Premier Fishing & Brands Limited

The First Choice

Company Annual Financial Statements 2021

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

Preparer

Jesca Meki CA (SA)

Supervised by

Brent Robertson CA (SA)

Chief Financial Officer

Published

17 December 2021

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	Designation	Attendance
Rosemary Phindile Mosia (Chairperson)	BCom (University of the North), PDM, BCTA, MBL	2 May 2017	Independent non-executive	3 / 4
Valentine Dzvova	Bcomm Accounting CA (SA)	17 August 2020	Non-executive	4 / 4
Clifford van der Venter	BCom (UNISA) and an MBA (UCT)	3 April 2018	Lead independent non-executive	4 / 4
Advocate Ngoako Abel Ramatlhodi	BA Law (NUL), LLB(NUL), MSc (UZ)	8 August 2018	Non-executive	1 / 4
Sebenzile Patrick Mngconkola	B Tech Business Administration, HR degree	8 August 2018	Non-executive	3 / 4

In addition to the committee members, the head of internal audit, chief executive officer, chief financial officer, company secretary 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.

2. EXTERNAL AUDITOR

Thawt Inc. and Crowe JHB, of which the latter is a member of Crowe Global, were appointed as the company's joint external auditors in the 2020 financial year. The joint auditors continued in office for the company and its subsidiaries in 2021 financial year.

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

The committee approved the level of scope and the external audit fees for the 2021 audit.

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.

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 9. 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 2021 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
17 December 2021

COMPANY SECRETARY'S CERTIFICATION

Cornell Kannemeyer continued in office as the company secretary for the 2021 financial year. 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 2021, 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.

Company secretary
17 December 2021

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,in accordance with 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 14 to 38, 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 2022 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 9 of this report.

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

- the annual financial statements set out on pages 14 to 38, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors 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.

The annual financial statements set out on pages 14 to 38, which have been prepared on the going-concern basis, were approved by the board of directors on 17 December 2021 and were signed on their behalf by:

R Isaacs
Chief executive Officer

B Robertson
Chief financial Officer

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Premier Fishing and Brands Limited

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the separate annual financial statements of Premier Fishing and Brands Limited, set out on pages 15 to 39, which comprise the statement of financial position as at 31 August 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the separate annual financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of Premier Fishing and Brands Limited as at 31 August 2021, and its separate financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") 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 *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of 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 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.

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	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
VALUATION OF SUBSIDIARIES	
The investment in subsidiaries is carried at fair value through profit or loss, amounting to R234 608 545 as at reporting date. These investments were measured based on unobservable inputs and are classified as "level 3 financial instruments". As these investments are unlisted and not traded in an active market, management determined the fair values of these investments by using applicable valuation techniques with the assistance from valuation experts. We considered the valuation of investments in subsidiaries to be significant to the audit because of the materiality thereof to the company's Annual Financial Statements and the sensitivity thereof to the various unobservable valuation inputs, uncertain future cash flows and assumptions that require considerable judgement. The disclosure relating to investment in subsidiaries are contained in note 1 (accounting policies) and note 3 (Investment in subsidiaries) in the separate annual financial statements.	In assessing the fair value of the unlisted investments, we: • obtained an understanding of management's internal control process for determining the fair values of these investments; and • assessed the competence, capabilities, and objectivity of the external valuer engaged by management. We have made use of an auditors' valuation expert to: • assess the appropriateness of the valuation techniques used; • assess the arithmetical accuracy of the valuation models; • evaluate the cash flow projections and the process by which they were developed; • assess the reasonability and appropriateness of the key inputs (including discount rate, expected volatility and growth rate assumptions); and • perform a sensitivity analysis of the key assumptions in the model and use this to inform the key inputs assessment. We assessed the capabilities, competence, and objectivity of the auditor expert and evaluated the adequacy of work performed by the expert.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the documents titled "Premier Fishing and Brands Limited Company Annual Financial Statements 2021", "Premier Fishing and Brands Limited Consolidated Annual Financial Statements 2021", which includes the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, and the document titled "Premier Fishing and Brands Limited Integrated Report 2021". The other information does not include the consolidated or separate annual financial statements and our auditors' reports 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 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 FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 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 consolidated 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 auditors' 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 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 to 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 auditors' 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 Crowe JHB & Thawt Inc. have been the joint auditors of Premier Fishing and Brands Limited for the second time in the current year.

Thawt inc

THAWT Incorporated

C du Toit
Partner
Registered Auditor
Bellville, Cape Town, 7530
17 December 2021

Crowe JHB

Crowe JHB

G Kartsounis
Partner
Registered Auditor
Sandown, Johannesburg, 2196
17 December 2021

DIRECTORS' REPORT

The directors have pleasure in submitting their report which forms part of the separate annual financial statements for the year ended 31 August 2021.

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 environmentally 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 financial statements and the integrated report of the Group.

3. 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 have implemented some improvements, but no material deficiencies exist.

4. 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 borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material and that it has access to sufficient 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. 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.

COVD-19 effect on going concern

Following the outbreak of COVID-19, certain financial pressures will be placed on certain divisions within the company. A number of interventions have been put in place to mitigate the financial pressures and as such, the board of directors believe that the company still has adequate financial resources to continue in operation for the foreseeable future and accordingly these financial statements for the year ended 31 August 2021 have been prepared on the going concern basis.The board of 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, except for the COVID-19 pandemic that may economically impact the company.

Our main strategic focus area is the Fishing Rights Application Process (FRAP) 2021, which the company continues to be well positioned for. The company is involved in multiple sectors with small to medium size quotas, therefore we have positioned ourselves to apply in key number of sectors coming up for review namely South Coast Rock Lobster, Small Pelagic, Squid, Hake Deep Sea and Hake Longline. The company has been very proactive in preparation of FRAP especially considering the extremely tight timelines issued by DFFE. The minister has indicated a percentage cut in certain sectors to allow for new entrants which will indeed impact the company bottom line, and potentially employment for which we have strategically positioned the company to mitigate some of these potential losses. We still await the final policies and application to attain clarity on mentioned impact.

5. EVENTS AFTER THE REPORTING PERIOD

During the financial year, management entered into negotiations for implementation of a BBBEE transaction as previously reported on SENS and in the prior year financial statements.

Negotiations regarding the BEE Transaction have been terminated due to complexities regarding the implementation of such a transaction.

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that would require adjustments to the annual financial statements.

6. SHARE CAPITAL

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

7. DIVIDEND PER SHARE

The company declared and paid a dividend of 5 cents per share in the current financial year (2020: 10 cents per share in relation to the prior year's performance)

8. 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 to 4 of these annual financial statements.

9. 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.

10. DIRECTORATE

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

Directors	Office	Designation	Date of appointment	Date of resignation
R Isaacs	Chief executive officer	Executive		
B Robertson	Chief financial officer	Executive		
AB Amod	Non-executive chairperson	Non-executive		
I Amod		Non-executive		31 March 2021
S Young		Independent non-executive		1 September 2021
RP Mosia		Independent non-executive		
CL van der Venter		Lead independent non-executive		
Adv N Ramatlhodi		Independent non-executive		
SP Mngconkola		Non-executive		
V Dzvova		Non-executive		

Mr I Amod resigned as a director effective from 31 March 2021. Furthermore, Mr S Young resigned as a director effective from 1 September 2021.

11. 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.

12. DIRECTORS' INTERESTS IN SHARES

2021

Directors	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total percentage
S Young	**50 000**	**–**	**–**	**–**	**0.02**
CL van der Venter	**36 500**	**–**	**–**	**–**	**0.01**
*A Amod	**–**	**–**	**–**	**4 500**	**0.00**
Total	**86 500**	**–**	**–**	**4 500**	**0.03**

2020

Directors	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total percentage
S Young	50 000	–	–	–	0.02
CL van der Venter	36 500	–	–	–	0.01
K Abdulla	50 000	–	175 000	–	0.09
*A Amod	–	–	–	4 500	0.00
I Amod	22 222	–	–	–	0.01
Total	**158 722**	**–**	**175 000**	**4 500**	**0.13**

During the year, the directors held in aggregate a direct beneficial interest of 86 500 (2020: 158 722) in the company's shares, equivalent to 0.03% (2020: 0.06%) of the issued share capital.

* *Aziza Amod has an indirect interest in shares of 149 500 (2020: 149 500) shares which equates to 0.05% (2020: 0.05%) of total issued shares. This relates to shares held by their associates and has been disclosed as per the JSE Listings Requirements.*

13. INTERESTS IN SUBSIDIARIES AND JOINT ARRANGEMENTS

Details of material interests in subsidiary companies, joint ventures and joint arrangements are presented in note 3.

14. ULTIMATE HOLDING COMPANY

African Equity Empowerment Investments Limited is the ultimate holding company with a shareholding of 56.23% (2020: 56.23%), of the Group's equity. African Equity Empowerment Investments Limited is listed on the JSE Limited.

15. SECRETARY

The company secretary is Mr C Kannemeyer of:

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

16. AUDITORS

Thawt Inc. and Crowe JHB, of which the latter is a member of Crowe Global, were appointed as the company's joint external auditors in the 2020 financial year. The joint auditors continued in office for the company and its subsidiaries in 2021 financial year.

17. PREPARER

These annual financial statements were prepared by Jesca Meki under the supervision of the Chief Financial Officer, Brent Robertson.

18. COMPANY SECRETARY

As required by JSE Listings Requirement 3.84(h), 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.

19. 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 16 February 2021 are as follows:

- Special resolution No. 1. to approve the remuneration for non-executive directors.
- Special resolution No. 2. to approve Inter-company financial assistance.
- Special resolution No. 3. to approve financial assistance for the subscription and/or purchase of shares in the company or inter-related company
- Special resolution No. 4: Approval for the company or its subsidiaries to repurchase company shares.

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2021

	Notes	2021 R'000	2020 R'000
Assets			
Non-current assets			
Investments in subsidiaries	3	**234 609**	936 974
Loan to subsidiary	4	**443 420**	400 997
		678 029	**1 337 971**
Current assets			
Trade and other receivables	5	**13 361**	26 459
Current tax receivable		**1 779**	1 740
Cash and cash equivalents	6	**24**	60 248
		15 163	**88 447**
Total assets		**693 193**	**1 426 418**
Equity and liabilities			
Equity			
Stated capital	7	**507 517**	507 517
Retained income		**145 666**	721 491
		653 183	**1 229 008**
Liabilities			
Non-current liabilities			
Loan from subsidiary	4	**2 066**	2 066
Deferred tax	8	**37 945**	195 274
		40 011	**197 340**
Current liabilities			
Trade and other payables	9	**–**	70
			70
		–	
Total liabilities		**40 011**	**197 410**
Total equity and liabilities		**693 193**	**1 426 418**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 R'000	2020 R'000
Investment revenue	10	**13 721**	30 650
Fair value adjustments	11	**(702 365)**	(488 704)
Other operating expenses		**(345)**	(411)
Loss on modifications of financial instruments	12	**(31 039)**	(28 059)
Operating profit (loss)		**(720 028)**	**(486 524)**
Finance Income	13	**60**	**51**
Loss before taxation		**(719 968)**	**(486 473)**
Taxation	14	**157 143**	109 929
Profit (loss) for the year		**(562 825)**	**(376 544)**
Other comprehensive income		**–**	–
Total comprehensive income (loss) for the year		**(562 825)**	**(376 544)**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2021

	Stated capital R'000	Retained income R'000	Total equity R'000
Balance at 1 September 2019	507 517	1 124 035	1 631 552
Loss for the year	–	(376 544)	(376 544)
Dividends paid	–	(26 000)	(26 000)
Balance at 31 August 2020	**507 517**	**721 491**	**1 229 008**
Loss for the year	**–**	**(562 825)**	**(562 825)**
Dividends paid	**–**	**(13 000)**	**(13 000)**
Balance at 31 August 2021	**507 517**	**145 666**	**653 183**
Note	7		

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 R'000	2020 R'000
Cash flows from operating activities			
Cash receipts from customers		**98**	96 862
Cash paid to suppliers and employees		**(415)**	(411)
Cash (used in)/generated from operations	15	**(317)**	**96 451**
Interest income		**853**	4 701
Tax paid	16	**(165)**	(1 695)
Net cash from operating activities		**371**	**99 457**
Cash flows from investing activities			
Loan to subsidiary repaid		**15 430**	–
Loan advanced to subsidiary		**(63 025)**	(141 479)
Net cash used investing activities		**(47 595)**	**(141 479)**
Cash flows used in financing activities			
Dividends paid		**(13 000)**	(26 000)
Net cash used in financing activities		**(13 000)**	**(26 000)**
Total cash movement for the year		**(60 224)**	**(68 022)**
Cash at the beginning of the year		**60 248**	128 270
Total cash at end of the year	6	**24**	**60 248**

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 are the separate annual financial statements prepared in terms of IAS 27. Consolidated financial statements are available on www.premierfishing.co.za

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. This is consistent with the prior year.

The Company's financial assets comprise:

- Loan receivable from subsidiary
- Trade and other receivables
- Cash and cash equivalents

The Company's financial liabilities comprise:

- Loan owing to subsidiary
- Trade and other payables

Note 20 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:

Loan receivable and trade and other receivables at amortised cost

Classification

Loan to subsidiary and 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 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 group's business model is to collect the contractual cash flows on these financial assets.

Recognition and measurement

Loans and receivables are recognised when the company becomes a party to the contractual provisions of the loan. The loan is measured, at initial recognition, at fair value plus transaction costs, if any. Trade receivables are measured at their transaction price if they do not contain a significant financing component.

They 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Financial instruments (continued)

Impairment

Impairment of Loan to subsidiary

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 loan.

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 the 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 the loans receivable classified at amortised cost is 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.

Impairment of Trade and other receivables

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. 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 receivables, which uses a lifetime expected loss allowance.

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 group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to trade and other receivables.

Significant increase in credit risk

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 or 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. 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.

Loan from subsidiary and trade and other payables

Classification

Loan from subsidiary and trade and other payables excluding VAT are classified as financial liabilities subsequently measured at amortised cost.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Financial instruments (continued)

Recognition and measurement

Loans and payables are recognised when the company becomes a party to the contractual provisions of the financial liability. The loan and trade and other payables are measured, at initial recognition, at fair value plus transaction costs, if any.

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

The effective interest rate method, is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

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

These items expose the company to liquidity risk and possibly to interest rate risk. Refer to note 20 for details of risk exposure and management thereof.

Cash and cash equivalents

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

Derecognition of financial assets and financial liabilities

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The company derecognises financial liabilities when the company's obligation is discharged, cancelled or they expire.

Any gains or losses arising on the derecognition of a financial instrument is included in profit or loss

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the company's bank accounts . 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 in accordance with IFRS 13.

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 21 for further detail.

1.9 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.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.9 Significant judgements and sources of estimation uncertainty (continued)

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. The market risk premium is the highest possible rate of return combined with the lowest possible volatility of returns.

Value of equity

The value of equity will be equal to the free cash flow value of the entity ,less the fair 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. NEW STANDARDS AND INTERPRETATIONS

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

Standard	Details of amendment	Annual periods beginning on or after	Expected to have a material impact
IAS 1 Presentation of financial statements	Definition of Material: This clarifies the definition of material and to provide consistency in the application of the concept	1 January 2020	No material impact
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Definition of Material: This clarifies the definition of material and to provide consistency in the application of the concept	1 January 2020	No material impact

The following standards and interpretations that are not yet effective are as follows:

Standard	Details of amendment	Annual periods beginning on or after	Expected to have a material impact
IAS 37 Provisions, Contingent Liabilities and Contingent assets	Onerous Contracts - Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.	1 January 2022	No material impact
IFRS 1 First-time Adoption of International Financial Reporting Standards	Annual Improvements to IFRS Standards 2018-2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent	1 January 2022	No material impact

3. INVESTMENTS IN SUBSIDIARIES

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

Name of company	% holding 2021	% holding 2020	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[1]	**60.22**	60.22	Fishing
MB Fishing Ventures Proprietary Limited[1]	**77.61**	77.61	Fishing
Dazzalle Traders Proprietary Limited[1]	**56.84**	56.84	Fishing
Manicwa Fishing Proprietary Limited[1]	**50.25**	50.25	Fishing
Robberg Sea Freeze Proprietary Limited[1]	**50.25**	50.25	Fishing
Lurama 166 Proprietary Limited*	**100.00**	100.00	Fishing

[1] *For more detailed information on non-controlling interest, please refer to the group financial statements on the company's website, www.premierfishing.co.za*

* 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 2021 R'000	Carrying value 2020 R'000
Sekunjalo Food and Fishing Proprietary Limited	**234 608**	936 974

	2021 R'000	2020 R'000
Reconciliation of investments in subsidiaries		
Below is a reconciliation of the movement in the carrying value of investments in subsidiaries:		
Opening balance	**936 974**	1 425 678
Changes in fair values	**(702 365)**	(488 704)
	234 609	**936 974**

3. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Key assumptions in determining the value of the investment in subsidiaries

Premier Fishing SA:

Gross Profit 2021: 35.40% (2020: 33.59%)

WACC 2021: 16.65% (2020: 12.05%)

Terminal growth rate: 2021: 4.50% (2020: 4.50%)

Marine Growers:

Gross Profit 2021: 37.30% (2020: 48.00%)

WACC 2021: 17.30% (2020: 12.68%)

Terminal growth rate 2021: 4.50% (2020: 4.50%)

Premfresh Seafoods:

Gross Profit 2021: 12% (2020: 9%)

WACC 2021: 22.23% (2020: 20,93%)

Terminal growth rate 2021: 4.50% (2020: 4.50%)

Talhado Fishing Enterprises:

Gross Profit 2021: 36.24% (2020: 32.53%)

WACC 16.28% (2020: 12.94%)

Terminal growth rate: 4.50% (2020: 4.5%)

4. LOAN TO (FROM) SUBSIDIARY

	2021 R'000	2021 R'000
Subsidiary		
Premier Fishing SA Proprietary Limited	**443 420**	400 997
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)**	(2 066)
The loan is unsecured and interest free. 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.		
	441 354	**398 911**
Non-current assets	**443 420**	400 997
Non-current liabilities	**(2 066)**	(2 066)
	441 354	**398 911**

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

Credit quality of loan to subsidiary

The loan was advanced to subsidiary for capital investment or working capital needs. The risk of default is based on the success of the subsidiary's trading. The risk of default on the loan 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 information 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 the loan to subsidiary:

Instrument	Internal credit rating	Basis of loss allowance	Gross carrying amount	Amortised cost
Company – 2021				
Loan to subsidiary				
Premier Fishing SA (Proprietary) Limited	Performing	12m ECL	474 460	474 460
Company – 2020				
Loan to subsidiary				
Premier Fishing SA (Proprietary) Limited	Performing	12m ECL	429 056	429 056

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.

Fair value of loan to and from subsidiary

The carrying amount of the loan approximates fair value.

5. TRADE AND OTHER RECEIVABLES

	2021 R'000	2020 R'000
Value added taxation	**361**	328
Dividend receivable	**13 000**	26 000
Accrued interest receivable	**–**	131
	13 361	**26 459**

Categorisation of trade and other receivables

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

	2021 R'000	2020 R'000
At amortised cost	**13 000**	26 131
Non-financial instruments	**361**	328
	13 361	26 459

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2021 R'000	2020 R'000
Bank balance	**24**	60 248

Credit quality of cash at bank and short term deposits

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

Credit rating

	2021 R'000	2020 R'000
ABSA Bank Limited (Ba2)	**–**	60 248
Nedbank Limited (Ba2)	**24**	

7. STATED CAPITAL

	2021	2020
Authorised		
2 000 000 000 Ordinary no par value shares		
Issued		
260 000 000 Ordinary no par value shares	**260 000 000**	260 000 000
Issued shares:		
260 000 000 Ordinary no par value shares	**526 500**	526 500
Capitalised share issue costs	**(18 983)**	(18 983)
	507 517	**507 517**

7. STATED CAPITAL (CONTINUED)

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.

	2021 R'000	2020 R'000
8. DEFERRED TAX		
Deferred tax liability		
Fair value adjustment on investment in subsidiary	**(37 945)**	(195 274)
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	**(37 945)**	(195 274)
Deferred tax asset	**–**	–
Total net deferred tax liability	**(37 945)**	**(195 274)**
Reconciliation of deferred tax asset/(liability)		
At beginning of year	**(195 274)**	(304 744)
Fair value adjustment on investments in subsidiary	**157 329**	109 470
Balance at the end of the year	**(37 945)**	**(195 274)**

	2021 R'000	2020 R'000
9. TRADE AND OTHER PAYABLES		
Accrued audit fees	**–**	70
	–	**70**

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

	2021 R'000	2020 R'000
10. REVENUE		
Interest income – Bank	**721**	4 650
Dividends received	**13 000**	26 000
	13 721	**30 650**
11. FAIR VALUE ADJUSTMENTS		
Fair value loss on investment in subsidiary	**(702 365)**	(488 704)
12. MODIFICATIONS TO FINANCIAL INSTRUMENTS		
Loss on modifications on financial instruments carried at amortised cost	**31 039**	28 059
	31 039	**28 059**
13. FINANCE INCOME		
South African Revenue Services	**60**	51
	60	**51**

14. TAXATION

	2021 R'000	2020 R'000
Major components of the tax expense		
Current		
Local income tax - current period	**186**	1 315
Local income tax - recognised in current tax for prior periods	**–**	(1 774)
	186	(459)
Deferred		
Originating and reversing temporary differences	**(157 329)**	(109 470)
Assessed loss recognised	**–**	–
Total deferred tax	**(157 329)**	**(109 470)**
Total tax expense	**(157 143)**	**(109 929)**
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	**(5.46%)**	(5.62%)
Dividends received not taxable	**0.51%**	1.50%
Prior year under provision for tax	**–**	0.36%
Fair value adjustment on modifications to financial instruments	**(1.21%)**	(1.62%)
Non-deductible expenses	**(0.01%)**	(0.02%)
Effective tax rate	**21.83%**	**22.60%**

15. CASH GENERATED/(USED IN) FROM OPERATIONS

	2021 R'000	2020 R'000
(Loss)/Profit before taxation	**(719 968)**	(486 473)
Adjustments for:		
Dividend income	**(13 000)**	(26 000)
Interest income	**(781)**	(4 701)
Fair value adjustment on investment in subsidiary	**702 365**	488 704
Loss on modifications to financial instruments	**31 039**	28 059
Changes in working capital:		
Trade and other receivables	**98**	96 862
Trade and other payables	**(70)**	–
Cash generated/(used in) from operations	**(317)**	**96 451**

	2021 R'000	2020 R'000
16. TAX PAID		
Balance at beginning of the year	**1 740**	(414)
Current tax for the year recognised in profit or loss	**(186)**	459
SARS interest on overpayment of tax	**60**	
Balance at end of the year	**(1 779)**	(1 740)
Total tax paid	**(165)**	**(1 695)**
17. COMMITMENTS		
Authorised capital expenditure		
Not yet contracted for and authorised by directors	**32 000**	**20 000**

Future capital expenditure relates to expansion projects on the abalone farm held by a subsidiary entity. The planned capital expenditure will be financed by available finance resources.

18. RELATED PARTIES

Relationships

Holding company	African Equity Empowerment Investments Limited
Subsidiaries	Refer to note 3
Common controlled entity	African News Agency Publishing Proprietary Limited
Directors	R Isaacs
	BD Robertson
	I Amod (resigned 31 March 2021)
	S Young (resigned 1 September 2021)
	VC Dzvova
	AB Amod
	RP Mosia
	CL van der Venter
	Adv N Ramathlodi
	SP Mngconkola
Members of key management	BD Robertson
	R Isaacs
	S Bhana
	S Solomons
	JP Coetzer

18. RELATED PARTIES (CONTINUED)

	2021 R'000	2020 R'000
Related party balances		
Loan accounts – Owing (to)/by subsidiary		
Premier Fishing SA Proprietary Limited	**443 420**	400 997
Premier Fishing SA Proprietary Limited	**(2 066)**	(2 066)
Dividend receivable from subsidiary		
Sekunjalo Food and Fishing Proprietary Limited	**13 000**	26 000
Related party transactions		
Dividends received from subsidiary		
Sekunjalo Food and Fishing Proprietary Limited	**13 000**	26 000
Dividends paid to holding company		
African Equity Empowerment Investments Limited	**7 310**	14 620

Directors' interests in shares

Interests in shares – 2021

Directors	Direct beneficial	Direct non-beneficial	Indirect beneficial	Indirect non-beneficial	Total percentage
S Young	**50 000**	–	–	–	**0.02%**
AB Amod*	–	–	–	**4 500**	**0.00%**
CL van der Venter	**36 500**	–	–	–	**0.01%**
	86500	–	–	**4 500**	**0.03%**

Interests in shares – 2020

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%
I Amod	22 222				0.01%
AB Amod*	–	–	–	4 500	0.00%
CL van der Venter	36 500	–	–	–	0.01%
	158 722	**–**	**175 000**	**4 500**	**0.13%**

During the year, the directors held in aggregate a direct beneficial interest of 86 500 (2020: 158 722) in the company's shares, equivalent to 0.03% (2020: 0.06%) of the issued share capital.

* Aziza Amod has an indirect interest in shares of 4 500 (2020: 179 500) shares which equates to 0.001% (2020 :0.07%) of total issued shares. This relates to shares held by their associates and has been disclosed as per the JSE Listings Requirements. The directors shareholdings did not change between the end of the financial year and date of approval of Annual financial statements.

* Ismet Amod resigned as director on 31 March 2021. Up until his resignation, he held 22 222 shares in the company, which is equivalent to 0.008% of the issued share capital.

19. DIRECTORS' EMOLUMENTS

Executive

2021	Salary R'000	Bonus R'000	Medical aid &Provident fund R'000	Travel Allowance R'000	Total R'000
BD Robertson	**1 457**	**252**	**166**	**–**	**1 875**
R Isaacs	**2 048**	**540**	**239**	**–**	**2 827**
	3 505	**792**	**405**	**–**	**4 702**
2020					
MS Saban	1 314	1 374	113	–	2 801
BD Robertson	1 180	240	139	–	1 559
I Moosa	221	–	22	–	243
R Isaacs	1 489	206	164	–	1 859
	4 204	**1 820**	**438**	**–**	**6 462**

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

* Salary amount above includes the company contributions towards UIF, SDL and Funeral Benefit.

Non-executive directors

Board fees	2021 R'000	2020 R'000
S Young	**217**	207
AB Amod*	**399**	386
RP Mosia	**260**	207
Advocate N Ramatlhodi	**249**	207
SP Mngconkola	**145**	193
I Amod	**127**	–
CL Van der Venter	**249**	207
	1 646	1 407

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

Directors emoluments for services in other Group companies

2021	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
AB Amod*^	**–**	**–**	**–**	**–**	**–**	**1 928**	**1 928**
VC Dzvova*^	**2 038**	**–**	**284**	**81**	**–**	**–**	**2 403**
I Amod*^	**1 500**	**4 000**	**–**	**56**		**–**	**5 556**
JS Van Wyk*	**1 439**	**300**	**288**	**–**	**–**	**–**	**2 048**
K Abdulla*^	**4 335**	**408**	**583**	**91**	**–**	**4 000**	**9 417**
	9 312	**4 708**	**1 155**	**228**	**–**	**5 928**	**21 352**
2020							
K Abdulla^	3 991	4 000	373	18	36	–	8 418
	3 991	**4 000**	**373**	**18**	**36**	**–**	**8 418**

^ *Non executive directors*

19. DIRECTORS' EMOLUMENTS (CONTINUED)

2021

* Mrs VC Dzvova was appointed as a non executive director of Premier Fishing Brands Limited in 2020 financial year. Her emoluments shown above are for services rendered to African Equity Empowerment Investments Limited as an executive director. *Mr I Amod's emoluments shown above are for services rendered to AYO Technology Soultions Limited as an executive director *Mr JS Van Wyk was appointed as a director in Premier Fishing SA and its subsidiaries, his emoluments shown above are for services rendered to African Equity Empowerment Investments Limited as an executive director. *Mr K Abdulla emoluments shown above are for services rendered as a director in AYO Technology Solutions Limited. *Mrs AB Amod was paid emoluments for services rendered as a director and consultant to AYO Technology Solutions Limited, and was further remunerated for services rendered as a director to Health Systems Technologies Proprietary Limited.

2020

Mr K Abdulla resigned from the board of Premier Fishing and Brands in 2020 and took up position as deputy chairman of AYO Technology Solutions Limited. His emoluments shown above are for his services to African Equity Empowerment Investments Limited and AYO Technology Solutions Limited.

Non-executive directors fees in other group companies

Board and consulting fees	2021 R'000	2020 R'000
AB Amod	**2 370**	1 057
RP Mosia	**809**	700
Advocate N Ramatlhodi	**494**	400
I Amod	**1 294**	207
	4 967	2 364

Mrs AB Amod, Mr I Amod (resigned), Ms RP Mosia and Adv N Ramatlhodi all serve on the board of other group companies, and their emoluments are paid by those Group companies for their services to those Group companies.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

Categories of financial assets

2021	Notes	Amortised cost	Total	Fair value
Loans to group companies	4	**443 420**	**443 420**	**443 420**
Trade and other receivables	5	**13 000**	**13 000**	**13 000**
Cash and cash equivalents	6	**24**	**24**	**24**
		456 444	**456 444**	**456 444**
2020				
Loans to group companies	4	429 056	400 997	400 997
Trade and other receivables	5	26 131	26 131	26 131
Cash and cash equivalents	6	60 248	60 248	60 248
		489 435	**489 435**	**60 379**

	Notes	Fair Value	Total
2021			
Investment in subsidiaries	3	**234 609**	**234 609**
2020			
Investment in subsidiaries	3	**936 974**	**936 974**

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Categories of financial liabilities

2021	Notes	Amortised cost	Total	Fair value
Trade and other payables	9	–	–	–
Loans from group companies	4	**2 066**	**2 066**	**2 066**
		2 066	**2 066**	**2 066**
2020				
Trade and other payables	9	70	70	70
Loans from group companies	4	2 066	2 066	2 066
		2 136	**2 136**	**2 136**

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 an interest free loan from subsidiary 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.

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 2021 was less than 1% (2020: less than 1%).

	Notes	Amortised cost	Amortised cost
Loans from group companies	4	2 066	2 066
Trade and other payables	9	–	70
Total borrowings		**2 066**	**2 136**
Cash and cash equivalents	6	(24)	(60 248)
Net borrowings		**2 042**	**(58 112)**
Equity		653 183	1 229 008
Gearing ratio		0.31%	(5.00%)

Financial risk management

Overview

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

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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

		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Loans to group companies	4	**443 420**	**–**	**443420**	400 997	–	400 997
Trade and other receivables	5	**–**	**–**	**–**	131	–	131
Cash and cash equivalents	6	**24**	**–**	**24**	60 248	–	60 248
		443 444	**–**	**443 444**	**60 379**	–	**489 435**

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.

2021	Notes	Carrying amount R'000
Non-current liabilities		
Loan from Group company	**4**	**2 066**
Current liabilities		
Trade and other payables	**9**	**–**
		2066

2020	Notes	Carrying amount R'000
Non-current liabilities		
Loan from Group company	4	2 066
Current liabilities		
Trade and other payables	9	70
		2 136

21. FAIR VALUE INFORMATION

Fair value hierarchy

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

- **Level 1:** Quoted unadjusted prices in active markets for identical assets 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 (directly or indirectly).
- **Level 3:** Inputs for the asset that are unobservable.

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

Asset	Fair value at 31 August 2021 R'000	Fair value at 31 August 2020 R'000	Valuation method	Significant inputs	Fair value hierarchy
Financial assets:					
Investment in subsidiary	234 609	936 974	Discounted cash flow	Weighted average cost of capital, terminal growth rate, market risk premium and gross profit percentage	Level 3

Reconciliation of assets measured at level 3

	Notes	Opening balance R'000	Loss recognised in profit (loss) R'000	Closing balance R'000
2021				
Assets				
Investments in subsidiaries at fair value	3	**936 974**	**(702 365)**	**234 609**
Investments in unlisted subsidiaries				
Total		**936 974**	**(702 365)**	**234 609**
2020				
Assets				
Investments in subsidiaries at fair value	3	1 425 678	(488 704)	936 974
Investments in unlisted subsidiaries				
Total		**1 425 678**	**(488 704)**	**936 974**

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 discounted cash flow 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 35.40%, terminal growth rate of 4.5% and a Weighted Average Cost of Capital of 16.65% was used in the valuation model.

For the subsidiary Marine Growers Proprietary Limited a gross profit percentage of 37.30%, terminal growth rate of 4.5% and a Weighted Average Cost of Capital of 17.30% was used in the valuation model.

For the subsidiary Premfresh Seafoods Proprietary Limited a gross profit percentage of 12%, terminal growth rate of 4.5% and a Weighted Average Cost of Capital of 22.23% was used in the valuation model.

For the subsidiary Talhado Fishing Enterprises Proprietary Limited a gross profit percentage of 36.24%, terminal growth rate of 4.5% and a Weighted Average Cost of Capital of 16.28% was used in the valuation model.

21. FAIR VALUE INFORMATION (CONTINUED)

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:

	Profit after tax	
	1% increase R'000	1% decrease R'000
Terminal growth rate	**38 373**	(38 373)
Weighted average cost of capital	**(56 479)**	56 479
Gross profit	**39 810**	(39 810)

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.

22. 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 borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material and that it has access to sufficient 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.

COVID-19 effect on going concern

Following the outbreak of COVID-19, certain financial pressures will be placed on certain divisions within the company. A number of interventions have been put in place to mitigate the financial pressures and as such, the board of directors believe that the company still has adequate financial resources to continue in operation for the foreseeable future and accordingly these financial statements for the year ended 31 August 2021 have been prepared on the going concern basis.

The board of 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, except for the COVID-19 pandemic that may economically impact the company. Our main strategic focus area is the Fishing Rights Application Process (FRAP) 2021, which the company continues to be well positioned for. The company is involved in multiple sectors with small to medium size quotas, therefore we have positioned ourselves to apply in key number of sectors coming up for review namely South Coast Rock Lobster, Small Pelagic, Squid, Hake Deep Sea and Hake Longline. The company has been very proactive in preparation of FRAP especially considering the extremely tight timelines issued by DFFE. The minister has indicated a percentage cut in certain sectors to allow for new entrants which will indeed impact the company bottom line, and potentially employment for which we have strategically positioned the company to mitigate some of these potential losses. We still await the final policies and application to attain clarity on mentioned impact.

23. EVENTS AFTER THE REPORTING PERIOD

During the financial year, management entered into negotiations for implementation of a BBBEE transaction as previously reported on SENS and in the prior year financial statements.

Negotiations regarding the BEE Transaction have been terminated due to complexities regarding the implementation of such a transaction.

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.