Premier Fishing & Brands Limited
The First Choice

Group Annual Financial Statements 2021

A proudly South African Fishing Company

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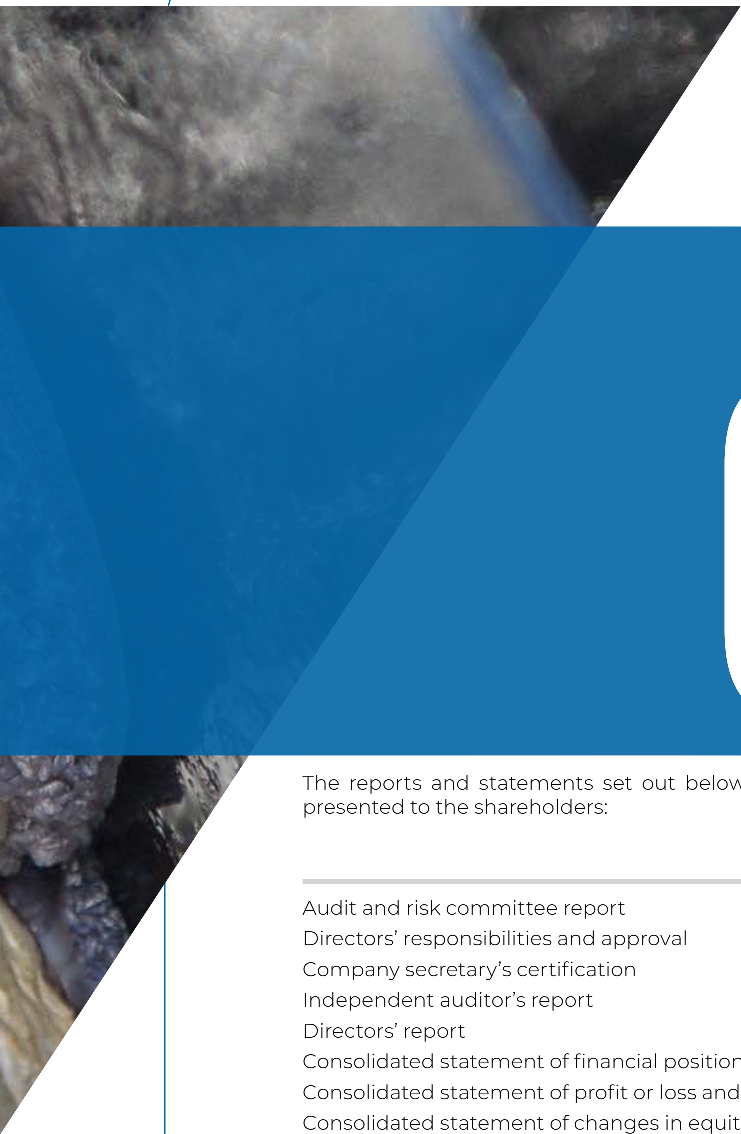

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The reports and statements set out below comprise the consolidated annual financial statements presented to the shareholders:

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

Jesca Meki CA(SA)

Supervised by

Brent Robertson (CA)SA

Published

17 December 2021

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

The audit and risk committee is consisted of 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 PDM, BCTA, MBL	2 May 2017	Independent non-executive	3 / 4
Advocate Ngoako Ramatlhodi	BA Law (NUL), LLB (NUL), MSc (UZ)	8 August 2018	Independent non-executive	1 / 4
Sebenzile Patrick Mngconkola	BTech Business Administration, HR Degree	8 August 2018	Non-executive	3 / 4
Clifford van der Venter	BCom (UNISA), MBA (UCT)	3 April 2018	Lead Independent non-executive	4 / 4
Valentine Dzvova	BCom Accounting UCT, CA (SA)	17 August 2020	Non-executive	4 / 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, the company secretary and the external auditors attend the meetings of the committee by invitation.

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

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 audit and risk committee undertook a review of the cost and scope of the audit function performed by the external auditors of the Group.

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

The committee approved the level of scope, external audit fees and the extent of non-audit services for the 2021 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.

3. KEY AUDIT MATTERS RELATING TO THE 2021 AUDIT

The audit and risk committee considered the key audit matters as outlined in the independent auditors' report for the Group, set out on pages 6 to 10.

The key audit matters were:

- Residual values of vessels (consolidated financial statements)
- Physical quantities of biological assets (consolidated financial statements)
- Valuation of goodwill and intangible assets (consolidated financial statements)

The committee is satisfied that these key audit matters were adequately addressed in the context of the audit.

4. INTERNAL AUDIT

The Group'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 Group's internal control environment. The head of internal audit does not report directly to Premier's EXCO 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 Group's internal control environment and based on that review, is satisfied that there have been no material breakdowns in the internal control environment of the Group.

5. ANNUAL FINANCIAL STATEMENTS

The committee reviewed the annual financial statements for the year ended 31 August 2021 and is satisfied that they comply in all material aspects with the requirements of International Financial Reporting Standards, the Companies Act and JSE Listings requirements. The committee recommended the annual financial statements to the Board for approval.

6. 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 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.

7. GOING CONCERN

The committee reviewed the going-concern status of the Group and recommended to the Board that the Group will continue to be a going-concern 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 and risk committee

Rosemary Mosia
Chairperson audit and risk committee
17 December 2021

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the Group 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 International Financial Reporting Standards, the SAICA financial reporting guides issued by the Accounting Practice committee, the Listings Requirements of the JSE Limited and the Companies Act. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual financial statements, set out on pages 14 to 72, are based on appropriate accounting policies which has been consistently applied throughout the Group 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 Group 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 Group and all employees are required to maintain the highest ethical standards in ensuring the Group business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group 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 and the internal auditors that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated 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 Group 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 Group has access to adequate resources to continue in operational existence for the foreseeable future.

The independent external auditors are responsible for reporting on whether the consolidated annual financial statements are fairly presented in accordance with the applicable financial reporting framework. The independent auditor's report to the shareholders of the Group is set out on pages 6 to 10 of this report.

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

- the annual financial statements set out on pages 15 to 72, 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 consolidated annual financial statements set out on page 15 to 72 which have been prepared on the going-concern basis, were approved by the board of directors on 17 December 2021. The consolidated annual financial statements are signed on the directors' behalf by:

Rushaan Isaacs
Chief executive officer
17 December 2021

Brent Robertson
Chief financial officer
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.

per Cornell Kannemeyer
17 December 2021

INDEPENDENT AUDITOR'S REPORT

17 December 2021

Independent Auditors' Report

To the shareholders of Premier Fishing and Brands Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated annual financial statements of Premier Fishing and Brands Limited and its subsidiaries ("the group"), set out on pages 15 to 73, which comprise the consolidated statement of financial position as at 31 August 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Premier Fishing and Brands Limited and its subsidiaries as at 31 August 2021, and its consolidated financial performance and consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the group 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 GOODWILL AND INTANGIBLE ASSETS

The carrying value of goodwill as at 31 August 2021, amounted to approximately R70 129 000 and the carrying value of intangible assets with indefinite useful lives as at 31 August 2021 amounted to approximately R17 028 000. Under IFRSs, the group is required to annually test goodwill and intangible assets with an indefinite useful life for impairment. The test compares the carrying amount of the asset with its recoverable amount, which is the higher of its fair value less costs to sell (if known) and its value in use.

We considered the valuation of goodwill and intangible assets with indefinite useful lives to be significant to the audit because of the materiality thereof to the Group'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 disclosures relating to goodwill and intangible assets with indefinite useful lives are contained in note 1 (accounting policies) as well as notes 5 and 6.

In assessing the valuation of goodwill and intangible assets with indefinite useful lives, we:

- obtained an understanding of management's internal control process for determining the value-in-use of these assets; 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.

PHYSICAL QUANTITIES OF BIOLOGICAL ASSETS

Biological assets comprise live abalone and are held in various weight categories. It is impractical to count all the abalone on a given day, due to factors such as the delicate nature of the abalone and the quantity of abalone held at the farm.

As such, the quantities are determined through a process known as grading, which involves the periodic process of categorising systematic batches of abalone across the farm. Through this continual process and the use of industry growth algorithms, the number and average weight of the abalone is determined.

Physical quantities of biological assets is a key audit matter due to the significant contribution to the consolidated results of the group, as well as it requires significant management judgement.

The disclosures relating to biological assets are contained in note 1 (accounting policies) and note 12 (biological assets).

Our audit procedures performed included, among others:

- We obtained an understanding of the information systems, as well as the processes which have been implemented by management, around determining the physical quantities of abalone. The control environment and processes have been overseen by those charged with governance.
- We attended the periodic grading on site, in order to observe the appropriateness of controls implemented in applying sampling methodologies, as well as to confirm the adherence to appropriate biological inventory processes.
- The procedures followed in the periodic grading were compared to that of the prior year in order to determine consistency.
- We agreed a sample of baskets counted on the day of observation to the inventory sheets and system report, to ensure reliance on the system inputs.
- We agreed a sample of actual abalone graded on the day of observation to the system predicted weights. This was performed to ensure reliance on the predicted weight and the system's accuracy of abalone growth prediction.

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

RESIDUAL VALUES OF VESSELS

The residual values of the vessels are reviewed annually by management.

A management expert (the expert) is used to assist in the determination of residual values.

In determining the residual value, management applies judgement in determining the estimated amount that the entity would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Accordingly, the residual values of vessels were considered to be a key audit matter, due to the significance of the estimates and the level of judgement applied by management. The disclosures relating to the vessels are contained in note 1 (accounting policies) and note 3 (property, plant and equipment).

Our audit procedures performed included, among others:

We obtained a copy of the expert's assessment of the residual values and performed the following:

- Assessed the independence, experience and expertise of the expert.
- Performed reasonability testing on the inputs and assumptions used by the expert, by comparing these to our industry knowledge, external sources and information gathered throughout the audit.
- Inspected that the residual values calculated by the expert were within the predetermined range of market values. The exchange rates used were compared to observable forex rates.
- The method applied by the expert was compared to that of the prior year in order to determine consistency.
- Obtained management representation to confirm that they have reviewed the residual values.

We 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 included in the documents titled "Premier Fishing and Brands Limited Group Annual Financial Statements for the year ended 31 August 2021", "Premier Fishing and Brands Limited Company Annual Financial Statements for the year ended 31 August 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 the separate annual financial statements and our auditors' reports thereon.

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

In connection with our audit of the consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going-concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's 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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 and its subsidiaries for the second time in the current year.

Thawt inc

THAWT Incorporated
C du Toit
Partner
Registered Auditor
Monte Vista, Cape Town, 7460
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 consolidated annual financial statements for the year ended 31 August 2021.

1. NATURE OF BUSINESS

The group operates in South Africa and is engaged in commercial harvesting, processing and marketing of marine resources. The Group's principal operations are catching, processing and marketing of pelagic (pilchards and anchovy), West Coast rock lobster, South Coast rock lobster, squid and hake. The Group also earns cold storage revenue through the use of cold and dry storage space by its customers. The Group is also involved in aquaculture (abalone farming) as well as the manufacture of environmentally friendly fertiliser products (organic liquid fertiliser).

2. FINANCIAL RESULTS

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards, the requirements of the Companies Act, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the SAICA financial reporting guides issued by the accounting practices committee and the Listings Requirements of the JSE Limited.

Full details of the financial position, results of operations and cash flows of the Group are set out in these consolidated annual financial statements. Refer to note 37 – Segmental Information for a detailed breakdown of the proportion of net income or loss attributable to the various divisions in 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 Group'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 Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated financial statements have been prepared on a going-concern basis. The directors have satisfied themselves that the Group 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 Group. 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 Group.

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 other material facts or circumstances which occurred between the reporting date and 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 group declared and paid a dividend of 5 cents per share in the current financial year (2020: 10 cents per share which related to 2019 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 2 to 3 of these consolidated 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 Group. The directors are satisfied that the Group 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: 0.13%) of the issued share capital.

* *Aziza Amod and Khalid Abdulla have 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.*

13. INTERESTS IN SUBSIDIARIES AND JOINT ARRANGEMENTS

Details of material interests in subsidiary companies, joint ventures and joint arrangements are presented in notes 7, 8 and 9.

14. ULTIMATE HOLDING COMPANY

The Group's ultimate holding company is African Equity Empowerment Investments Limited which holds 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 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 the Group Financial Manager, Jesca Meki CA(SA) under the supervision of the Group Chief Financial Officer, Brent Robertson (CA) SA.

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:

- Remuneration for 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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2021

	Notes	2021 R'000	2020 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	**463 283**	450 162
Right-of-use assets	4	**33 061**	49 535
Goodwill	5	**70 129**	70 129
Intangible assets	6	**17 175**	20 439
Loans to holding company	10	**105 261**	100 097
Deferred tax	11	**22**	29
		688 931	690 391
Current assets			
Inventories	13	**34 082**	34 179
Trade and other receivables	14	**64 116**	100 770
Other financial assets	15	**3 554**	2 195
Current tax receivable		**5 630**	4 536
Biological assets	12	**95 910**	84 436
Cash and cash equivalents	16	**107 046**	107 902
		310 338	334 018
Total assets		**999 269**	1 024 409
EQUITY AND LIABILITIES			
Equity			
Stated capital	17	**507 517**	507 517
Reserves	18	**8 014**	8 014
Retained income		**188 323**	211 172
Equity attributable to shareholders of Premier		**703 854**	726 703
Non-controlling interests		**56 725**	43 494
Total equity		**760 579**	770 197
Liabilities			
Non-current liabilities			
Other financial liabilities	19	**–**	439
Post-employment medical aid costs	20	**277**	261
Lease liabilities	4	**39 342**	55 389
Deferred tax	11	**124 674**	124 191
		164 293	180 280
Current liabilities			
Trade and other payables	21	**63 280**	65 024
Other financial liabilities	19	**1 277**	2 825
Current tax payable		**895**	597
Lease liabilities	4	**1 995**	1 893
Provisions	22	**6 950**	3 593
		74 397	73 932
Total liabilities		**238 690**	254 212
Total equity and liabilities		**999 269**	1 024 409

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 R'000	2020 R'000
Revenue	23	**575 115**	453 894
Cost of sales	24	**(383 357)**	(301 431)
Gross profit		**191 758**	152 463
Other operating income	25	**10 023**	10 185
Other operating expenses		**(187 925)**	(150 396)
Operating profit	26	**13 856**	12 252
Investment revenue	27	**8 981**	14 611
Finance costs	28	**(5 250)**	(9 433)
Profit before taxation		**17 587**	17 430
Taxation	29	**(14 237)**	(11 044)
Profit for the year		**3 350**	6 386
Other comprehensive income		**–**	–
Total comprehensive income for the year		**3 350**	6 386
Profit attributable to:			
Shareholders of Premier		**(9 849)**	4 001
Non-controlling interests		**13 199**	2 385
Total profit for the year		**3 350**	6 386
Total comprehensive income attributable to:			
Shareholders of Premier		**(9 849)**	4 001
Non-controlling interest		**13 199**	2 385
Total comprehensive income for the year		**3 350**	6 386
Earnings per share information			
Basic and diluted (loss)/earnings per share (cents)		**(3.79)**	1.54

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2021

	Stated capital R'000	Reserves R'000	Retained income R'000	Total attributable to equity holders of Premier R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 September 2019	507 517	8 014	233 171	748 702	48 007	796 709
Profit for the year			4 001	4 001	2 385	6 386
Dividends paid			(26 000)	(26 000)	(6 898)	(32 898)
Balance at 1 September 2020 restated	**507 517**	**8 014**	**211 172**	**726 703**	**43 494**	**770 197**
Profit for the year			**(9 849)**	**(9 849)**	**13 199**	**3 350**
Dividends paid			**(13 000)**	**(13 000)**		**(13 000)**
Change in ownership interest					**32**	**32**
Balance at 31 August 2021	**507 517**	**8 014**	**188 323**	**703 854**	**56 725**	**760 579**
Notes	17	18				

CONSOLIDATED 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		**584 435**	442 062
Cash paid to suppliers and employees		**(531 443)**	(407 450)
Cash generated from operations	30	**52 992**	34 612
Interest income		**1 818**	5 817
Finance costs		**(900)**	(9 433)
Tax paid	31	**(14 541)**	726
Net cash from operating activities		**39 369**	31 722
Cash flows from investing activities			
Additions to property, plant and equipment	4	**(25 286)**	(65 410)
Purchase of intangible assets	7	**(24)**	(264)
Purchases of biological assets		**–**	(990)
Loans to holding company repaid	10	**2 000**	2 000
Net cash used in investing activities		**(23 310)**	(64 664)
Cash flows from financing activities			
Repayment of other financial liabilities	32	**(2 022)**	(3 312)
Payment of lease liabilities	32	**(1 893)**	(6 164)
Dividends paid		**(13 000)**	(32 899)
Net cash used in financing activities		**(16 195)**	(42 375)
Total cash movement for the year		**(856)**	(75 317)
Cash at the beginning of the year		**107 902**	183 219
Total cash at end of the year	16	**107 046**	107 902

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

The consolidated annual financial statements have been prepared on the going-concern basis in accordance with, and in compliance with IFRS, the Financial Reporting Pronouncements issued by the Financial Reporting Standards Council to the extent applicable, the requirements of the Companies Act and the Listings Requirements of the JSE Limited.

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

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

These accounting policies are consistent with that of the prior year.

1.2 Consolidation

The Group annual financial statements represent consolidated financial statements and incorporate the annual financial statements of the Company and entities controlled by the Company. Control is achieved when the Company has power over the investee; is exposed, or has rights to variable returns from involvement with the investee; and has the ability to use its power over the investee to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

All intragroup income and expenses, assets and liabilities, equity and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Non-controlling interests in the net assets of subsidiaries are identified separately from the Group's equity.

Non-controlling interests consist of the amount of the non-controlling shareholders' interest at the date of the business combination and their share of changes in equity since the date of the acquisition. In addition, if the Group acquires direct shareholdings in the underlying subsidiaries that does not result in any change in control, the resulting change in the effective shareholding is reflected as a movement in the non-controlling interests.

1.3 Interest in joint ventures

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

The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture.

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

1.4 Property, plant and equipment

Plant and machinery, buildings, leasehold properties, equipment, motor vehicles, furniture and fixtures and vessels are carried at cost less accumulated depreciation and impairment. Costs incurred to replace or modify a significant component of vessels are capitalised if it is probable that future economic benefits associated with the item will flow to the Group. The component which is being replaced is derecognised at its carrying amount.

Land is carried at cost and is not depreciated.

Improvements to leasehold land and buildings are capitalised and depreciated over the remaining period of the lease to their estimated residual values.

Costs incurred as work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment are capitalised as assets under construction. When the activities are complete the costs are reallocated to the specific item of property, plant and equipment.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 Property, plant and equipment (continued)

Plant and machinery, equipment, motor vehicles, furniture and fittings and vessels are depreciated on the straight-line basis over their expected useful lives to their estimated residual value. Leasehold buildings are depreciated on the straight-line basis over the shorter of their lease period and their expected useful lives to their estimated residual value.

Depreciation commences when the asset is available for use and ceases when the asset is derecognised. The depreciation charge for each period is recognised in profit and loss. The estimated remaining useful lives, residual values and depreciation methods are reviewed at each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land	Indefinite
Buildings	5 to 40 years
Leasehold property	5 to 40 years
Plant and machinery	2 to 30 years
Furniture and fixtures	2 to 12 years
Motor vehicles	2 to 5 years
Office equipment	5 to 17 years
Computer equipment	1 to 3 years
Vessels	5 to 42 years
Assets under construction	Depreciated when ready for use

Gains or losses which arise on derecognition are included in profit and loss in the period of derecognition. The gain or loss is calculated as the difference between the net disposal proceeds and the carrying amount of the asset at the date of the disposal.

1.5 Goodwill

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

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

Goodwill is subsequently measured at cost less accumulated impairment.

Goodwill is not amortised but is tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill is allocated to a cash-generating unit (CGU) or to a group of CGUs. Impairment is determined by assessing the recoverable amount, which is the higher of fair value less costs to sell and value-in-use of the CGU to which the goodwill is allocated. Where the CGU's recoverable amount is less than its carrying value an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to other assets of the unit *pro rata*, based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit and loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.6 Intangible assets

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

Intangible assets with a finite useful life are stated at cost less any accumulated amortisation and any impairment losses. Intangible assets with indefinite useful lives are not amortised, but are reviewed on an annual basis for indications that continue to support an indefinite useful life assessment.

The useful lives of items of intangible assets have been assessed as follows:

Item	Useful life
Trademarks	4 to 15 years
Fishing quotas	3 to 5 years
Computer software	5 years
Brand names	Indefinite

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their continued use. Gains or losses which arise on derecognition are included in profit and loss in the period of derecognition. Gains or losses on disposal are calculated as the difference between the net disposal proceeds and the carrying amount of the intangible asset at the date of its disposal.

The Group tests intangible assets with an indefinite useful life for impairment annually. Impairment is determined by comparing the recoverable amount of the intangible assets, which is the higher of fair value less costs to sell and value-in-use to its carrying amount. The value-in-use is calculated as the present value of the future cash flows expected to be derived from the intangible assets. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit and loss.

1.7 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments. This is consistent with the prior year.

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

The Group's financial assets comprise:

- loans to holding company;
- trade and other receivables;
- cash and cash equivalents; andother financial assets.

The Group's financial liabilities comprise:

- borrowings;
- trade and other payables; andother financial liabilities

Note 37 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications. The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Loans to holding company, other financial assets and trade and other receivables at amortised cost

Classification

Loans to holding company, other financial assets 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.7 Financial instruments (continued)

Recognition and measurement

Loans holding company and other financial assets are recognised when the group 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. 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.

Impairment

Impairment of loan to holding company and other financial assets

The group recognises a loss allowance for expected credit losses on all loans receivable and other financial assets 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 group 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 group 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 group assesses whether the loans to holding company or other financial asset classified at amortised cost are credit impaired. Loans to holding company and other financial assets are credit impaired when one or more events identified has a detrimental impact on the estimated future cash flows. The group'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 group 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 group applies the IFRS 9 simplified approach in measuring expected credit losses for trade receivables, which uses a lifetime expected loss allowance.

The group 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. Refer to accounting policies note *1.25: Significant judgements and sources of estimation uncertainty used in the preparation of the annual financial statements* for a detailed outline of forward looking factors that were attributed to trade and other receivables.

Significant increase in credit risk

The group 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. The group does not recognise an increase in credit risk since recognition of financial instruments receivable reported at year end. The Loans to holding company is still regarded as recoverable as the holding company continues to trade and is profitable. Other financial assets at year-end are all considered recoverable. Trade and other receivables balance has significantly decreased from prior year which reduces the credit risk of default by trade receivables.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.7 Financial instruments (continued)

Default

The Group considers loans to holding company, other financial assets and trade and other receivables to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. The significant judgements applied in determining an impairment include the expected realisable value of collateral securing the debt, the probability that the customer will default, credit risk changes in customer, the size of credit exposures, country risk based on location of customer and the expected loss on default.

Write-off policy

The group 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 group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss. There group did not write off and financial assets in the current year.

Cash and cash equivalents

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

Trade and other payables, borrowings and other financial liabilities

Classification

Borrowings and trade and other payables excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings, other financial liabilities and trade and other payables are recognised when the group 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 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 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.

These items expose the group to liquidity risk and possibly to interest rate risk. Refer to note 38 for details of risk exposure and management thereof.

Bank overdraft

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

1.8 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.8 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.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

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

Obsolete, redundant and slow moving items are identified on a regular basis and are written down to their estimated net realisable values.

1.10 Biological assets

Biological assets consist of abalone cultivated at an aquaculture farm and are measured at their fair value less estimated point-of-sale costs. Fair value is determined based on the market prices of abalone of similar size. Point of sale costs includes all costs that would be incurred in order to get the abalone to the customer.

Gains or losses arising from measurement on initial recognition or from a subsequent change in fair value less estimated point-of-sale costs is included in profit or loss for the period in which it arises.

1.11 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.

1.12 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Leases (continued)

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgements and sources of estimation uncertainty section of these accounting policies.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However, as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the group is a lessee are presented in note 4: Right of use assets (group as lessee).

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

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

- fixed lease payments, taking into account any escalation clauses.

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

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 27).

Right-of-use assets

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

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

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

Asset	Useful life
Buildings	5 – 20 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.13 Post-employment medical costs

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The group provides post-retirement healthcare benefits to certain of its retirees. The group's obligation to provide post-retirement medical aid benefits to certain employees is calculated by estimating the amount of future benefit that qualifying employees have earned in return for their service in the current and prior periods. This benefit is discounted to determine its present value using a discount rate based on the market yields at the reporting date on government bonds with maturity dates that most closely match the terms of maturity of the group's obligation. The calculation is performed by a qualified actuary using the projected unit credit method. Past service costs are recognised in profit or loss at the earlier of the date of the plan amendment or curtailment, and the date that the group recognises restructuring-related costs. Actuarial gains and losses are recognised immediately in profit or loss in the statement of comprehensive income.

Contributions to the medical aid fund increases annually, based on current market trends.

1.14 Provisions and contingencies

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

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

1.15 Revenue from contracts with customers

Revenue represents income arising in the course of ordinary activities, being the catching, processing, marketing and distribution of pelagic, west coast rock lobster, south coast rock lobster, squid and hake. The Group also earns cold storage revenue through the use of cold and dry storage space by its customers. In addition, the Group also earns revenue from the sale of abalone, cultivated through our aquaculture farming, as well as earns revenue through the sale of environmental friendly fertiliser products.

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services.

All revenue earned by the Group, results in the recognition of trade receivables, to the extent unpaid by the customer, as only the passage of time is required, being the agreed payment terms.

Revenue from the sale of goods is recognised at a point in time when control of the asset is transferred to the customer which is free on board (FOB shipping point), being the date the goods are loaded onto the vessel. The full transaction price is allocated to this performance obligation, being the time when goods are loaded onto the vessel. No other performance obligations are necessary with regards to transferring the risks and rewards of ownership to the customer.

Revenue from processing, marketing and distribution services is recognised once the actual processing, marketing and distribution services have been completed on behalf of the customers. The full transaction price is thus; allocated to the performance obligation, being the moment once these processing and marketing services are completed on behalf of the customer.

Revenue from cold storage services is recognised as and when cold storage space is provided, generally when the service is rendered over a period of time.

Quota usage revenue is recognised at a point in time, once the entity has granted the customer the full unconditional right to the quota.

Revenue is measured at the transaction price that is allocated to each performance obligation, once contractual terms agreed upon have been fulfilled. The transaction price is negotiated between the Group and its customers and takes into account certain economic factors at the time such as demand, supply and socio-economic factors. Revenue is shown net of value-added tax (VAT), returns, rebates and discounts.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.16 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.17 Employee benefits

Employee benefits in the form of annual leave entitlements are provided for when they accrue to employees with reference to services rendered up to statement of financial position date. The expense is recognised in profit and loss of the period in which the employee renders the service. Furthermore, the Group recognises a liability and an expense for bonuses.

1.18 Translation of foreign currencies

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the statement of financial position date monetary assets and liabilities are translated at the closing exchange rate.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit and loss when they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.19 Fair value measurement

The Group 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 38 for further detail.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.20 Dividends

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

1.21 Earnings per share

Earnings per share is calculated on the weighted average number of shares in issue in respect of the year and is based on profit attributable to ordinary shareholders. Headline earnings per share is calculated in terms of the requirements set out in Circular 01/2021 issued by SAICA.

1.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment, whether from external transactions with other Group segments. Segment results are determined before any adjustments for minority interests.

Segment assets and liabilities comprise the operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets are determined after deducting related allowances that are reported as direct offsets in the Group's statement of financial position.

Capital expenditure represents the total costs incurred during the period to acquire segment assets that are expected to be used during more than one period, namely, property, plant and equipment, and intangible assets other than goodwill.

The Group's segments comprise the following which is aggregated upon consolidation:

Fishing:

- Lobster
- Pelagics
- Hake
- Squid

Aquaculture:

- Aquaculture
- Seagro

Services:

- Processing and marketing
- Cold storage

Refer to note 37 for the financial detail of how each operating segment has performed during the year under review.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.23 Significant judgements and sources of estimation uncertainty used in the preparation of the annual financial statements

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. Estimates used in preparation of financial statements have been provided in detail in the notes to financial statements.

Significant judgements made by management that could have a significant effect on the carrying amounts recognised in the financial statements include:

Residual values and useful lives of property, plant and equipment

The Group estimates the expected useful lives of assets and the expected residual value at the end of its useful life in the determination of the depreciation charge. The expected useful lives and expected residual values of the assets are determined by management when the asset is acquired and then reviewed annually thereafter. The estimation of useful lives is based on management's historical experience with similar assets as well as management's anticipation of future pattern of use of the asset which may impact their life. In addition, the useful life estimates take into account the risk of obsolescence due to advances in technology. Refer to note 3 for more detail.

Intangible assets

The Group estimates the expected useful lives of trademarks, computer software and fishing quotas in determining the amortisation cost. The estimation of useful lives is based on management's expectations and strategy for the use of the intangible.

Management on an annual basis makes an assessment, as to whether the carrying value of goodwill and brand names are impaired. Carrying values of trademarks, computer software and fishing quotas are tested if there is an indicator for impairment. Management makes judgement in determining the present value of estimated future cash flows of CGUs to determine whether an impairment loss should be recorded in profit and loss. Refer to note 7 for more details.

Estimation of the expected credit loss allowance

In recognising and measuring the expected credit loss allowance (ECL), management is required to make certain judgements and estimates as follows:

Trade and other receivables

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.23 Significant judgements and sources of estimation uncertainty used in the preparation of the annual financial statements (continued)

The Group has established a provision matrix, which is based on the following underlying factors:

Historical loss rate/Historical credit quality	Forward-looking factors
The Group's historical credit loss rate has been low, and given that:	The following reasonable and supportable information have been taken into account, as part of the forward-looking factors, namely:
Credit checks are performed by external credit rating agencies, before new customers are approved for credit.	The group makes sales exports to a long standing customer base. Customers make payments in advance before shipment of stock, which reduces the risk of any new customers defaulting on payments
The agency then provides credit scores and credit ratings for the respective customer base.	Any forecasted significant changes in the Group's existing customer base.
In addition, credit limit recommendations are provided by the credit agency.	Forward-looking information such as the likelihood of default and economic conditions of the industry
The historical loss rates have been used for the previous few years of assessment as these are the most relevant and timely information.	Macroeconomic factors affecting customers ability to settle amounts owing include: – Rand/Dollar and Rand/Euro exchange rates. – Increases in the customer's local inflation and interest rates as this would erode a customer's purchasing power. – General customer confidence in regards to their own financial situations.

Export terms are generally that customers pay upfront and hence; there is a low risk of long outstanding debts on hand.

Biological assets

Biological assets are stated at fair value less estimated selling costs. The Group's abalone is weighed and graded into specific different size categories at regular intervals. A predicted growth rate for the abalone is determined based on the actual weight of the abalone which has been weighed and graded at the birth date of the abalone. As at the reporting date, a combination of graded figures and predicted figures (those awaiting their latest grade interval) is then used to determine the weight and graded size categories of the abalone.

Management makes judgements on the estimated prices to sell abalone, volume and the cost of delivery of the abalone in determining the fair value less estimated selling costs of the abalone.

The estimation of the selling prices and cost of delivery is based on current market data and volumes is based on historical data and industry standards. Refer to note 12 and 40 for more details.

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
IAS 16 Property, Plant and Equipment	• Property, Plant and Equipment: Proceeds before Intended Use. This prohibits an entity from deducting fro the cost of an item of property, plant and equipment from selling any items, while bringing the asset into its location and condition for sale.	1 January 2022	No material impact
IAS 41 Agriculture	• Annual Improvements to IFRS Standards 2018 – 2020: The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.	1 January 2022	No material impact
IFRS 3 Business Combinations	• Changes in Reference to the Conceptual Framework (Amendments to IFRS 3)update IFRS 3 so that it refers to the 2018 *Conceptual Framework* instead of the 1989 *Framework*; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.	1 January 2022	No material impact

3. PROPERTY, PLANT AND EQUIPMENT

	2021			2020		
	Cost R'000	Accumulated depreciation and impairment R'000	Carrying value R'000	Cost R'000	Accumulated depreciation and impairment R'000	Carrying value R'000
Land	**2 632**	**–**	**2 632**	2 632	–	2 632
Buildings	**135 441**	**(5 791)**	**129 650**	132 667	(3 857)	128 810
Leasehold property	**25 410**	**(14 907)**	**10 503**	25 289	(13 882)	11 407
Plant and machinery	**211 732**	**(106 016)**	**105 716**	199 902	(101 744)	98 158
Furniture and fixtures	**3 704**	**(2 461)**	**1 243**	3 545	(2 263)	1 282
Motor vehicles	**7 972**	**(5 547)**	**2 425**	7 480	(5 391)	2 089
Office equipment	**1 903**	**(1 093)**	**810**	1 548	(1 044)	504
Computer equipment	**3 993**	**(2 594)**	**1 399**	4 244	(2 233)	2 011
Vessels	**367 939**	**(175 491)**	**192 448**	350 424	(162 156)	188 268
Assets under construction	**16 457**	**–**	**16 457**	15 001	–	15 001
Total	**777 183**	**(313 900)**	**463 283**	742 732	(292 570)	450 162

Reconciliation of property, plant and equipment

2021	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Total R'000
Land	**2 632**	**–**			**–**	**2 632**
Buildings	**128 810**	**9 854**		**2 774**	**(2 612)**	**138 826**
Leasehold property	**11 407**	**121**			**(1 025)**	**10 503**
Plant and machinery	**98 158**	**637**		**1 339**	**(3 594)**	**96 540**
Furniture and fixtures	**1 282**	**159**			**(198)**	**1 243**
Motor vehicles	**2 089**	**492**			**(156)**	**2 425**
Office equipment	**504**	**363**	**(8)**		**(49)**	**810**
Computer equipment	**2 011**	**254**	**(505)**		**(361)**	**1 399**
Vessels	**188 268**	**17 691**	**(176)**		**(13 335)**	**192 448**
Assets under construction	**15 001**	**5 569**		**(4 113)**	**–**	**16 457**
Total	**450 162**	**35 140**	**(689)**	**–**	**(21 330)**	**463 283**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment

2020	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Impairment* R'000	Total R'000
Land	2 632	–	–	–	–	–	2 632
Buildings	107 048	–	–	23 298	(1 536)	–	128 810
Leasehold property	9 859	2 283	–	–	(735)	–	11 407
Plant and machinery	81 422	4 699	–	14 377	(1 395)	(945)	98 158
Furniture and fixtures	1 351	219	(92)	–	(196)	–	1 282
Motor vehicles	2 440	15	–	–	(366)	–	2 089
Office equipment	559	58	(2)	–	(111)	–	504
Computer equipment	1 611	510	–	–	(110)	–	2 011
Vessels	179 694	26 173	(34)	–	(17 565)	–	188 268
Assets under construction	20 939	31 737	–	(37 675)	–	–	15 001
Total	407 555	65 694	(128)	–	(22 014)	(945)	450 162

Additions to Property plant and equipment

The group has reported additions to property plant and equipment of R35 140 in the current year, the amount is not consistent with the cash outflows reported for the purchase of property plant and equipment in the cashflow statement due to the fact that; R9 854 included in the additions note above remained unsettled as of year end. The group has committed to invest in future expansion projects but no contracts have been signed to that effect. Refer to Note 33 for further details on commitments.

Property, plant and equipment pledged as security

The following assets have been encumbered as security for the secured long-term borrowings.

	2021 R'000	2020 R'000
Motor vehicles	**67**	112
Vessels	**20 961**	22 667

Refer to note 19 for loan balances, instalment amounts, interest rates charged and maturity dates of borrowings.

Details of properties

Premier Fishing SA Proprietary Limited has land located in the Overstrand Municipality on Erf 1727 measuring 3.7 hectares and Erf 3819 measuring 6 hectares. The land is registered under Title Deeds T45052/2002 and T160/1938. A register containing details of the company's assets are available for inspection at the registered office of the company.

Change in estimates

The depreciation methods and average useful lives of the group have been assessed and based on this analysis, the useful lives of certain components of the fishing vessel have been revised as follows:

- Office equipment from 3 - 16 years to 5 - 17 years
- Motor vehicles from 5 - 20 years to 5 - 21 years
- Fishing vessels from 5 - 40 years to 5 - 42 years

The impact of the change is a reduction in the annual depreciation charge for the current and future years of R4.5 million. There was no change in the estimate of the useful lives in 2020.

During the current reporting period, the group assessed the useful lives of some of its property plant and equipment. The impact of the change is a reduction in the annual depreciation charge for the current year and future 15 years of R6.2 million.

4. RIGHT-OF-USE ASSETS

	2021 R'000	2020 R'000
Details pertaining to leasing arrangements, where the group is lessee are presented below:		
Net carrying amounts of right-of-use assets		
The carrying amounts of right-of-use assets are included in the following line items:		
Net carrying amount of Rental property subject to lease arrangements	**33 061**	49 535
Additions to right-of-use assets		
Rental property subject to lease arrangements	–	69 812
Depreciation recognised on right-of-use assets		
Depreciation recognised on each class of right-of-use assets, is presented below. It is included in the depreciation which has been expensed in the total depreciation charge in profit or loss (note 26).	**5 784**	10 084
Amounts recognised in profit and loss		
Interest expense on lease liabilities	**4 452**	6 331

Lease liabilities

The Group had three major lease contracts in the current year:

– One of these is located in the V&A Waterfront in the Western Cape.
– One of these premises is located in Gansbaai in the Western Cape. The lease contract expired on 30 April 2021 and is currently on a month to month basis.
– The third contract of the property located in Port Elizabeth came to an end on 30 April 2021

The group ceded a lease in the current year for the property situated at Waterway House, Cape Town. The contractual lease was taken over by the holding company and the termination date of the lease was 31 August 2024.

Additional details of the lease is shown below

No.	Location	Inception date	Lease term (years)	Termination date
1	South Arm Road, V&A Waterfront	1 March 2019	10	30 April 2029
2	Gansbaai Harbour, Gansbaai	1 June 2011	9 years 11 months	30 April 2021
3	Green Street Port Administration Building, Port Elizabeth	1 May 2018	3	30 April 2021

	2021 R'000	2020 R'000
Non-current liabilities	**39 342**	55 389
Current liabilities	**1 996**	1 893
	41 338	**57 282**

Exposure to liquidity risk

The Group does not face significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the group's finance function.

5. GOODWILL

	2021 Cost R'000	2021 Accumulated impairment R'000	2021 Carrying value R'000	2020 Cost R'000	2020 Accumulated impairment R'000	2020 Carrying value R'000
Goodwill	**83 334**	**(13 205)**	**70 129**	83 334	(13 205)	70 129

Reconciliation of goodwill

2020 & 2021	Opening balance R'000	Additions through business combination R'000	Closing balance R'000
Goodwill	**70 129**	**–**	**70 129**

On 9 May 2018, the Group acquired a 50.31% shareholding in Talhado for a consideration of R89 million. Talhado was acquired for its squid fishing rights, brand, processing facilities, and in order to enhance the Group's footprint in the squid sector. Goodwill arising from the acquisition has been disclosed in the note above. Goodwill recognised on the acquisition relates to the expected growth and cost synergies which cannot be separately recognised as an intangible asset. This goodwill has been allocated to the Group's squid segment and is not expected to be tax deductible. There were no business combinations during the current year nor any adjustments in the current year in relation to the acquisition of Talhado.

The goodwill arose from the acquisition of an additional 50% shareholding in the 2007 financial year and the acquisition of 100% shareholding in Marine Growers Proprietary Limited in the 2008 financial year. Premfresh Seafoods Proprietary Limited is now 100% held by Premier Fishing SA Proprietary Limited. The remainder of the goodwill balance relates to the acquisition of 100% shareholding in Sekunjalo Food and Fishing Proprietary Limited and Sekfish Investments Proprietary Limited. The accumulated impairment was as a result of goodwill arising from the acquisition of Premfresh Seafoods Proprietary Limited being written down in full during the 2009 financial year.

Impairment testing

The Group performs an annual impairment test on goodwill based on CGUs. The recoverable amount of each of the CGUs to which goodwill is allocated has been determined based on a value in use calculation which uses cash flow projections on financial forecasts approved by the board of directors covering a five-year budget. Key assumptions applied to determine the recoverable amount of the CGUs, using the value-in-use calculation relating to sales growth rates, working capital requirements and capital expenditure. The cash flow projections for the fishing division and the abalone division was over a five-year forecast period.The forecast period for the abalone division was revised from 10 years to 5 years as cashflow projections approved by the board of directors cover a period of five years. Cash flow projections are based on the assumption of the same expected gross margin and price inflation over the forecast period.

5. GOODWILL (CONTINUED)

The following are the principle assumptions that were used to calculate the recoverable amounts of the CGUs:

	2021	2020
Abalone division		
Discount rate %	**17.30**	12.68
Number of years	**5***	10*
Growth rate %	**4.50**	4.50
Fishing division		
Discount rate %	**16.65**	12.05
Number of years	**5**	5
Growth rate %	**4.50**	4.50

* *A period of 5 years was used in the forecast for the valuation of the divisions reported above and is deemed reasonable. The Group also took into account historical information of similar companies in the industry. In terms of other assumptions used like the growth rate of 4.5%, this represents the terminal growth rate, this is the expected growth rate assuming the company operates into perpetuity. The general accepted applied terminal growth rate in SA is CPI.*

Allocation of goodwill to CGUs

Goodwill acquired through business combinations has been allocated to individual CGUs for impairment testing as follows:

	2021 R'000	2020 R'000
Abalone division	**14 136**	14 136
Fishing division	**55 993**	55 993
	70 129	70 129

6. INTANGIBLE ASSETS

	2021 Cost R'000	2021 Accumulated amortisation R'000	2021 Carrying value R'000	2020 Cost R'000	2020 Accumulated amortisation R'000	2020 Carrying value R'000
Trademarks	**299**	**(152)**	**147**	276	(132)	144
Brand names	**17 028**		**17 028**	17 028	–	17 028
Computer software	**1 853**	**(1 853)**	**–**	1 853	(512)	1 341
Fishing quotas	**33 668**	**(33 668)**	**–**	33 668	(31 742)	1 926
Total	**52 848**	**(35 673)**	**17 175**	52 825	(32 386)	20 439

6. INTANGIBLE ASSETS (CONTINUED)

Reconciliation of intangible assets

2021	Opening balance R'000	Additions R'000	Amortisation R'000	Disposals R'000	Total R'000
Trademarks	144	23	(20)		147
Brand names	17 028				17 028
Computer software	1 341		(5)	(1 336)	–
Fishing quotas	1 926		(1 926)		–
	20 439	23	(1 951)	(1 336)	17 175

Reconciliation of intangible assets

2020	Opening balance R'000	Additions R'000	Amortisation R'000	Total Restated R'000
Trademarks	116	55	(27)	144
Brand names	17 028	–	–	17 028
Computer software	1 323	209	(191)	1 341
Fishing quotas	11 383	–	(9 457)	1 926
	29 850	264	(9 675)	20 439

Other information

Trademarks

The trademarks are attributable to the registration costs of the South Atlantic Lobster and Sea Diamond brands. These brands are well established in the United States of America, Europe and East Asian markets.

Fishing quota

The fishing quotas are in relation to the right to catch squid.

Brand names

The brand name was acquired as part of the acquisition of Talhado. The brand name has been determined to have an indefinite useful life as management have concluded that there is no foreseeable limit to the period over which the brand is expected to generate net cash inflows for the Group. Relevant factors include the future estimated net cash inflows, the strong presence of the brand in the market and its reputation and size in the industry.

6. INTANGIBLE ASSETS (CONTINUED)

The carrying amounts of goodwill and intangible assets with indefinite useful lives allocated to Talhado Fishing Enterprises Proprietary Limited and its subsidiaries (Talhado) and its brand is as follows:

	Goodwill	Brand name (intangible with an indefinite useful life)
Talhado	51 965	17 028

Management has determined that there is no impairment of any of its CGUs or group of CGUs containing goodwill or intangible assets with indefinite useful lives. The recoverable amounts (ie higher of value in use and fair value less costs of disposal) of those units and group of units are determined on the basis of value in use calculations. Furthermore, the recoverable amount calculations are most sensitive to changes in the following assumptions:

- Euro/Rand exchange rate.
- Euro denominated selling price of squid per kilogram.
- Growth rate used to extrapolate cash flows beyond the budget period.
- Gross margin during the budget period, being five years.
- Revenue growth rate over the budget period, being five years.

The recoverable amount of the Talhado Group of companies has also been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management. The table below depicts the key inputs and assumptions used in the value in use computation:

Input	Assumption
Discount rate %	16.65%
Number of years	5
Terminal growth rate	4.5%
Revenue average growth rate	13%
Gross margin	43%

Management has deemed all assumptions used to be reasonable. The 4.5% terminal growth rate within the target inflation band as set by the SA Reserve Bank. The revenue growth rate average of 13% is based over a period of five years, and is largely dependent on sales volumes met. in conjunction with selling prices per kilogram and forecasted exchange rates.

Management also believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

Computer software

The computer software relates to the costs incurred in the implementation of SAP Business One accounting software. During the year under review, the cost of the software was scrapped as the SAP Business One accounting software was not implemented.

7. INVESTMENTS IN SUBSIDIARIES

The following table lists the entities which are controlled by the Group indirectly through subsidiaries. The percentage of voting power is the same as the percentage of shareholding.

Name of subsidiary	Effective % held 2021	Effective % held 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	Acquaculture
Premfresh Seafoods Proprietary Limited	100.00	100.00	Sales and Marketing
Talhado Fishing Enterprises Proprietary Limited*	50.31	50.31	Fishing
Dazzalle Traders Proprietary Limited*	56.84	56.84	Fishing
Rupestris Investments Proprietary Limited*	60.22	60.22	Fishing
Manicwa Fishing Proprietary Limited*	50.25	50.25	Fishing
MB Fishing Ventures Proprietary Limited*	76.10	77.61	Fishing
Robberg Seafreeze Proprietary Limited*	50.25	50.25	Fishing
Lurama 166 Proprietary Limited	100.00	100.00	Fishing
John Quality Proprietary Limited	100.00	100.00	Dormant
John Ovenstone Proprietary Limited	100.00	100.00	Dormant
Kuttlefish Proprietary Limited	100.00	100.00	Dormant
Seagro Fertilisers 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
Fish Drying Corporation Proprietary Limited	100.00	100.00	Dormant
Southern Ocean Fishing Proprietary Limited	100.00	100.00	Dormant

* *Please refer to the below table for information on subsidiaries with non-controlling interest.*

8. SUBSIDIARIES WITH NON-CONTROLLING INTERESTS

The following table lists the subsidiaries which have non-controlling interests. The percentage of voting power is the same as the percentage of shareholding.

Name of subsidiary	Effective % held by Premier 2021	% held by non-controlling interest 2021	Effective % held by Premier 2020	% held by non-controlling interest 2020
Talhado Fishing Enterprises Proprietary Limited	**50.31%**	**49.69**	50.31	49.69
Dazalle Traders Proprietary Limited	**56.84%**	**43.16**	56.84	43.16
Rupestris Investments Proprietary Limited	**60.22%**	**39.78**	60.22	39.78
Manicwa Fishing Proprietary Limited	**50.25%**	**49.75**	50.25	49.75
MB Fishing Proprietary Limited	**76.10%**	**23.90**	77.61	22.39
Robberg Seafreeze Proprietary Limited and its subsidiary*	**50.25%**	**49.75**	50.25	49.75

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

8. SUBSIDIARIES WITH NON-CONTROLLING INTERESTS (CONTINUED)

The following table shows the profit or loss allocated to non-controlling interests and the accumulated non-controlling interests as at year-end. The percentage of voting power is the same as the percentage of shareholding.

Name of subsidiary 2021	Place of business	Profit/(loss) allocated to non-controlling interests R'000	Accumulated non-controlling interests R'000
Talhado Fishing Enterprises Proprietary Limited	South Africa	**7 762**	**44 140**
Dazalle Traders Proprietary Limited	South Africa	**3 500**	**8 534**
Rupestris Investments Proprietary Limited	South Africa	**679**	**1 221**
Manicwa Fishing Proprietary Limited	South Africa	**201**	**593**
MB Fishing Proprietary Limited	South Africa	**235**	**979**
Robberg Seafreeze Proprietary Limited and its subsidiary	South Africa	**824**	**1 260**
		13 199	**56 725**

Name of subsidiary 2020	Place of business	Profit/(loss) allocated to non-controlling interests R'000	Accumulated non-controlling interests R'000
Talhado Fishing Enterprises Proprietary Limited	South Africa	2 585	36 378
Dazalle Traders Proprietary Limited	South Africa	(216)	5 034
Rupestris Investments Proprietary Limited	South Africa	(144)	542
Manicwa Fishing Proprietary Limited	South Africa	(53)	392
MB Fishing Proprietary Limited	South Africa	61	711
Robberg Seafreeze Proprietary Limited and its subsidiary	South Africa	152	436
		2 385	43 493

The following shows the summarised financial information about the assets, liabilities and profit or loss of the subsidiaries with non-controlling interests for the 2021 financial year:

	2021 R'000	2020 R'000
Talhado Fishing Enterprises Proprietary Limited		
Revenue	**172 651**	117 578
Operating profit	**25 528**	12 991
Profit after tax	**17 473**	10 764
Non-current assets	**30 261**	31 643
Current assets	**68 606**	32 998
Total assets	**98 867**	64 641
Non-current liabilities	**12 642**	13 482
Current liabilities	**36 020**	18 430
Total liabilities	**48 662**	31 912
Net assets	**50 205**	32 729

8. SUBSIDIARIES WITH NON-CONTROLLING INTERESTS (CONTINUED)

	2021 R'000	2020 R'000
Dazzalle Traders Proprietary Limited		
Revenue	**34 430**	22 506
Operating profit	**10 251**	89
Profit after tax	**8 107**	(309)
Non-current assets	**13 125**	12 680
Current assets	**17 862**	8 412
Total assets	**30 987**	21 092
Non-current liabilities	**10 616**	8 663
Current liabilities	**1 370**	1 500
Total liabilities	**11 986**	10 163
Net assets	**19 001**	10 929
Rupestris Investments Proprietary Limited		
Revenue	**8 115**	5 132
Operating profit	**2 165**	236
Profit after tax	**1 706**	203
Non-current assets	**2 689**	2 657
Current assets	**3 870**	2 228
Total assets	**6 559**	4 885
Non-current liabilities	**1 957**	1 605
Current liabilities	**239**	622
Total liabilities	**2 196**	2 227
Net assets	**4 363**	2 658
Manicwa Fishing Proprietary Limited		
Revenue	**5 061**	2 725
Operating profit	**489**	(390)
Profit after tax	**403**	(265)
Non-current assets	**2 072**	2 095
Current assets	**885**	393
Total assets	**2 957**	2 488
Non-current liabilities	**254**	97
Current liabilities	**339**	431
Total liabilities	**593**	528
Net assets	**2 364**	1 960

8. SUBSIDIARIES WITH NON-CONTROLLING INTERESTS (CONTINUED)

	2021 R'000	2020 R'000
MB Fishing Proprietary Limited		
Revenue	**6 289**	3 071
Operating profit	**1 299**	(489)
Profit after tax	**981**	(332)
Non-current assets	**2 398**	2 481
Current assets	**1 766**	403
Total assets	**4 164**	2 884
Non-current liabilities	**1 674**	1 264
Current liabilities	**414**	531
Total liabilities	**2 088**	1 795
Net assets	**2 076**	1 089
Robberg Seafreeze Proprietary Limited and its subsidiary		
Revenue	**7 767**	5 134
Operating profit	**2 081**	948
Profit after tax	**1 656**	729
Non-current assets	**6 631**	5 219
Current assets	**3 470**	1 620
Total assets	**10 101**	6 839
Non-current liabilities	**2 604**	2 596
Current liabilities	**1 951**	364
Total liabilities	**4 555**	2 960
Net assets	**5 546**	3 879

9. JOINT ARRANGEMENTS

Joint operations

The following joint operations are material to the Group:

Joint operation	Country of operation	% ownership interest 2021	2020
Premier – BCP Hake	South Africa	**48**	48
Premier – Seacat	South Africa	**50**	50
Bloudam	South Africa	**–**	38

The Premier – BCP Hake Joint Operation is a jointly-controlled operation with Blue Continental Products Proprietary Limited. The operation is engaged in the catching, processing and marketing of Premier Fishing SA Proprietary Limited's hake fishing rights together with that of the joint operation partner.

The Premier – Seacat Joint Operation is a jointly controlled operation with Seacat Fishing Proprietary Limited. Premier Fishing SA Proprietary Limited and Seacat Fishing Proprietary Limited jointly own and operate a fishing vessel which catches and processes squid.

9. JOINT ARRANGEMENTS (CONTINUED)

The Bloudam Joint Operation is a jointly controlled operation in which Premier Fishing SA Proprietary Limited owns a share in a fishing vessel with external quota holders. The fishing vessel catches WCRL on behalf of Premier Fishing SA Proprietary Limited and the external quota holders. The Bloudam Joint Operation was dissolved during the year under review.

Joint ventures

The following table list the joint venture in the Group:

Name of company	% ownership interest 2021	% ownership interest 2020
Premier Select Proprietary Limited	**50**	50

Premier Select (Pty) Ltd is a dormant joint venture in which Premier Fishing owns a 50% equity share and was incorporated and operates principally in South Africa, and is principally involved in the processing of seafood. The investment in joint venture is measured using the equity method.

Summarised financial information of the joint venture

Summarised statement of comprehensive income

	2021 R'000	2020 R'000
Operating expenses	**(1)**	(1)
Loss before tax	**(1)**	(1)
Loss from continuing operations after tax	**(1)**	(1)
Total comprehensive loss	**(1)**	(1)

Summarised statement of financial position

	2021 R'000	2020 R'000
Assets		
Cash and cash equivalents	**1**	1
Trade receivables	**107**	107
Total assets	**108**	108
Liabilities		
Loans from shareholders	**722**	722
Trade payables	**45**	45
Total liabilities	**767**	767
Total net assets	**(659)**	(659)
Reconciliation of net assets to equity accounted investments in joint venture		
Interest in joint venture at percentage ownership	**(329)**	(329)
Cumulative unrecognised losses	**(329)**	329
Carrying value of investment in joint venture	**–**	–

The summarised information presented above reflects the financial position and results of the joint venture and includes an intercompany balance.

	2021 R'000	2020 R'000

10. LOANS TO HOLDING COMPANY

	2021 R'000	2020 R'000
African Equity Empowerment Investments Limited – loan 1	**105 263**	100 097
Interest is charged at the prime bank overdraft rate. The loan is unsecured and has no fixed terms of repayment. Premier Fishing SA Proprietary Limited has granted African Equity Empowerment Investments Limited an unconditional right to defer repayment of the outstanding amount for a period of at least 12 months after the statement of financial position date.		
	105 263	100 097

Credit quality of loans to holding company

The loans are advanced to the holding company for capital investment or working capital needs. The risk of default is based on the success of the holding company's trading. The risk of default on the loans is considered to be low and credit quality is considered high. No loans are past due and none are impaired. There has not been a significant increase in credit risk since initial recognition. In determining the amount of expected credit losses, the group 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.

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.

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

11. DEFERRED TAX

	2021 R'000	2020 R'000
Deferred tax comprises of the following:		
Property, plant and equipment	**(66 923)**	(61 151)
Fair value adjustments on other financial assets	**(2 793)**	(2 793)
Shipping allowance*	**(62 792)**	(58 141)
Prepaid expenses	**(738)**	(789)
Intangibles	**(4 768)**	(5 965)
Biological assets	**(26 855)**	(23 642)
Right-of-use assets	**(9 257)**	(13 870)
Income received in advance	–	292
Provisions	**2 976**	1 821
Credit loss	**16**	78
Lease liability	**11 574**	16 038
Farming expenses carried forward	**2 759**	–
Tax losses available for set-off against future taxable income	**37 365**	23 960
Limitation of deferred tax asset	**(5 216)**	–
Net deferred tax liability	**(124 652)**	(124 162)

11. DEFERRED TAX (CONTINUED)

	2021 R'000	2020 R'000
Reflected in the statement of financial position as follows:		
Deferred tax liability	**(124 674)**	(124 191)
Deferred tax asset	**22**	29
Total net deferred tax liability	**(124 652)**	(124 162)
Reconciliation of deferred tax asset/(liability)		
Balance at the beginning of the year	**(124 162)**	(118 972)
Accelerated capital allowances of property, plant and equipment	**(5 772)**	(1 826)
Tax loss available for set-off against future taxable income	**13 405**	2 560
Intangible assets	**1 197**	975
Operating lease liabilities	**–**	(69)
Income received in advance	**(292)**	252
Provisions	**1 155**	(1 118)
Fair value adjustment on biological assets	**(3 213)**	(3 838)
Shipping allowances	**(4 651)**	(4 307)
Prepaid expenses	**51**	(67)
Lease liability	**(4 464)**	16 039
Right-of-use assets	**4 613**	(13 870)
Allowance for credit loss	**(62)**	79
Farming expenses carried forward	**2 759**	–
Limitation of deferred tax asset adjustment	**(5 216)**	–
	(124 652)	(124 162)

Recognition of deferred tax asset

Deferred tax assets arising from tax losses have been recognized only to the extent that there are sufficient taxable temporary differences available in the same taxable entity which are expected to reverse. The unrecognized portion of the gross tax losses amounts to R 18.6 million (2020: R Nil). These tax losses do not expire.

12. BIOLOGICAL ASSETS

	Fair value less costs to sell 2021 R'000	2020 R'000
Abalone	95 910	84 436
	95 910	**84 436**

Abalone is weighed and graded into specific different size categories at regular intervals. A predicted growth rate for the abalone is determined based on the actual weight of the abalone which has been weighed and graded at the birth date of the abalone. As at the reporting date, a combination of graded figures and predicted figures (those awaiting their latest grade interval) is then used to determine the weight and graded size categories of the abalone. The value of the stock is then determined based on the market value of each grading size category for the abalone. All selling costs are excluded from fair values.

Point of sale costs includes all costs that would be incurred in order to get the abalone to the customer.

2021: (R'000) Reconciliation of biological assets	Opening balance	Purchases	Disposals	Changes in fair value, births and deaths	Total
Abalone	**84 436**	**–**	**(14 610)**	**26 084**	**95 910**

2020: (R'000) Reconciliation of biological assets	Opening balance	Purchases	Disposals	Changes in fair value, births and deaths	Total
Abalone	70 729	990	(19 563)	32 280	84 436

Non-financial information

	2021 R'000	2020 R'000
Quantities of biological assets		
Abalone – Kgs	**260 484**	229 464

Methods and assumptions used in determining fair value

For more information, refer to note 39.

13. INVENTORIES

	2021 R'000	2020 R'000
Finished goods	**15 251**	11 685
Raw materials and components	**11 799**	14 648
Consumables	**7 032**	7 846
	34 082	**34 179**
Cost of sales comprising:		
Cost of materials	**177 628**	120 993
Inventory movement	**(97)**	(254)
Production costs	**205 826**	175 491
	383 357	**296 230**

There were no inventory written down and recognised as an expense during the year under review.

Finished goods include inventory held at net realisable value of Rnil (2020: Rnil).

14. TRADE AND OTHER RECEIVABLES

	2021 R'000	2020 R'000
Trade receivables	**44 606**	69 095
Amounts receivable from other quota holders	**1 520**	8 090
Amounts receivable from related parties	**6 984**	10 526
Provision for expected credit loss	**(99)**	(497)
Trade receivables at amortised cost	**53 011**	**87 214**
Deposits	**3 721**	3 921
Insurance claims receivable	**–**	284
Accrued interest	**94**	131
Other receivables	**1 095**	549
Non-financial instruments		
Value added tax	**2 964**	6 301
Employee costs in advance	**522**	642
Prepayments	**2 709**	1 728
	64 116	**100 770**

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	**57 921**	**92 099**
Non-financial instruments	**6 195**	**8 671**
	64 116	**100 770**

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due. In order to mitigate the risk of financial loss from defaults, the group only deals with reputable customers with consistent payment histories. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

Expected credit loss

The group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables. The Group measures the lifetime expected credit loss allowance for trade receivables by applying a provision matrix as permitted by IFRS 9 and presented below. Trade receivables are categorised based on specific characteristics, for example geographical area and business type. The provision matrices have been developed by making use of judgement and past default experience of debtors but also incorporate forward-looking information such as the likelihood of default by the debtor and general economic conditions of the industry as at the reporting date. Macroeconomic factors affecting customer's ability to settle the amounts outstanding include the ongoing energy crisis in South Africa, the GDP in South Africa and various other factors. The estimation techniques that have been applied in the current financial period are consistent to that of the prior period.

	2021 R'000	2020 R'000
Age analysis of trade receivables:		
Current	**28 313**	39 617
30 – 60 days*	**3 020**	(1 177)
60 days to 90 days	**128**	763
90 days and older	**13 145**	29 892
Total	**44 606**	69 095

Group	2021 Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	2020 Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
0 – 30 days (2021: 0.51%, 2020: 0.17%)	**32 209**	**35**	39 617	70
30 – 60 days (2021: 1,83%, 2020: 0.53%)*	**3 011**	**–**	(1 177)	(6)
60 – 90 days (2021: 0.46%, 2020: 0.51 %)	**92**	**–**	763	4
90 days and older (2021: 0.91%, 2020: 0.52%)	**9 294**	**64**	29 892	429
	44 606	**99**	69 095	497

All other receivables included in the reconciliation above are not expected to have material expected credit losses as they do have the same characteristics as trade receivables in the normal course of business. Furthermore, credit risk for these other receivables are very low.

* *These negative amounts pertains to customers who paid in advance to goods being shipped to them*

The bad debts to the value at R 18 188 million was written off in the current financial year.

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

	Group 2021	Group 2020
Opening balance	**(497)**	(469)
Loss allowance recognised during the year	**398**	(28)
Closing balance	**(99)**	(497)

Exposure to currency risk

The net carrying amounts, in Rand, of trade and other receivables are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date, where applicable

	Group 2021	Group 2020
Currencies		
Rand	**17 496**	45 192
US Dollar	**17 710**	23 794
Euro	**9 400**	109
Total	**44 606**	69 095

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to their short term nature and that they are at arm's-length.

The Group does not hold any collateral as security.

15. OTHER FINANCIAL ASSETS

	Group 2021	Group 2020
Loans and receivables		
Premier Seacat Joint Venture	**2 684**	1 720
The loan is unsecured, bears no interest and has no fixed terms of repayment.		
Saggitarius Fisheries	**60**	14
The loan is unsecured, bears no interest and has no fixed terms of repayment.		
Engeli Finance Solutions Proprietary Limited	**138**	–
The loan is unsecured, bears no interest and has no fixed terms of repayment.		
Mnyameni Fishers Close Corporation	**172**	–
The loan is unsecured, bears no interest and has no fixed terms of repayment.		
BM Visserye Bpk	**–**	111
The loan is unsecured, bears no interest and has no fixed terms of repayment.		
Afrinat Proprietary Limited		
The loan is unsecured, bears no interest and has no fixed terms of repayment.	**500**	350
Total other financial assets	**3 554**	2 195
Fair value of loans and receivables	**3 554**	2 195

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:	2021 R'000	2020 R'000
Cash on hand	**73**	72
Bank balances	**106 973**	107 830
	107 046	107 902
Current assets	**107 046**	107 902
	107 046	107 902

Securities for the prior year:

- unlimited guarantee by African Equity Empowerment Investments Limited supported by a cession of loan accounts;
- cession of debtors and USD customer foreign currency accounts;
- Special Notarial Bond Number BN23802/2008 for R3 450 000 over fishing vessels Southern Knight and Southern Horizon;
- General Notarial Bond Number BN23803/2008 for R50 000 000 over stock, moveable assets, plants and equipment and vessel equipment;
- unlimited guarantee by Premfresh Seafoods Proprietary Limited, supported by cession of loan accounts;
- First Maritime Bond registered over the following vessels:

	R'000
Southern Star	2 200
Portia 1	5 800
Ebhayi	5 482
Southern Fighter	2 100
Southern Knight	1 600
Southern Horizon	1 850
Mizpah	1 900
Lubbetje	1 200

- Second Maritime Bond registered over the following vessels:

Mizpah	6 100
Lubbetje	4 400

- General Notarial Bond BN69433/2002 for R5 000 000 over all movable assets.
- Marine Bond for R5 000 000 over Motorship Silver Taurus Official Number 49605.
- Marine Bond for R5 000 000 over Motorship Silver Dorado Official Number 49701.
- Marine Bond for R4 000 000 over Motorship Silver Champion Official Number 40401.
- Marine Bond for R5 750 000 over Motorship Silver Eagle Official Number 40904.
- First Marine bond for R7 200 000 and Second marine bond for R4 387 500 over Motorship Silver Arrow Official Number 41003.
- Cession of debtors and customer foreign currency accounts.
- Limited suretyship for R10 000 000 by Dazzalle Traders Proprietary Limited, excluding cession of loan account.
- Limited suretyship by Dazzalle Traders Proprietary Limited, including cession of loan account, supported by:

16. CASH AND CASH EQUIVALENTS (CONTINUED)

  - Marine Bond for R5 500 000 over Motorship Silver Laguna; Official number 40805
  - Marine Bond for R6 100 000 Motorship Maverick; Official number 40807
  - Marine Bond for R4 750 000 Motorship Zingela; Official number 10210
  - Marine Bond for R4 000 000 Motorship Lazarus; Official number 49903
- Cession of loan account in Dazzalle Traders Proprietary Limited, limited to R9 500 000.
- Cession of insurance policy issued by Zurich Short-Term Stock policy over stock held at cold store 315. Port Elizabeth harbour and Adamant Jetty.
- Cession of insurance policy issued by Zurich Short Term Stock policy number SA COM 4131169 over stock held at cold store Port Elizabeth harbour and Adamant Jetty; Policy number DMK 2012/14 over marine cargo (all stock on board).
- Cession of insurance policy issued by Lloyd's Cargo Cover policy over marine stock.
- Cession of insurance policy issued by Industrial and Domestic Risk Services (Cape) Proprietary Limited policy number B0518M091146 over the hull.
- Cession of insurance policy issued by Lloyd's (Arthur J Gallagher International). Policy number B0518M91146

Limited suretyship of R19 500 000 by Dazzalle Traders Proprietary Limited including cession of loan account.

Facilities:

- Primary Lending: R74 650 000
- Financial Guarantees: R682 000
- Forward Exchange Contracts: R15 000 000
- Foreign Exchange Settlement Limit: R60 000 000
- The temporary increase of R30 000 000 in the primary lending facility is available to the Borrower until 25 April 2020, whereafter the facility will revert to R44 650 000.

Security currently held by the Bank:

- Limited suretyship for R15 000 000 by The Standur Trust including cession of loan account.
- Limited suretyship for R5 000 000 by the Dino Moodlaley Family Trust, including cession of loan account.
- Limited suretyship for R2 500 000 by The Sanbourne Trust (Trust Number IT 4395/1995), including cession of loan account.
- Limited suretyship for R2 500 000 by Patrick Mbiko Family Trust (Trust Number 1043/1995), including cession of loan account.
- Limited suretyship for R2 500 000 by Scofish Proprietary Limited, including cession of loan account.
- Cession by the Borrower of its loan account in Trautman Fishing Enterprise Close Corporation.
- Cession by the Borrower of its loan account in BMC Fisheries Close Corporation, limited to R1 200 000.

Credit quality of cash at bank and short-term deposits, excluding cash on hand

Cash and cash equivalents are held with Bidvest Bank, Standard Bank and Nedbank. These are all reputable banking institutions and their credit quality is considered to be high.

	2021 R'000	2020 R'000
Credit rating		
Absa Bank Limited Baa3	–	103 310
Bidvest Bank Limited	**10**	
Nedbank Limited Baa3	**99 499**	827
Standard Bank Limited BB+	**7 464**	3 670
First National Bank Limited BB+	–	23
Total	**106 973**	**107 830**

17. STATED CAPITAL

	2021	2020
Authorised		
2 000 000 000 ordinary shares of no par value	**2 000 000 000**	2 000 000 000
Issued		
260 000 000 ordinary shares of no par value	**260 000 000**	260 000 000

Issued capital		R'000
260 000 000 ordinary shares of no par value	**507 517**	507 517
Total stated capital	**507 517**	507 517

The authorised and issued share capital and authorised share capital have remained unchanged during the current year. Every shareholder is entitled to vote on matters to be decided by shareholders, participate proportionally in any distribution made by the Company and receive proportionally the net assets of the Company upon its liquidation.

18. RESERVES

	2021 R'000	2020 R'000
Capital Redemption Reserve Fund	**8 014**	8 014

A capital redemption reserve fund arose when a subsidiary had a share buy-back in the prior years.

19. OTHER FINANCIAL LIABILITIES

	2021 R'000	2020 R'000
Absa Bank Limited – Asset Finance	–	26
The interest rates charged on the loans at 31 August 2020 are: 7%		
The loan was settled in full during the financial year		
The loan was secured by motor vehicles with a carrying value of (2020: R111 673) and vessels with a carrying value of (2020: R22 966 557). See note 3.		
Absa Bank Limited – Revolving Loan	–	439
Interest rate of 7.00% was charged on the loan for the year ending 31 August 2020. The loan balance was settled in full during the financial year.		
C Van Rij	**1 277**	1 342
The loan is unsecured bears interest at the SARS fringe benefit rate on the base value and has no fixed terms of repayment.		
Absa Bank Limited – Project Finance	–	1 423
The interest rate charged on the loan is (2020: 7.025%). The loan balance was settled in full during the financial year.		
Mnyameni Fishers CC		
The loan balance was settled in full during the financial year.	–	34
Total	**1 277**	3 264
Non-current liabilities		
At amortised cost	–	439
Current liabilities		
At amortised cost	**1 277**	2 825
Total	**1 277**	3 264

Fair value of other financial liabilities

The carrying value of these borrowings approximates its fair value due to its short-term nature, and that it is settled at arm's-length.

	2021 R'000	2020 R'000

20. POST-EMPLOYMENT MEDICAL COSTS

	2021 R'000	2020 R'000
Opening balance	**261**	237
Increase in provision for medical aid benefits	**15**	24
Closing balance	**276**	261

This is a provision for medical aid costs of retired employees. The provision is calculated taking into account the current medical aid contribution, the years life expectancy of the employees and a discount rate of 6% to calculate the present value of the obligation.

21. TRADE AND OTHER PAYABLES

	2021 R'000	2020 R'000
Trade payables	**43 763**	38 570
Amounts due to related parties	**1 467**	61
Payroll accruals	**2 952**	3 797
Accrued expenses	**8 758**	9 149
Amounts due to other quota holders	**2 252**	5 711
Accrued audit fees	**633**	556
Accrued leave pay	**2 762**	2 778
Payroll accruals for related parties	**428**	2 817
Non-financial instruments		
Contract liability	**–**	1 068
Value added taxation	**265**	517
	63 280	**65 024**

22. PROVISIONS

	2021 R'000	2020 R'000
Total provisions	**6 950**	3 593

Reconciliation of provisions

2021 (R'000)	Opening balance	Additions	Utilised during the year	Total
Bonus provision	3 531	6 799	(3 531)	6 799
Provision for commission	62	151	(62)	151
	3 593	6 950	(3 593)	6 950

22. **PROVISIONS** (CONTINUED)

Reconciliation of provisions

2020 (R'000)	Opening balance	Additions	Utilised during the year	Reversed during the year	Leave pay paid out	Total
Leave pay provision	2 404	3 226	(1 913)	(3 231)	**(486)**	**0**
Bonus provision	7 548	3 531	(7 548)	–	**–**	**3 531**
Provision for commission	–	62	–	–	**–**	**62**
	9 952	6 819	(9 461)	(3 231)	**(486)**	**3 593**

Employee benefits in the form of annual leave entitlements are provided for when they accrue to employees with reference to services rendered up to the statement of financial position date. The leave provision was disclosed as leave accrual in the current and prior year. The above provision represents management's best estimate based on prior experience. The provision for bonuses is provided for when they accrue to employees with reference to services rendered up to the statement of financial position date. The provision for bonuses relates to discretionary bonuses paid to employees and the outflows of economic benefits will arise to the payment.

The commission provision relates to commission expenses payable to a sales agent. The actual sales price realised from which the commission is based on was not yet finalised at year-end. The provision represents management's best estimate based on expected market prices.

23. **REVENUE**

	2021 R'000	2020 R'000
Sale of goods and quota usage revenue	**534 239**	427 933
Rendering of services	**25 351**	11 939
Cold storage rental revenue	**15 525**	14 022
	575 115	453 894

Disaggregation of revenue from contracts with customers

We have determined that the categories used by major products can be used to meet the objective of the disaggregation of revenue disclosure requirement, which is to disaggregate revenue from contracts with customers into categories that depict how the nature, amount timing and uncertainty of revenue and cash flows are affected by economic factors.

The segmental analysis illustrates the disaggregation disclosure by primary geographical markets and major product lines.

The group has assessed that the disaggregation of revenue by operating segments is appropriate in meeting this disclosure requirement, as this is the information regularly reviewed by the chief decision-maker, in order to evaluate the financial performance of the entity. Refer to the segmental report for further detail around the sale of goods and quota usage revenue for each operating segment.

	2021 R'000	2020 R'000
Total revenue from contracts with customers	**571 508**	448 693
Timing of revenue recognition		
At a point in time		
Sale of goods and quota usage revenue	**534 239**	427 933
Rendering of services	**25 351**	11 939
Over time		
Cold storage rental revenue	**15 525**	14 022
Total revenue from contracts with customers	**575 115**	453 894

	2021 R'000	2020 R'000

24. COST OF SALES

	2021 R'000	2020 R'000
Sale of goods	**177 628**	126 194
Manufactured goods:		
Raw materials consumed	**25**	–
Employee costs	**95 973**	72 308
Depreciation and impairment	**13 453**	18 782
Manufacturing expenses	**96 278**	84 147
	383 357	**301 431**

25. OTHER OPERATING INCOME

	2021 R'000	2020 R'000
Administration and HR fees received	**154**	970
Training refunds received	**–**	501
Other rental income	**94**	347
Sundry income	**544**	2 082
Fuel rebates received	**5 377**	5 780
Discount received	**1 249**	127
Insurance proceeds received	**2 605**	378
	10 023	**10 185**

26. OPERATING PROFIT

	2021 R'000	2020 R'000
Operating profit for the year is stated after accounting for the following:		
Management fees expenses to the holding company	**6 263**	3 348
(Gain)/loss on foreign exchange	**5 111**	(3 255)
Amortisation on intangible assets	**850**	9 675
Depreciation and impairment on property, plant and equipment and rights of use assets	**27 112**	33 041
Bad debts	**18 188**	4 966
Employee costs	**155 804**	114 907
Storage costs	**3 752**	5 201
Fair value gain on biological assets	**1 058**	(12 707)
Repair and maintenance	**13 952**	13 615
Boat fuel	**15 491**	12 124
Professional and consulting fees	**7 663**	3 400

27. INVESTMENT REVENUE

	2021 R'000	2020 R'000
Interest income		
Other related party loans	**33**	–
Bank	**1 694**	5 347
Loans to holding company	**7 164**	8 662
Outside quota holders	**30**	602
Commissioner of revenue	**60**	–
Total investment revenue	**8 981**	14 611

	2021 R'000	2020 R'000

28. FINANCE COSTS

	2021 R'000	2020 R'000
Bank	**587**	3 053
Leases	**4 452**	6 331
Late payment of tax	**210**	49
Total finance costs	**5 249**	9 433

29. TAXATION

	2021 R'000	2020 R'000
Major components of the tax expense		
Current		
Local income tax – current year	**13 869**	4 685
Local income tax – recognised in current tax for prior periods	**(123)**	(598)
Total current tax	**13 746**	4 087
Deferred (refer to note 11)		
Originating and reversing temporary differences	**491**	6 958
Total deferred tax	**491**	6 958
Total tax expense	**14 237**	11 045
Reconciliation of the tax expense		
Reconciliation between the applicable tax rate and the average effective tax rate.		
Applicable tax rate	**28.00%**	28.00%
Donations and fines disallowed	**0.09%**	0.29%
Consulting and legal fees disallowed	**7.85%**	1.74%
Interest expense disallowed	**0.01%**	0.04%
Adjustments to prior year tax expense	**1.39%**	–
JSE listing fees capital in nature - disallowed	**3.23%**	6.12%
Prior year under provision for tax	**3.18%**	1.87%
Amortisation disallowed	**0.80%**	–
Learnerships	**-1.91%**	(0.52%)
Prior year income tax adjustment	**9.65%**	(2.26%)
Tax losses limitation	**28.61%**	28.06%
Effective tax rate	**80.90%**	63,34%

	2021 R'000	2020 R'000
30. CASH GENERATED FROM OPERATIONS		
Profit before taxation	**17 587**	17 430
Adjustments for:		
Depreciation, impairment and amortisation	**29 065**	42 716
Loss on sale of assets	**1 367**	7
Interest income	**(8 982)**	(14 611)
Finance costs	**5 251**	9 433
Gain on foreign exchange	**4 919**	(3 255)
Allowance for expected credit loss	**(399)**	497
Gain from ceding lease	**(2 007)**	
Movements in operating lease liability	**(7 211)**	(245)
Movements in post-employment medical costs liability	**15**	24
Movements in provisions	**3 362**	(6 359)
Fair value adjustment on biological assets	**(11 474)**	(12 717)
Bad debts	**18 188**	4 966
Non-cash movement in financial assets	**(989)**	3 390
Changes in working capital:		
Inventories	**97**	(2 749)
Trade and other receivables	**18 020**	2 125
Trade and other payables	**(13 817)**	(6 040)
Cash generated from operations	**52 992**	34 612

	2021 R'000	2020 R'000
31. TAX PAID		
Balance at beginning of the year	**3 938**	(8 752)
Current tax for the year recognised in profit or loss	**(13 746)**	(4 087)
Balance at end of the year	**(4 733)**	3 938
Tax paid	**(14 541)**	727

32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group – 2021	Opening balance	Additions	Total non-cash movements	Cash movements	Closing balance
Leases	**57 282**	**–**	**(14 051)**	**(1 893)**	**41 338**
Other financial liabilities	**3 264**	**–**	**35**	**(2 022)**	**1 277**
	60 546	**–**	**(14 016)**	**(3 915)**	**42 615**

Group – 2020	Opening balance	Additions	Total non-cash movements	Cash movements	Closing balance
Leases	–	63 446	63 446	(6 164)	57 282
Other financial liabilities	6 576	–	6 576	(3 312)	3 264
	6 576	63 446	70 022	(9 476)	60 546

The group ceded a lease contract for the property situated at Waterway house in the current year. The lease was expected to terminate on 31 August 2024. The significant non cash outflow adjustment in lease liability for the current year include the reduction to lease liability resulting from the lease ceded.

33. COMMITMENTS

	2021 R'000	2020 R'000
Authorised capital expenditure		
Not yet contracted for and authorised by directors	**32 000**	20 000
This committed expenditure relates to the abalone farm expansion. The expenditure will be financed by available finance resources.		

34. EARNINGS PER SHARE

Earnings per share (EPS) is derived by dividing the earnings attributable to equity holders of the Company by the weighted average number of ordinary shares.

	2021 cents	2020 cents
Basic and diluted earnings per share	**(3.79)**	1.54

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2021 R'000	2020 R'000
Earnings attributable to owners of Premier Fishing and Brands Limited	**(9 849)**	4 001
Weighted average number of shares (000)	**260 000**	260 000

34. EARNINGS PER SHARE (CONTINUED)

Headline earnings per share

Headline earnings is determined as follows:	Gross	2021 R'000 Net	Gross	2020 R'000 Net - Restated
Earnings attributable to owners of Premier Fishing and Brands Limited		**(9 849)**		4 014
Adjusted for:				
Effect of loss on derecognition of property, plant and equipment gross of tax	**1 452**	**1 048**	7	4
Insurance income	–	–	(378)	(270)
Impairment of property, plant and equipment	–	–	945	945
Impairment of loans	–	–	2 521	1 810
Headline earnings		**(8 801)**		6 503

	2021 cents	2020 cents
Basic and diluted headline earnings per share	**(3.39)**	2.49

35. 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 adjustments to the annual financial statements.

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 adjustments to the annual financial statements.

36. RELATED PARTIES

Relationships

Ultimate holding company	African Equity Empowerment Investments Limited
Subsidiaries	Refer to note 6
Joint ventures and joint operations	Refer to note 7
Fellow subsidiaries	Sekunjalo Health Care Limited
	Ribotech Proprietary Limited
	Sekpharma Proprietary Limited
	Bioclones Proprietary Limited
	esp Afrika Proprietary Limited
	Emergent Energy Proprietary Limited
	Afrinat Proprietary Limited
	Tripos Tourism Investments Proprietary Limited
	Magic 828 Proprietary Limited
	Tripos Travel Investments Proprietary Limited
	Kalula Communications Proprietary Limited
	Integrated Bioworks Proprietary Limited
	MCI South Africa Proprietary Limited
	Cosmetic Orleans Proprietary Limited
	Repassen 56 Proprietary Limited
	Health Systems Technologies Proprietary Limited
Controlled common entity	Cape Sunset Villas Close Corporation
	Independent News and Media Proprietary Limited
	African News Agency Proprietary Limited
	Independent Online Property Joint Venture Proprietary Limited
	Global Command Proprietary Limited
	Insights Publishing Proprietary Limited
	African Technology and Media Holdings Proprietary Limited
	African News Agency Publishing Proprietary Limited
	AYO Technology Solutions Limited
Other related to reporting entities	C Van Rij
	Mnyameni Fishers CC
Directors	R Isaacs
	Brent Robertson
	S Young
	I Amod (resigned)
	AB Amod
	RP Mosia
	CL Van der Venter
	V Dzvova
	Adv. N Ramatlhodi
	SP Mngconkola
Members of key management	Brent Robertson
	Shaun Bhana
	Shaun Solomons
	Rushaan Isaacs
	Jean-Pierre Coetzer

36. RELATED PARTIES (CONTINUED)

	2021 R'000	2020 R'000
Related party balances		
Loan receivable from holding company (refer to note 10)		
African Equity Empowerment Investments Limited	**105 263**	100 097
Loans receivables relating to joint ventures (refer to note 15)		
Afrinat Proprietary Limited	**500**	350
Premier Seacat Joint Venture	**2 684**	1 720
Loans receivables from related parties		
Patrick Mbiko Family Trust	**375**	–
Scofish Prorietary Limited	**468**	–
Amounts receivable from holding company (refer to note 14)		
African Equity Empowerment Investments Limited	**–**	438
Amounts receivable from fellow subsidiaries (refer to note 14)		
espAfrika Proprietary Limited	**–**	23
Health Systems Technologies Proprietary Limited	**–**	802
Independent News and Media Proprietary Limited	**364**	359
Magic 828 Proprietary Limited	**53**	45
Independent Online Property Joint Venture Proprietary Limited	**–**	88
Ribotech Proprietary Limited	**–**	64
Sekpharma Proprietary Limited	**–**	3
Tripos Tourism Investments Proprietary Limited	**604**	79
Afrinat Proprietary Limited	**1 270**	1 105
Kalula Communications Proprietary Limited	**–**	121
MCI South Africa Proprietary Limited	**–**	2
Amounts receivable relating to joint ventures		
BCP Hake Joint Venture	**1 951**	7 042
Premier Seacat Joint Operation	**486**	174
Loans payable to other related parties (refer to note 19)		
C Van Rij	**1 277**	1 342
Mnyameni Fishers CC		34
Health System Technologies Proprietary Limited	**–**	1
Afrinat Proprietary Limited	**10**	59
Amounts payable to holding company		
African Equity Empowerment Investments Limited*	**1 456**	–
Related party transactions		
Interest received from holding company (refer to note 10)		
African Equity Empowerment Investments Limited	**7 164**	8 662
Consumables purchased from fellow subsidiaries		
Afrinat Proprietary Limited	**98**	120
Management fee expense to holding company		
African Equity Empowerment Investments Limited*	**6 263**	3 438

***Terms of the AEEI management fee expense and related payable**

This is computed at an agreed percentage on consolidated revenue which covers services granted by African Equity Empowerment Investments Limited to Premier Fishing and Brands Limited. Major services include advisory, taxation, strategic planning, marketing and communications.

36. RELATED PARTIES (CONTINUED)

	2021 R'000	2020 R'000
Human resource fees income received (refunded) from fellow subsidiaries		
Magic 828 Proprietary Limited	–	75
Independent News and Media Proprietary Limited	–	11
Health System Technologies Proprietary Limited	–	177
Tripos Tourism Investments Proprietary Limited	–	16
African Equity Empowerment Investments Limited	–	78
Kalula Communications Proprietary Limited	–	34
Afrinat Proprietary Limited	–	52
Orleans Cosmetics Proprietary Limited	–	96
Global Command Proprietary Limited	–	182
Human resource fees income received from fellow associates		
Computer expenses paid to fellow subsidiaries		
Health System Technologies Proprietary Limited	–	32
Rent paid to related parties		
Cape Sunset Villas Close Corporation	–	905
Sales to fellow subsidiary		
Afrinat Proprietary Limited	**1 439**	1 545
Administration fees received in relation to joint operations		
Premier Seacat Joint Venture	**90**	90
Scofish Proprietary Limited	**1 701**	1 151
Advertising expenses paid to fellow subsidiaries		
Independent News and Media Proprietary Limited	**116**	–
African News Agency Publishing Proprietary Limited	**14**	–
Commission received in relation to joint venture		
Premier Seacat Joint Venture	**127**	124
Vessel usage fees received in relation to joint ventures		
BCP Hake Joint Venture	**1 277**	397
Dividends paid to holding company		
African Equity Empowerment Investments Limited	**7 310**	14 620

Related-party relationships exist between shareholders, subsidiaries, and joint operation companies, directors and other related people within the group. These transactions are concluded in the normal course of business. All intergroup transactions are eliminated on consolidation. The amounts outstanding are unsecured and will be settled in cash.

	2021 R'000	2020 R'000
Compensation to directors and other key management		
Short term employee benefits	**7 035**	9 310
Post employment benefits	**653**	764
	7 688	10 074

36. RELATED PARTIES (CONTINUED)

Directors' interests in shares 2021	Direct beneficial	Indirect beneficial	Indirect non-beneficial	Total percentage
Salim Young	50 000			0.02%
Clifford van der Venter	36 500			0.01%
*Aziza Amod			4 500	
	86 500	–	4 500	0.03%

Directors' interests in shares 2020	Direct beneficial	Indirect beneficial	Indirect non-beneficial	Total percentage
Salim Young	50 000	–	–	0.02%
Clifford van der Venter	36 500	–	–	0.01%
Ismet Amod	22 222	–	–	0.01%
*Khalid Abdulla	50 000	175 000	–	0.09%
*Aziza Amod	–	–	4 500	0.00%
	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: 0.13%) of the issued share capital.

* *Aziza Amod and Khalid Abdulla have an indirect interest in shares of 4 500 (2020: 179 500) shares which equates to 0.0001% (2020: 0.07%) of total issued shares. This relates to shares held by their associates, and has been disclosed as per the JSE Listing requirements. The directors shareholdings did not change between the end of the financial year and date of approval of annual financial statements.*

37. GROUP SEGMENTAL ANALYSIS

The information reported for the purposes of assessment of segment performance and resource allocation focuses on the products sold or services rendered by the Group. No operating segments have been aggregated in arriving at the reportable segments of the Group. Services revenue segments are as disclosed in Renenue note 23 under; Rendering of Services and Cold Storage rental revenue.

The Group's reportable segments under IFRS 8 are as follows:

Fishing:
- Lobster
- Pelagics
- Hake
- Squid

Aquaculture:
- Aquaculture
- Seagro

Services:
- Processing and marketing
- Cold storage

37. GROUP SEGMENTAL ANALYSIS (CONTINUED)

	Segment revenue		Segment profit	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Lobster	170 723	165 703	28 301	40 140
Pelagics	93 530	70 675	24 985	20 634
Hake	33 049	21 583	7 575	1 902
Squid	206 245	141 379	62 656	32 442
Aquaculture	35 108	26 785	(6 183)	(1 853)
Cold storage	10 412	8 821	3 105	2 730
Seagro	10 155	7 009	4 797	3 444
Processing and marketing	15 893	11 939	8 278	225
Total	**575 115**	453 894	**133 514**	99 664
Administration and support services			(119 989)	(100 129)
Fair value gains			1 058	12 717
Interest income			8 255	14 611
Finance costs			(5 251)	(9 433)
Total revenue and profit before tax	**575 115**	453 894	**17 587**	17 430

Segment profit represents the profit before tax earned by each segment without the allocation of central administration costs, fair value adjustments, interest income and finance costs. This is the measure that is reported to the CODM for the purposes of assessment of segment performance and resource allocation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

	2021 R'000	2020 R'000
Segment assets		
Lobster	66 877	83 920
Pelagics	108 882	112 907
Hake	5 030	7 832
Squid	162 587	161 577
Aquaculture	325 046	307 097
Cold store	1 465	1 077
Seagro	3 840	3 653
Processing and marketing	1 610	18 950
Administration and support services	323 910	327 367
Total segmental assets	**999 247**	1 024 380
Unallocated	22	29
Consolidated total assets	**999 269**	1 024 409
Segment liabilities		
Lobster	12 241	22 115
Pelagics	9 929	4 759
Hake	5 098	4 114
Squid	14 239	10 799
Aquaculture	16 331	6 591
Processing and marketing	2 723	9 862
Administration and support services	53 455	71 781
Total segmental liabilities	**114 016**	130 021
Unallocated	124 674	124 191
Consolidated total liabilities	**238 690**	254 212

37. GROUP SEGMENTAL ANALYSIS (CONTINUED)

For the purposes of monitoring segment performances and resource allocations between segments all assets are allocated to reportable segments other than deferred tax assets. Goodwill is allocated to reportable segments as described in note 4. All liabilities are allocated to reportable segments other than current and deferred tax liabilities.

	Depreciation and amortisation		Additions to property, plant and equipment	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Lobster	**3 933**	6 744	**6 255**	15 095
Pelagics	**7 404**	5 140	**6 226**	13 575
Hake	**71**	–	**2 815**	–
Squid	**8 079**	19 611	**3 103**	2 102
Aquaculture	**3 830**	2 041	**15 500**	31 714
Cold store	**32**	32	**–**	–
Seagro	**43**	43	**–**	–
Processing and marketing	**2**	2	**–**	–
Administration and support services	**4 988**	9 103	**1 243**	2 924
Total	**28 382**	42 716	**35 142**	65 410

Geographical information

The Group operates in South Africa.

The Group's revenue from external customers by location of the customers is detailed below:

	2021 R'000	2020 R'000
United States of America	**120 521**	122 404
Europe	**239 595**	159 753
Far East	**66 399**	58 421
South Africa	**148 600**	113 316
Total revenue	**575 115**	453 894

Information about major customers

There are two major customers that have provided more than 10% of the company's revenue. These two customers pertain to 2 separate sectors and are shown below:

	2021	2020	Segment
Customer 1	R138 million	R118 million	Lobster
Customer 2	R68 million	R71 million	Pelagic

38. DIRECTORS' EMOLUMENTS

Executive directors

2021	Salary R'000	Bonus R'000	Provident fund R'000	Travel allowance R'000	Total R'000
R Isaacs	2 048	540	239	–	2 827
B Robertson	1 457	252	166	–	1 875
	3 505	**792**	**405**		**4 702**
2020					
MS Saban	1 314	1 374	113	–	2 801
R Isaacs	1 489	206	164	–	1 859
B Robertson	1 180	240	139	–	1 559
I Moosa	189	22	32	–	243
	4 172	1 842	448	–	6 462

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

Non-executive directors

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

* *A Amod board fees include an amount received for consulting services.*

Directors emoluments for services to other group companies

2021	Salary R'000	Bonus R'000	Provident Fund R'000	Medical Aid R'000	Expense allowances R'000	Directors' fees R'000	Total R'000
V Dzvova	**2 038**	**–**	**284**	**81**		**–**	**2 403**
I Amod	**1 500**	**4 000**	**–**	**56**		**–**	**5 556**
K Abdulla	**4 335**	**408**	**583**	**91**		**4 000**	**9 417**
AB Amod	**–**	**–**	**–**	**–**		**1 928**	**1 928**
JS Van Wyk	**1 439**	**300**	**288**	**–**		**–**	**2 048**
	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

2021

Mrs V 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

38. DIRECTORS' EMOLUMENTS (CONTINUED)

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 director and consultant in AYO Technology Solutions Limited, and was further remunerated for services rendered as a director in Health Systems Technologies Proprietary Limited.

Emoluments for previous directors for services in other group companies

2020

Mr K Abdulla resigned from the board of Premier Fishing and Brands Limited in the current year and took up a position as Deputy chairman of AYO Technology Solutions Limited. His emoluments shown above are for his services to African Equity Empowerment Investments Limited 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
R Mosia	**809**	700
Adv 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.

39. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a number of financial risks: capital risk, liquidity risk, credit risk and market risk. Executive management has the overall responsibility for monitoring and controlling the risks.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for 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 Group consists of debt, which includes the borrowings disclosed in note 19 and equity as disclosed in note 17 and 18.

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

The Group 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 (including 'current and non-current borrowings' as shown in the statement of financial position). Total equity is represented in the statement of financial position. The net debt to equity percentage during 2021 was less than 15%. (2020: less than 17%)

39. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management

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

The Group also has trade receivables and cash equivalents denominated in foreign currencies which give rise to foreign exchange risk.

Liquidity risk

Liquidity risk is the risk that an entity in the Group will encounter difficulty in meeting obligations as they become due. The Group manages liquidity risk by effectively managing its cash flows and working capital. The Group meets its financing requirements through the use of cash generated from operations as well as short- and long-term borrowings. The Group has sufficient undrawn borrowing facilities which could be utilised to settle obligations.

Maturity profiles

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

Group – 2021	Notes	Less than 1 year	1 to 2 years	Total	Carrying amount
Current liabilities					
Trade and other payables	21	**63 280**	**–**	**63 280**	**63 280**
Borrowings	19	**1 277**	**–**	**1 277**	**1 277**
		64 557		**64 557**	**64 557**
Group – 2020					
Non-current liabilities					
Borrowings*	19	–	439	439	439
Current liabilities					
Trade and other payables	21	65 024	–	65 024	65 024
Borrowings	19	2 825	–	2 825	2 825
		67 849	439	68 288	68 288

* *These amounts pertain to amounts to be settled in excess of a 12-month period, and approximate fair value as any discounting on these amounts are considered to be immaterial.*

The Group has no significant concentration of liquidity risk.

Credit risk

Credit risk consists mainly of trade receivables, cash and cash equivalents and loans from holding company and other financial assets.

Trade receivables are comprised of a widespread customer base. Before any new customer is approved for credit, management requests a thorough credit check to be performed by an external credit rating agency. The agency provides credit scores and credit ratings on each customer. In addition to that a recommended credit limit is provided by the credit agency.

Additional internal ratings and credit limit checklist procedures are performed by management before a final credit limit is approved to our customers. Management also performs ongoing credit evaluations of the financial condition of all customers.

On a continuous basis, management monitors the performance of each customer against their credit limit to ensure that no credit limits are exceeded. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

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

39. FINANCIAL RISK MANAGEMENT (CONTINUED)

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

The maximum exposure to credit risk at period end were as follows:

Group	Notes	2021 Gross carrying amount	2021 Credit loss allowance	2021 Amortised cost/fair value	2020 Gross carrying amount	2020 Credit loss allowance	2020 Amortised cost/fair value
Loans to holding company	9	**105 263**	**–**	**105 263**	100 097	–	100 097
Trade and other receivables	13	**64 215**	**(99)**	**64 116**	93 280	(497)	92 783
Cash and cash equivalents	15	**107 046**	**–**	**107 046**	107 902	–	107 902
		276 524	**(99)**	**276 425**	301 279	(497)	300 782

Refer to notes 10, 14, 15 and 16 for further detail in relation to credit risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

(a) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign exchange risk arising from currency exposures with respect to the US Dollar and the Euro. Foreign exchange risk arises from recognised trade receivables balances and foreign currency bank accounts.

All export sales are invoiced in US dollar and Euro currencies and are paid directly into the group companies bank accounts, this mitigates the risk of a fluctuating exchange rate as currency conversion is reduced to a minimal.

Foreign currency balances

The Group had the following foreign currency denominated assets and liabilities at the reporting date:

	US Dollar '000	Euro '000
At 31 August 2021		
Trade debtors	**17 710**	**9 400**
Total		
At 31 August 2020		
Trade debtors	2 120	109
Cash and cash equivalents	–	154
Total	**2 121**	**263**

39. FINANCIAL RISK MANAGEMENT (CONTINUED)

Exchange rates used for conversion of foreign items were:	US Dollar	Euro
At 31 August 2021	**14.475**	**17.06**
At 31 August 2020	16.94	20.22

The Group reviews its foreign currency exposure, including commitments on an ongoing basis. The Group does not have any foreign currency denominated liabilities. The exchange rates used were sourced from Nedbank Group Limited foreign exchange rates.

Foreign currency sensitivity analysis

The following table shows the impact on the Group's profit after tax if there was a 10% weakening in the rand against the US dollar and the euro. For a 10% stronger Rand there would be an equal and opposite impact on profit after taxation. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at financial year-end for a 10% weaker rand, with all other variables held constant. The same % movement of 10% has been used in the current year as compared to the prior year, and management has deemed it to be reasonable.

Increase in profit after tax	2021 R'000	2020 R'000
US dollar	**1 296**	5 014
Euro	**0**	495

(b) Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk. The Group does not have financial instruments with fixed interest rates.

Our debt is comprised of loans that have interest rates which are linked to the prime rate. The current debt is not significant and the Group has not hedged against changes in the prime rate.

In respect of financial assets, the Group invests cash at floating rates of interest and cash reserves are maintained in short-term investments (less than one year) in order to maintain liquidity, while achieving a satisfactory return for shareholders.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Average effective interest rate		Carrying amount	
Group	2021	2020	2021	2020
Variable rate instruments:				
Assets				
Borrowings – Absa Revolving loan	**0.00%**	0.07	**0**	439
Borrowings – Absa Asset Finance	**0.00%**	10.50 – 11.75%	**0**	26
Borrowings – Absa Project finance loan	**0.000%**	7.03%	**0**	1 423
Loans to Group companies – AEEI loan 1	**0.07**	0.07	**105 263**	100 097
			105 263	**101 985**

39. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate sensitivity analysis

The following table shows the impact on the Group's profit after tax if interest rates were 2.5% higher or lower as at the reporting date (2020: 2.5% higher or lower). The sensitivity analysis includes the financial assets and financial liabilities balances with variable interest rates at financial year-end, with all other variables held constant. The 2.5% change was deemed reasonable in the current year due to the current economic climate experienced in the 2020 financial year as opposed to the prior year.

	2021 R'000	2020 R'000
Impact on profit after tax		
Increase of 2.5% (2020: 2.5%)	**1 129**	(698)
Decrease of 2.5% (2020: 2.5%)	**(1 129)**	698

Biological assets

The Group is exposed to financial risks arising from any diseases that may affect the abalone. Farm equipment used for the storage of abalone is thoroughly cleaned and inspected on a daily basis. The Abalone farming operations are managed by personnel with many years of experience from working on the farm and cleaning of basket equipment is monitored daily by experienced managers. Sufficient insurance cover is taken out to minimise any losses in the event of the above occurring.

40. FAIR VALUE INFORMATION

The Group 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 that the group 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.

The following table shows assets measured at fair value at reporting date.

Asset	Fair value at 31 August 2021 R'000	Fair value at 31 August 2020 R'000	Valuation method	Significant inputs	Fair value hierarchy
Biological assets	**95 910**	84 436	Quoted market prices for farmed abalone less estimated point of sale costs	Quoted market prices for abalone of similar size and foreign exchange rate	**Level 3**

40. FAIR VALUE INFORMATION (CONTINUED)

Reconciliation of assets measured at level 3

	Opening balance R'000	Changes in fair value, births and deaths R'000	Sales R'000	Purchases R'000	Transfers to inventory R'000	Closing balance R'000
At 31 August 2021						
Biological assets – Abalone	**84 436**	**26 084**	**(14 610)**	**0**	**0**	**95 910**
At 31 August 2020						
Biological assets – Abalone	70 729	32 280	(19 563)	990	–	**84 436**

Gains and losses recognised in profit or loss for biological assets are included in cost of sales in the Statement of Comprehensive Income.

The value of abalone is calculated by taking into account the selling price of the abalone, less costs associated with the sale. The selling price ranged between $28/kg–$33/kg. The 30–60 grams ranges between $28/kg–$29/kg. The 70–150 grams ranges between $29.5/kg–$32/kg. International freight cost is $5kg. The average packaging costs were $15.23/kg. The net selling price less costs to sell is then applied to the total weight of the abalone per size category as at year-end with other inputs such as weight loss of the abalone and the USD foreign currency spot rate. The potential effect of using reasonably possible alternative assumptions in the valuation, based on a change in the most significant input by 1% while holding all other variables constant, is shown in the following table:

	Impact on profit after tax 1% increase R'000	1% decrease R'000
Weight	**620**	(620)
USD spot rate	**648**	(648)
International freight	**(136)**	136
Packaging and processing	**(29)**	29

Valuation processes applied by the Group

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

41. GOING CONCERN

The directors believe that the Group 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 Group is in a sound financial position and has access to 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 Group. 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 Group. 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.

42. PROFIT FORECAST

In accordance with paragraph 8.63(g) of the JSE Limited (JSE) Listings Requirements, the audited results of the current period differ by less than 20% from the comparative period financial statements as a result of the economic effects brought by the COVID-19 pandemic.