transactions costs that are directly attributable to the issue of Premier's shares are recognised directly in the statement of changes in equity. No gains or losses are recognised in profit and loss from the issue of Premier's shares.

1.6 Revenue

Revenue comprises of interest and dividend income. Interest revenue comprises of interest earned on bank accounts and interest earned on the loan to Group company. Interest revenue is recognised, in profit or loss, using the effective interest rate method.

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

1.7 Finance costs

All finance costs are recognised in profit or loss in the period in which they are incurred.

1.8 Fair value measurement

The Company does not have any financial instruments which are traded in an active market. Fair value is determined using valuation techniques as outlined below. Where possible, inputs are based on quoted prices and other market determined variables.

Fair value hierarchy

Financial assets, financial liabilities and non-financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices (included in level 1) that are observable for the asset or liability (directly or indirectly).

Level 3: Inputs for the asset or liability that are unobservable.

Refer to note 20 for further detail.

1.9 Financial instruments: IAS 39 comparatives

Classification

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

The Company's financial assets are loans receivables, trade and other receivables and cash and cash equivalents. The Company's financial liabilities are loans payable, trade and other payables.

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or company of financial assets has been impaired.

For amounts due to the Company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss -– measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans receivable and payable

These financial instruments are initially recognised at fair value plus direct transaction costs.

Subsequently, loans and receivables are measured at amortised cost using the effective interest method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit and loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the loan's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the loan at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Loans payable are measured at amortised cost using the effective interest method.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and short-term deposits held with banks that are available for use by the Company. These are initially and subsequently recorded at amortised cost.

1.10 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements in conformity with IFRS, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Estimates and assumptions are based on historical experience and expectation of future events and are reviewed on an ongoing basis. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Trade receivables and loans and receivables

The Company has applied the simplified approach in measuring the impairment allowance for trade and other receivable, which uses a lifetime expected loss allowance.

Investment in subsidiaries

The Company calculates the fair value of its investment in subsidiaries at each statement of financial position date. The issued share capital of the subsidiaries is not traded on an active market, therefore management calculates the value as the present value of future cash flows of the subsidiaries. Management makes judgements and assumptions in the determination of the future expected cash flows as well as the weighted average cost of capital used to perform the discounting calculation. Refer to note 3 for more details.

Valuation method

An entity discounted cash flow (DCF) valuation technique is used for all unlisted investments that are held at fair value and for which there is no active market. Price/earnings valuations are not as accurate and are thus only used as a secondary review.

Application of methodology

Free cash flow (FCF) forecasts are prepared year-by-year for a minimum of a three-year period and for high-growth companies year-by-year forecasts for a period of five to 10-year period are prepared, where after a terminal value will be calculated.

Terminal value growth rates

When calculating the terminal value, growth rates in excess of the current inflation rate are not utilised. Real growth beyond 10 years is not likely, and even if likely is difficult to forecast with any certainty.

Terminal values

When calculating the terminal value, care is taken regarding the level of net capital investment assumed. This is assumed to be lower than during the specific forecast period for high growth companies. For mature, stable companies net capital investment during the specific forecast period and beyond is assumed to be the same.

Discount rate

Free cash flows are discounted at the company's weighted average cost of capital (WACC), being the weighted cost of equity (as determined using the capital asset pricing model (CAPM)) and the weighted after-tax cost of debt and/or any other non-equity form of financing.

Risk-free rate

The risk-free rate utilised is the current yield on R207 government bonds. These yields were obtained from the financial press at the time of preparing the valuations.

Beta

The equally-weighted average of the relevant industry betas together with professional judgement is used. The betas are calculated over a five-year period (where possible). This is assumed to provide a fair estimate of the Company's recent market risk.

Market risk premium

A market risk premium was utilised in all valuations.

Value of equity

The value of equity will be equal to the free cash flow value of the entity, less the statement of financial position values (at valuation date) of debt and any other form of financing, plus any cash on hand (per the statement of financial position) which is in excess of normal working capital requirements.

2. CHANGES IN ACCOUNTING POLICY

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following new IFRS standards that are effective for the current financial year and that are relevant to its operations:

IFRS 9 – Financial Instruments

IFRS 9 Financial Instruments (replacing IAS 39 Financial Instruments: Recognition and Measurement) is applicable to the Company for the 2019 annual reporting period, with the application in the Company financial statements.

The completed standard comprises guidance on the classification and measurement of financial assets and liabilities, and the introduction of the expected credit loss model (ECL) with respect to the measurement of impairment allowances for financial assets.

Effect of transition

The Company has transitioned to IFRS 9 retrospectively, with any cumulative material impact being recognised in opening retained income as a result of the initial application of IFRS 9. Comparative information has therefore not been restated.

Classification

IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics.

Classification of financial assets and financial liabilities under IFRS 9 did not have a material impact on the measurement of the Company's results.

Impairment

The new standard introduces a single "expected credit loss" impairment model for the measurement of financial assets. The Company has assessed the impact of IFRS 9 including the application of the expected credit loss (ECL) model for the measurement of the impairment allowance of our trade and other receivables (through the application of the simplified approach) as well as loans to Group Companies.

Trade receivables

In terms of IAS 39, trade and other receivables were impaired when there was objective evidence of default. IFRS 9 dictates that the impairment is based on the lifetime expected credit losses on trade and other receivables.

The Company has established a provision matrix that is based on historical credit loss experience, adjusted for forward looking factors specific to trade and other receivables including the economic environment.

Loan receivables

The Company has adopted the general approach, which takes into account the three-stage approach, with respect to the recognition of credit losses being:

Description	Stage 1	Stage 2	Stage 3
	Credit risk has not increased significantly since initial recognition	Credit risk has increased significantly since initial recognition	Credit-impaired
Recognition of ECLs	12 month ECL	Lifetime ECL	Lifetime ECL
Recognition of interest	Effective interest on gross carrying amount	Effective interest on gross carrying amount	Effective interest on net carrying amount

At each reporting date, the Company assesses whether financial assets classified as amortised cost are credit impaired. Loans receivables are credit impaired when one or more events identified has a detrimental impact on the estimated future cash flows.

The Company's definition of credit impaired is aligned to its internal credit risk definition of default, namely a failure to make payment when due.

As at the reporting date, credit risk has not increased significantly since initial recognition (Stage 1), and therefore a 12 month ECLs has been determined, which is not material.

Based on our assessment, the application of IFRS 9 had no material impact on the reported earnings or financial position for the period under review.

3. INVESTMENTS IN SUBSIDIARIES

The following table lists the entities which are controlled directly or indirectly by the Company:

Name of company	% holding 2019	% holding 2018	Nature of business
Sekunjalo Food and Fishing Proprietary Limited	**100.00**	100.00	Investment holding
Sekfish Investments Proprietary Limited	**100.00**	100.00	Investment holding
Premier Fishing SA Proprietary Limited	**100.00**	100.00	Fishing
Marine Growers Proprietary Limited	**100.00**	100.00	Aquaculture
Premfresh Seafoods Proprietary Limited	**100.00**	100.00	Sales and Marketing
Kuttlefish Proprietary Limited	**100.00**	100.00	Dormant
Atlantic Fishing Enterprises Proprietary Limited	**100.00**	100.00	Dormant
Chapman's Peak Fisheries Proprietary Limited	**100.00**	100.00	Dormant
John Quality Proprietary Limited	**100.00**	100.00	Dormant
John Ovenstone Proprietary Limited	**100.00**	100.00	Dormant
Fish Drying Corporation Proprietary Limited	**100.00**	100.00	Dormant
Seagro Fertilisers Proprietary Limited	**100.00**	100.00	Dormant
Southern Ocean Fishing Proprietary Limited	**100.00**	100.00	Dormant
Talhado Fishing Enterprises Proprietary Limited	**50.31**	50.31	Fishing
Rupestris Investments Proprietary Limited	**60.22**	60.22	Fishing
MB Fishing Ventures Proprietary Limited	**77.61**	77.61	Fishing
Dazzalle Traders Proprietary Limited	**56.84**	56.84	Fishing
Manicwa Fishing Proprietary Limited	**50.25**	50.25	Fishing
Robberg Sea Freeze Proprietary Limited	**50.25**	50.25	Fishing
Lurama 166 Proprietary Limited	**100.00**	100.00	Fishing

*Lurama 166 Proprietary Limited is 100% held by Robberg Seafreeze Proprietary Limited.

The carrying amount of the investments are as follows:

Name of company	Carrying value 2019 R'000	Carrying value 2018 R'000
Sekunjalo Food and Fishing Proprietary Limited	**1 425 678**	1 430 496

	2019 R'000	2018 R'000
Reconciliation of investments in subsidiaries		
Below is a reconciliation of the movement in the carrying value of investments in subsidiaries:		
Opening balance	**1 430 496**	1 102 000
Changes in fair values	**(4 818)**	328 496
	1 425 678	**1 430 496**

3. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Key assumptions in determining the value of the investment in subsidiaries

Premier Fishing SA:

Gross Profit 2019: 34.00%

WACC: 17.78%

Terminal growth rate: 4.50%

Marine Growers:

Gross Profit 2019: 39.00%

WACC: 13.65%

Terminal growth rate: 4.50%

Premfresh Seafoods:

Gross Profit 2019: 17.57%

WACC: 22.26%

Terminal growth rate: 4.50%

Talhado Fishing Enterprises:

Gross Profit 2019: 39.74%

WACC: 16.98%

Terminal growth rate: 4.50%

4. LOANS TO (FROM) GROUP COMPANY

	2019 R'000	2018 R'000
Subsidiary		
Premier Fishing SA Proprietary Limited	**287 579**	246 406
The loan is interest free, unsecured and has no fixed terms of repayment. Premier Fishing and Brands Limited has granted to Premier Fishing SA Proprietary Limited an unconditional right to defer payment of the outstanding amount for at least 12 months from the statement of financial position date.		
Premier Fishing SA Proprietary Limited	**(2 066)**	(1 867)
Interest is charged at the prime overdraft rate. The loan is unsecured. Premier Fishing SA Proprietary Limited has granted to Premier Fishing and Brands Limited an unconditional right to defer payment of the outstanding amount for at least 12 months from the statement of financial position date.		
	285 513	**244 539**
Non-current assets	**287 579**	246 406
Non-current liabilities	**(2 066)**	(1 867)
	285 513	**244 539**

4. LOANS TO (FROM) GROUP COMPANY (CONTINUED)

Credit quality of loan to Group Company

The loan is advanced to Group Company for capital investment or working capital needs. The risk of default is based on the success of the Group Company's trading. The risk of default on the loans is considered minimal and credit quality is considered high. The loan is not past due and not considered to be impaired. There has not been a significant increase in credit risk since initial recognition.

See below for the credit rating framework adopted to conclude on the credit loss allowance being immaterial.

Credit rating framework

For purposes of determining the credit loss allowances, management determine the credit rating grades of each loan at the end of the reporting period. These ratings are determined either externally through ratings agencies or internally where external ratings are not available.

The table below sets out the internal credit rating framework which is applied by management for loans for which external ratings are not available. The abbreviation "ECL" is used to depict "expected credit losses."

Internal credit grade	Description	Basis for recognising expected
Performing	Low risk of default and no amounts are past due	12m ECL

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans receivable by credit rating grade:

Instrument	Internal credit rating	Basis of loss allowance	Gross carrying amount	Amortised cost
Company – 2019				
Loan to group company				
Premier Fishing SA (Proprietary) Limited	Performing	12m ECL	287 579	287 579
Company – 2018				
Loan to group company				
Premier Fishing SA (Proprietary) Limited	Performing	12m ECL	246 406	246 406

Fair value of loans to and from Group Company

The carrying value of the loans approximate fair value.

In determining the amount of expected credit losses, the company has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate. As at the reporting date, credit risk has not increased significantly since initial recognition (stage 1) and therefore a 12 month ECL has been determined which is not material.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

	2019 R'000	2018 R'000

5. TRADE AND OTHER RECEIVABLES

	2019 R'000	2018 R'000
Value added tax	**306**	238
Dividend received	**96 200**	–
Accrued interest receivable	**813**	1 688
	97 319	**1 926**

The interest is receivable from ABSA Bank Limited ("ABSA"). ABSA is a reputable banking institution and its credit quality is considered to be high with a credit rating of Baa3. The credit quality of the accrued interest receivable is therefore considered to be high.

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

	2019 R'000	2018 R'000
At amortised cost	**97 013**	1 688
Non-financial instruments	**306**	238
	97 319	1 926

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2019 R'000	2018 R'000
Bank balances	**128 270**	261 051

Credit quality of cash at bank and short term deposits

Cash and cash equivalents are held with Absa. This is a reputable banking institution and its credit quality is considered to be high.

Credit rating

ABSA Bank Limited (Baa3)

	2019	2018
7. STATED CAPITAL		
Authorised		
Ordinary shares (number of shares)	**2 000 000 000**	2 000 000 000
Issued		
Ordinary shares (number of shares)	**260 000 000**	260 000 000
Reconciliation of number of shares issued:		
Opening balance	**260 000 000**	260 000 000
Shares split	**–**	–
Issue of shares	**–**	–
	260 000 000	**260 000 000**

	R'000	R'000
Issued		
260 000 000 ordinary shares of no par value	**507 517**	507 517
Capitalised share issue costs		
	507 517	**507 517**

At the end of the 2016 financial year, there were 100 shares in issue of R 1.00 each.

On 1 February 2017, the share capital of Premier Fishing and Brands Limited was altered by:

- converting the entire authorised and issued share capital from par value shares of R 1.00 each into no par value shares;
- increasing the authorised share capital from 1 000 ordinary shares of R 1.00 each into 2 000 000 000 ordinary no par value shares; and
- subdividing each share in the Company's authorised and issued share capital into 1 430 000 shares.

The authorised share capital of the Company is 2 000 000 000 ordinary shares of no par value.

On 2 March 2017, an additional 117 000 000 ordinary shares were issued to the public on a private placement as part of the capital raising exercise and the listing of the Company on the main board of the Johannesburg Stock Exchange (JSE).

On 31 August 2017, the issued share capital of the Company was 260 000 000 ordinary shares of no par value. There were no issue of shares in the current or prior year.

	2019 R'000	2018 R'000
8. DEFERRED TAX		
Deferred tax liability		
Fair value adjustment on investment in subsidiary	**(304 744)**	(306 247)
Deferred tax asset		
Tax losses available for set off against future taxable income	–	424
The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:		
Deferred tax liability	**(304 744)**	(306 247)
Deferred tax asset	–	424
Total net deferred tax liability	**(304 744)**	**(305 823)**
Reconciliation of deferred tax asset/(liability)		
At beginning of year	**(305 823)**	(232 240)
Increases in tax loss available for set off against future taxable income	–	424
Fair value adjustment on investments in subsidiary	**1 079**	(74 007)
Balance at the end of the year	**(304 744)**	**(305 823)**

	2019 R'000	2018 R'000
9. TRADE AND OTHER PAYABLES		
Accrued expenses	–	43
Accrued audit fees	**70**	175
	70	**218**

The carrying value of trade payables approximate fair value due to their short-term nature.

	2019 R'000	2018 R'000
10. REVENUE		
Interest income – Bank	**13 638**	29 609
Dividends received	**96 200**	–
Interest income – Group Company	–	806
	109 838	**30 415**
11. FAIR VALUE ADJUSTMENTS		
Fair value (loss)/gain on investment in subsidiary	**(4 818)**	328 496
12. FINANCE COSTS		
Group Company	**199**	179
Other interest paid	**672**	–
	871	**179**

	2019 R'000	2018 R'000

13. TAXATION

	2019 R'000	2018 R'000
Major components of the tax expense		
Current		
Local income tax - current period	**3 762**	8 034
Local income tax - recognised in current tax for prior periods	**299**	–
	4 061	8 034
Deferred		
Originating and reversing temporary differences	**(1 079)**	74 007
Assessed loss recognised	**–**	(424)
Total deferred tax	**(1 079)**	**73 583**
Total tax expense	**2 982**	**81 617**
Reconciliation of the tax expense		
Reconciliation between applicable tax rate and average effective tax rate		
Applicable tax rate	**28.00%**	28.00%
Fair value adjustment on investment in subsidiary taxed at CGT rate	**0.26%**	(5.15%)
Dividends received not taxable	**(25.99%)**	–
Prior year under provision for tax	**0.29%**	–
Utilisation of previous unrecognised tax loss	**–**	(0.12%)
Non-deductible expenses	**0.32%**	0.14%
Effective tax rate	**2.88%**	**22.87%**

14. CASH GENERATED/(USED IN) FROM OPERATIONS

	2019 R'000	2018 R'000
Profit before taxation	**103 636**	356 911
Adjustments for:		
Dividend income	**(96 200)**	–
Interest income	**(13 638)**	(30 415)
Finance costs	**871**	179
Fair value adjustment on investment in subsidiary	**4 818**	(328 496)
Changes in working capital:		
Trade and other receivables	**806**	1 358
Trade and other payables	**(148)**	18
Cash generated/(used in) from operations	**145**	**(445)**

15. TAX PAID

	2019 R'000	2018 R'000
Balance at beginning of the year	**(4 873)**	(4 998)
Current tax for the year recognised in profit or loss	**(4 061)**	(8 034)
Balance at end of the year	**414**	4 873
Total tax paid	**(8 520)**	**(8 159)**

	2019 R'000	2018 R'000
16. COMMITMENTS		
Authorised capital expenditure		
Not yet contracted for and authorised by directors	**40 000**	**101 757**

This committed expenditure relates to the abalone farm expansion in the subsidiary companies. The expenditure will be financed by available finance resources.

17. RELATED PARTIES

Relationships

Ultimate holding company	African Equity Empowerment Investments Limited
Subsidiaries	Refer to note 3
Common controlled entity	African News Agency Publishing Proprietary Limited
Directors	MS Saban
	IT Bundo (resigned)
	R Isaacs
	Rev. Dr VC Mehana (resigned)
	K Abdulla
	I Moosa
	S Young
	C Hendricks (resigned)
	AB Amod
	RP Mosia
	CL van der Venter
	Adv N Ramathlodi
	SP Mngconkola
Members of key management	MS Saban
	IT Bundo (resigned)
	I Moosa
	R Isaacs
	S Bana
	S Solomons
	JP Coetzee

17. RELATED PARTIES (CONTINUED)

	2019 R'000	2018 R'000
Related party balances		
Loan accounts – Owing (to)/by related parties		
Premier Fishing SA Proprietary Limited	287 579	246 406
Premier Fishing SA Proprietary Limited	(2 066)	(1 867)
Dividend receivable		
Sekunjalo Food and Fishing Proprietary Limited	96 200	–
Related party transactions		
Interest received from related party		
Premier Fishing SA Proprietary Limited	–	806
Dividends received from related party		
Sekunjalo Food and Fishing Proprietary Limited	96 200	–
Dividends paid to related party		
African Equity Empowerment Investments Limited	52 910	21 450
Interest paid to related party		
Premier Fishing SA Proprietary Limited	199	179
Advertising expenses paid to related parties		
African News Agency Publishing Proprietary Limited	–	1

Directors' interests in shares

Interests in shares – 2019

Directors	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total percentage
K Abdulla*	50 000	–	175 000	–	0.09%
S Young	50 000	–	–	–	0.02%
AB Amod*				26 722	0.01%
CL van der Venter	36 500	–	–	–	0.01%
	136 500	**–**	**175 000**	**26 722**	**0.13%**

Interests in shares – 2018

Directors	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total percentage
K Abdulla	70 000	–	–	–	0.03%
S Young	50 000	–	–	–	0.01%
CL van der Venter	33 000	–	–	–	0.01%
	153 000	**–**	**–**	**–**	**0.05%**

During the year, the directors held in aggregate a direct beneficial interest of 136 500 (2018: 153 000) in the company's shares, equivalent to 0.05% (2018: 0.05%) of the issued share capital.

*Aziza Amod and Khalid Abdulla have an indirect interest in shares of 201 772 shares which equates to 0.08% (2018:0.00%) of total issued shares. This relates to shares held by their associates, and has been disclosed as per the JSE Listing requirements.

18. DIRECTORS' EMOLUMENTS

Executive

2019	Salary R'000	Bonus R'000	Provident fund R'000	Travel Allowance R'000	Total R'000
MS Saban	2 352	1 284	253	–	3 889
IT Bundo	633	417	73	2	1 125
I Moosa	796	100	78	–	974
R Isaacs	1 057	289	113	–	1 459
	4 838	**2 090**	**517**	**2**	**7 447**
2018					
MS Saban	2 027	646	223	–	2 896
IT Bundo	1 203	388	141	–	1 732
R Isaacs	849	130	81	–	1 060
	4 079	**1 164**	**445**	**–**	**5 688**

The executive directors' emoluments were paid by the subsidiary, Premier Fishing SA Proprietary Limited.

Non-executive directors

Board fees	2019 R'000	2018 R'000
Prof VC Mehana	**186**	255
K Abdulla	**–**	–
S Young	**168**	180
CF Hendricks	**–**	–
AB Amod*	**615**	180
RP Mosia	**168**	180
Advocate N Ramatlhodi	**161**	75
SP Mngconkola	**113**	75
CL Van der Venter	**166**	180
	1 577	1 125

*AB Amod board fees include an amount received for consulting fees.

18. DIRECTORS' EMOLUMENTS (CONTINUED)

Directors emoluments for services in other Group companies

2019	Salary R'000	Bonus R'000	Provident Fund R'000	Medical Aid R'000	Expense allowance R'000	Board fees R'000	Total R'000
CF Hendricks^	1 081	257	153	65	–	–	1 556
IT Bundo"	1 660	–	87	20	–	–	1 767
K Abdulla^	3 919	3 274	521	–	–	–	7 714
Rev. Prof VC Mehana	–	–	–	–	–	345	345
AB Amod^	–	–	–	–	–	558	558
Adv. N Ramatlhodi	–	–	–	–	–	473	473
S Young	546	–	–	–	–	–	546
RP Mosia	–	–	–	–	–	314	314
	7 206	3 531	761	85	–	1 690	13 273
2018							
CF Hendricks^	899	412	129	60	17	–	1 517
K Abdulla^	3 209	2 400	391	–	60	–	6 060
Prof VC Mehana	–	–	–	–	–	425	425
AB Amod^	–	–	–	–	–	671	671
S Young	–	–	–	–	–	849	849
Advocate N Ramatlhodi	–	–	–	–	–	207	207
	4 108	2 812	520	60	77	2 152	9 729

^Non executive directors

Mr K Abdulla is an executive director of African Equity Empowerment Investments Limited and the emoluments shown above are in respect of his services to African Equity Empowerment Investments Limited.

Miss CF Hendricks was an executive director of African Equity Empowerment Investments Limited. Her emoluments shown above are in respect of her services to African Equity Empowerment Investments Limited. Miss CF Hendricks resigned from the board of African Equity Empowerment Investments Limited on the 18 January 2019.

Mrs Amod, Rev Prof VC Mehana (resigned), Mr S Young and Adv N Ramatlhodi are all directors of other group companies, and their emoluments are paid by those Group companies for their services to those Group companies.

"Emoluments for previous directors for services in other group companies

Mr IT Bundo resigned from the board of Premier Fishing and Brands Limited and took up a position as Chief Financial Officer of AYO Technology Solutions Limited. His emoluments shown above are for his services to AYO Technology Solutions Limited.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

Categories of financial assets

2019	Notes	Amortised cost	Total	Fair value
Loans to group companies	4	287 579	287 579	–
Trade and other receivables	5	97 013	97 013	97 013
Cash and cash equivalents	6	128 270	128 270	128 270
		512 862	**512 862**	**225 283**

2018	Notes	Amortised cost	Total	Fair value
Loans to group companies	4	246 406	246 406	–
Trade and other receivables	5	1 688	1 688	1 688
Cash and cash equivalents	6	261 051	261 051	–
		509 145	**509 145**	**1 688**

Categories of financial liabilities

2019

Categories of financial assets	Notes	Amortised cost	Total	Fair value
Trade and other payables	9	70	70	–
Loans from group companies	4	2 066	2 066	–
		2 136	**2 136**	–

2018	Notes	Amortised cost	Total	Fair value
Trade and other payables	9	218	218	–
Loans from group companies	4	1 867	1 867	–
		2 085	**2 085**	**-**

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and other stakeholders and to maintain an optimal capital structure that reduces the cost of capital to an acceptable level of risk.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in note 4 of the annual financial statements and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or reduce debt.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The Company monitors capital on the basis of the net interest bearing debt as a percentage of equity. This percentage is calculated as net debt divided by total equity. Net debt is calculated as total borrowings. Total equity is represented in the statement of financial position. The net debt to equity percentage for 2019 was less than 1% (2018: less than 2%).

Loans from group companies	4	2 066	1 867
Trade and other payables	9	70	218
Total borrowings		**2 136**	**2 085**
Cash and cash equivalents	6	(128 270)	(261 051)
Net borrowings		**(126 134)**	**(258 966)**
Equity		1 631 552	1 627 098
Gearing ratio		(8.00%)	(16.00%)

Financial risk management

Overview

The Company is exposed to a number of financial instrument related risks. The Company has trade receivables, cash and cash equivalents and loans receivable which give rise to credit risk and interest rate risk. The Company has loans payable which give rise to liquidity risk and interest rate risk.

Credit risk

Credit risk is the risk that one counterparty to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk consists mainly of cash and cash equivalents and loans and other receivables.

The Company only deposits cash with major banks that have a good reputation and a high quality credit standing and limits exposure to any one counterparty.

Loans and other receivables are comprised of advances to Group companies. The Company assesses the trading performance of other Group companies before making advances. Advances are made on the strength of the counterparty's performance of other Group companies before making advances. Loans and other receivables are carefully monitored for impairment.

The maximum exposure to credit risk is presented in the table below:

		2019			2018		
		Gross carrying amount	Credit loss allowance	Amortised cost/fair value	Gross carrying amount	Credit loss allowance	Amortised cost/fair value
Loans to group companies	4	**287 579**	**–**	**287 579**	246 406	–	246 406
Trade and other receivables	5	**97 013**	**–**	**97 013**	1 688	–	1 688
Cash and cash equivalents	6	**128 270**	**–**	**128 270**	261 051	–	261 051
		512 862	**–**	**512 862**	**509 145**	**–**	**509 145**

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations as they become due. The Company manages liquidity risk by effectively managing its cash flows and working capital. The Company meets its financing requirements through the use of cash and cash equivalents.

Maturity profiles

The table below summarises the maturity profile of the financial liabilities of the Company based on remaining undiscounted contractual cash flows.

2019		Carrying amount R'000
Non-current liabilities		
Loan from Group company	4	2 066
Current liabilities		
Trade and other payables	9	70
		2 136

2018		Carrying amount R'000
Non-current liabilities		
Loan from Group company	4	1 867
Current liabilities		
Trade and other payables	9	218
		2 085

20. FAIR VALUE INFORMATION

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

- **Level 1:** Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.
- **Level 2:** Inputs other than quoted prices (included in level 1) that are observable for the asset or liability (directly or indirectly).
- **Level 3:** Inputs for the asset or liability that are unobservable.

There have been no transfers between levels in the current year.

Asset	Fair value at 31 August 2019 R'000	Fair value at 31 August 2018 R'000	Valuation method	Significant inputs	Fair value hierarchy
Financial assets:					
Investment in subsidiary	1 425 678	1 430 496	Discounted cash flow	Weighted average cost of capital, terminal growth rate and gross profit percentage	Level 3

20. FAIR VALUE INFORMATION (CONTINUED)

Reconciliation of assets and liabilities measured at level 3

	Notes	Opening balance R'000	Gains recognised in profit (loss) R'000	Closing balance R'000
2019				
Assets				
Investments in subsidiaries at fair value	3	**1 430 496**	**(4 818)**	**1 425 678**
Investments in unlisted subsidiaries				
Total		**1 430 496**	**(4 818)**	**1 425 678**
2018				
Assets				
Investments in subsidiaries at fair value	3			
Investments in unlisted subsidiaries		1 102 000	328 496	1 430 496
Total		**1 102 000**	**328 496**	**1 430 496**

Information about valuation techniques and inputs used to derive level 3 fair values

Investment in subsidiaries

The value of investments in subsidiaries is determined using a discounted cash flow technique. A capital asset pricing model is used in which the present value of expected cash flows of the subsidiaries are determined. The expected cash flows are determined by considering the current and planned operational activities of each subsidiary.

For the subsidiary Premier Fishing SA Proprietary Limited a gross profit percentage of 34.00%, terminal growth rate of 4.5% and a Weighted Average Cost of Capital of 17.78% was used in the valuation model.

For the subsidiary Premfresh Seafoods Proprietary Limited a gross profit percentage of 17.57%, a terminal growth rate of 4.5% and a Weighted Average Cost of Capital of 22.26% was used in the valuation model.

For the subsidiary Marine Growers Proprietary Limited a gross profit percentage of 39.00%, terminal growth rate of 4.5% and a Weighted Average Cost of Capital of 13.65% was used in the valuation model.

For the subsidiary Talhado Fishing Enterprises Proprietary Limited a gross profit percentage of 39.74%, terminal growth rate of 4.5% and a Weighted Average Cost of Capital of 16.98% was used in the valuation model.

The potential effect of using reasonably possible alternative assumptions in the valuation, based on a change on the most significant input by 1% while holding all other variables constant, is shown in the following table.

	Profit after tax	
	1% increase R'000	1% decrease R'000
Terminal growth rate	**143 224**	(143 224)
Weighted average cost of capital	**(164 695)**	164 695
Gross profit	**38 568**	(38 568)

Valuation processes applied by the Company

The fair value calculations of Investments in subsidiaries are performed by the Company's finance department and operations team on a yearly basis. The valuation reports are discussed with the audit committee in accordance with the Company's reporting policies.

21 GOING CONCERN

The directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going-concern basis. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

22 EVENTS AFTER THE REPORTING PERIOD

A final gross dividend of 10 cents per share was approved by the board of directors on the 28 October 2019 which was after the reporting period but before the financial statements were authorised for issue.

The directors are not aware of any other material facts or circumstances which occurred between the reporting date and the date of this report that would require any adjustments to the annual financial statements.