



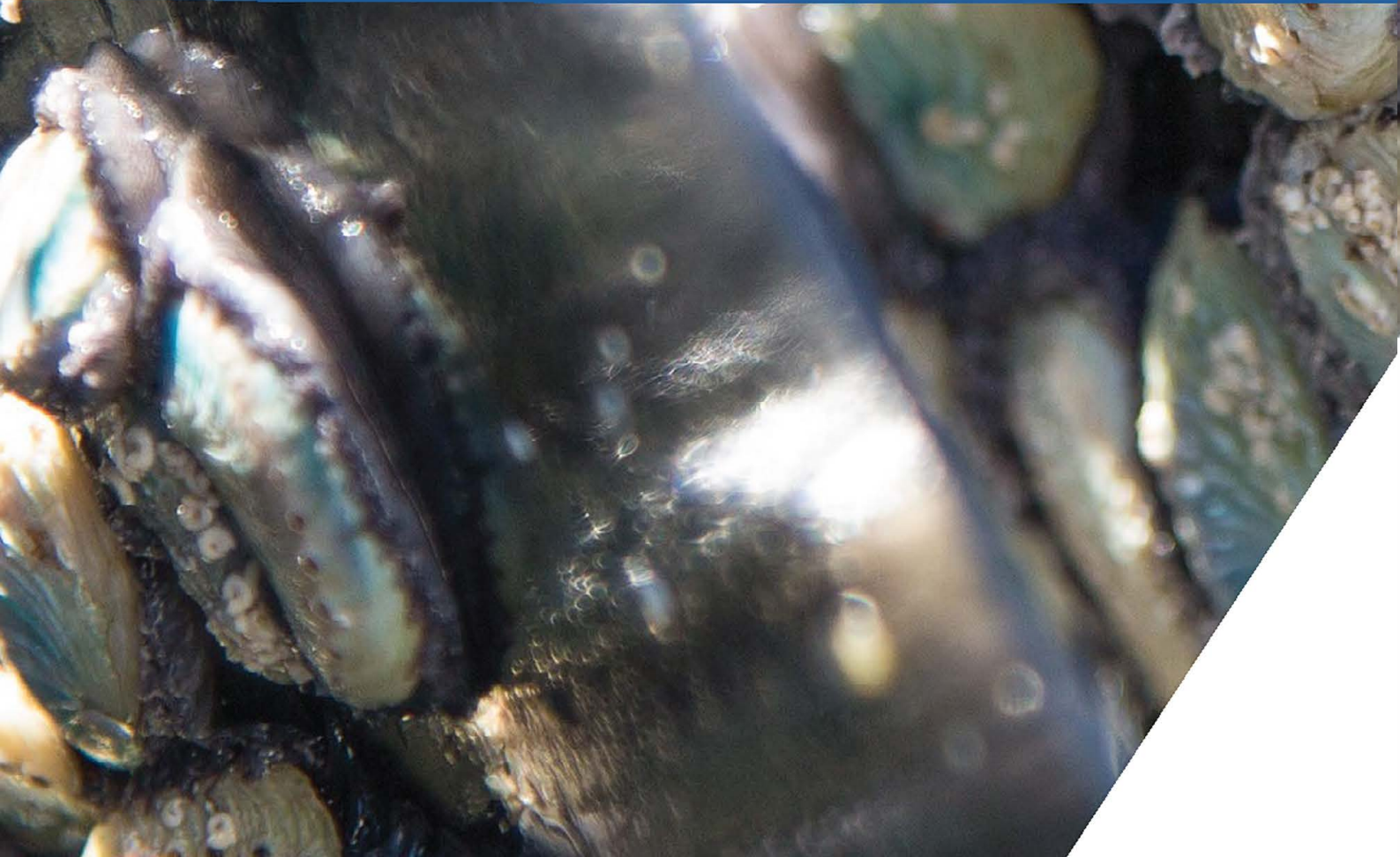
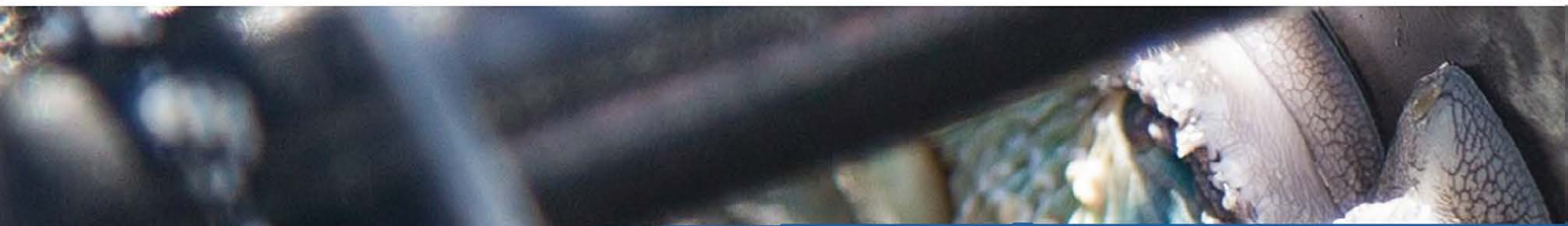
Premier Fishing & Brands Limited

The First Choice

Group Annual Financial Statements 2022



**A proudly South African
Fishing Company**



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

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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

23 December 2022

AUDIT AND RISK COMMITTEE REPORT

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

The audit and risk committee is consisted of 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	4 / 4
Advocate Ngoako Ramatlhodi	BA Law (NUL), LLB (NUL), MSc (UZ)	8 August 2018	Independent non-executive	0 / 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	3 / 4
Valentine Dzvoza*	BCom Accounting UCT, CA (SA)	17 August 2020	Non-executive	2 / 4

*V Dzvoza resigned as a member of the Audit and Risk Committee on 28 April 2022.

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 2022 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 2022 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 2022 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 9.

The key audit matters were:

- 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 2022 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

23 December 2022

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 9 of this report.

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

- the annual financial statements set out on pages 14 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 14 to 72 which have been prepared on the going-concern basis, were approved by the board of directors on 23 December 2022. The consolidated annual financial statements are signed on the directors' behalf by:



Sooren Koomar Roy Ramdenee

Chief executive officer

23 December 2022



Brent Robertson

Chief financial officer

23 December 2022

COMPANY SECRETARY'S CERTIFICATION

Cornell Kannemeyer continued in office as the company secretary for the 2022 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 2022, 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

23 December 2022

INDEPENDENT AUDITOR'S REPORT

23 December 2022

Independent Auditors' Report

To the Shareholders of Premier Fishing and Brands Limited and its subsidiaries

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 14 to 72, which comprise the consolidated statement of financial position as at 31 August 2022, 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 2022, 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 2022, amounted to approximately R70 129 000 and the carrying value of intangible assets with indefinite useful lives as at 31 August 2022 amounted to approximately R17 160 000. 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;
- 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);
- 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 of 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 15 (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; and
- We assessed the disclosures made for compliance with International Financial Reporting Standards.

INDEPENDENT AUDITOR'S REPORT

(CONTINUED)

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 2022", "Premier Fishing and Brands Limited Company Annual Financial Statements for the year ended 31 August 2022" 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 2022". 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 third time in the current year.



THAWT Incorporated

C du Toit
Partner
Registered Auditor
Monte Vista, Cape Town, 7460
23 December 2022



Crowe JHB

G Kartsounis
Partner
Registered Auditor
Sandown, Johannesburg, 2196
23 December 2022

The directors have pleasure in submitting their report which forms part of the consolidated annual financial statements for the year ended 31 August 2022.

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 38 – 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.

COVID-19 effect on going concern

Since the outbreak of COVID-19, The Group was placed under certain financial pressures. A number of interventions have been put in place to mitigate these financial pressures and as such, the Board of Directors believe that the Group still has adequate financial resources to continue in operation for the near future and accordingly these financial statements for the year ended 31 August 2022 have been prepared on a going concern basis.

FRAP (Fishing Rights Application Process)

The FRAP was officially concluded during March 2022. The Group's applications were scored and rated based on the quality of how we operated the fishing rights, the efficiency and usage of the assets and resources, investment into the vessels and the management of the entire crew over the past 15 years. Other areas where ratings were given include job creation, corporate social investment, transformation, and other societal benefits. The Group scored very well in all its major applications as we submitted strong applications.

The Group is pleased to announce that the Department of Agriculture, Forestry and Fishing ("DAFF") granted the Group all its fishing rights for the next 15 years in March 2022, in all the sectors below:

- South Coast Rock Lobster
- Anchovies
- Pilchards
- Squid
- Hake Deep Sea
- Hake Longline

The Group is monitoring closely the ongoing situation that is developing on the conflict between Russian and Ukraine which has an impact on the global business activities as this plays a big role in availability of resources affecting all sectors. The supply of energy resources has already been affected by the ongoing conflict, the group will continue its operations as a going concern and there has been no significant changes that affect the future operations of the group.

5. EVENTS AFTER THE REPORTING PERIOD

Share subscription binding agreement

Shareholders holding securities in Premier Fishing and Brands Limited ("PFB") and African Equity Empowerment Investments Limited respectively are advised that Premier Fishing SA Proprietary Limited ("PFSA"), a wholly owned subsidiary of PFB entered into a binding subscription agreement where PFSA will subscribe for 607 Ordinary shares of Talhado Fishing Enterprises Limited ("Talhado") for a subscription price of R95,000,000 and Talhado will enter into a binding share repurchase agreement to subscribe for 607 Scofish Proprietary Limited ("Scofish") shares, for a Repurchase price of R95,000,000.

Lease contract termination – Head office premises

The lease term for the premises located at the V&A Waterfront, the group head offices, were revised after year end and a new lease contract was signed effective 1 December 2022. The effect of the lease contract cancellation on the reported financial statements are that a lease liability and right of use assets reported on the statement of financial position will be written off to a nil value in the next financial year. Details of the lease are disclosed in the group financial statements, refer to note 21.

The effects of the lease termination as at 1 December 2022 will be as follows:

Accounting implications	R'000
Right of use asset write off	27 671
Lease liability write off	38 756
Net gain on write off	11 085
Deferred tax adjustment at effective rate of 27%	2 993
Net effect -increase in profit after tax	8 092

6. SHARE CAPITAL

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

7. DIVIDEND PER SHARE

There were no dividends declared and paid to the shareholders in the current financial year. (2021: Dividends of 5 cents per share were declared and paid).

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.

DIRECTORS' REPORT

(CONTINUED)

10. DIRECTORATE

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

Directors	Office	Designation	Date of appointment	Date of resignation
SKR Ramdenee*	Chief executive officer	Executive	1 June 2022	
R Isaacs*	Sales and marketing director	Executive		
B Robertson	Chief financial officer	Executive		
AB Amod	Non-executive chairperson	Non-executive		
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		

* Mrs R Isaacs resigned as the group Chief Executive Officer on 30 May 2022 and was appointed as the Sales and Marketing director effective of 1 June 2022.

* Mr SKR Ramdenee a Mauritian nationality, was appointed as the group Chief Executive Officer effective of 1 June 2022.

* 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

2022

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	–	–	–	26 722	0.01
Total	86 500	–	–	26 722	0.04

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	–	–	–	26 722	0.01
Total	86 500	–	–	26 722	0.04

During the year, the directors held in aggregate a direct beneficial interest of 86 500 (2021: 86 500) in the company's shares, equivalent to 0.03% (2021: 0.03%) of the issued share capital.

* Aziza Amod has an indirect interest in shares of 26 722 (2021: 26 722) shares which equates to 0.01% (2021: 0.01%) 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% (2021: 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 2022 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:

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 23 February 2022 are as follows:

- Remuneration for non-executive directors.
- 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 2022

	Notes	2022 R'000	2021 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	465 332	463 283
Right-of-use assets	4	46 838	33 061
Goodwill	5	70 129	70 129
Intangible assets	6	17 160	17 175
Loans to holding company	10	44 820	105 261
Deferred tax	11	19	22
		644 298	688 931
Current assets			
Inventories	12	41 618	34 082
Trade and other receivables	13	67 363	64 116
Other financial assets	14	4 421	3 554
Current tax receivable		2 744	5 630
Biological assets	15	83 073	95 910
Cash and cash equivalents	16	164 627	107 046
		363 846	310 338
Total assets		1 008 144	999 269
EQUITY AND LIABILITIES			
Equity			
Stated capital	17	507 517	507 517
Reserves	18	8 014	8 014
Retained income		202 922	188 323
Equity attributable to shareholders of Premier		718 453	703 854
Non-controlling interests		40 896	56 725
Total equity		759 349	760 579
Liabilities			
Non-current liabilities			
Post-employment medical aid costs	20	291	277
Lease liabilities	21	53 163	39 342
Deferred tax	11	126 354	124 674
		179 808	164 293
Current liabilities			
Trade and other payables	22	58 737	63 280
Other financial liabilities	19	1 084	1 277
Current tax payable		96	895
Lease liabilities	21	4 936	1 995
Provisions	23	4 134	6 950
		68 987	74 397
Total liabilities		248 795	238 690
Total equity and liabilities		1 008 144	999 269



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 R'000	2021 R'000
Revenue	24	475 086	575 115
Cost of sales	25	(309 032)	(382 299)
Gross profit		166 054	192 816
Other operating income	26	38 775	10 023
Fair value loss on biological assets		(12 837)	(1 058)
Other operating expenses		(177 800)	(187 925)
Operating profit	27	14 192	13 856
Investment revenue	28	9 998	8 981
Finance costs	29	(5 623)	(5 250)
Profit before taxation		18 567	17 587
Taxation	30	(6 841)	(14 237)
Profit for the year		11 726	3 350
Other comprehensive income		-	-
Total comprehensive income for the year		11 726	3 350
Profit attributable to:			
Shareholders of Premier		14 599	(9 849)
Non-controlling interests		(2 873)	13 199
Total profit for the year		11 726	3 350
Total comprehensive income attributable to:			
Shareholders of Premier		14 599	(9 849)
Non-controlling interest		(2 873)	13 199
Total comprehensive income for the year		11 726	3 350
Earnings per share information			
Basic and diluted earnings/(loss) per share (cents)		5.62	(3.79)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2022

	Stated capital R'000	Capital Redemption 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 2020	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 1 September 2021	507 517	8 014	188 323	703 854	56 725	760 579
Profit for the year			14 599	14 599	(2 873)	11 726
Dividends paid			-	-	(12 956)	(12 956)
Balance at 31 August 2022	507 517	8 014	202 922	718 453	40 896	759 349
Notes	17	18				



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 R'000	2021 R'000
Cash flows from / (used in) operating activities			
Cash receipts from customers		466 351	583 829
Cash paid to suppliers and employees		(453 814)	(526 486)
Cash generated from operations	31	12 537	57 343
Interest income		1 939	1 818
Finance costs		(536)	(900)
Tax paid	32	(3 075)	(14 541)
Net cash from operating activities		10 865	43 720
Cash flows from / (used in) investing activities			
Additions to property, plant and equipment	4	(30 702)	(25 286)
Proceeds from sale of assets		259	–
Purchase of intangible assets	7	(9)	(24)
Loans to holding company repaid	10	68 500	2 000
Advances of financial assets		(700)	–
Net cash from/ (used in) investing activities		37 348	(23 310)
Cash flows from/ (used in) financing activities			
Repayment of other financial liabilities	33	(193)	(2 022)
Payment of lease liabilities	33	(2 400)	(1 893)
Dividends paid		(12 952)	(13 000)
Funding received from DTI – Grant income		30 000	–
Interest expense on lease liabilities		(5 087)	(4 351)
Net cash from / (used in) financing activities		9 368	(21 266)
Total cash movement for the year		57 581	(856)
Cash at the beginning of the year		107 046	107 902
Total cash at end of the year	16	164 627	107 046

SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL INFORMATION

Premier Fishing & Brands Limited is a company domiciled in South Africa. The consolidated annual financial statements as at and for the year ended 31 August 2022 comprise of "the Company", its subsidiaries, joint operation and joint ventures (collectively referred to as "the Group").

The principal accounting policies adopted in the preparation of these consolidated annual financial statements are set out below and have been applied consistently in all material respects to all periods presented in the consolidated annual financial statements except for the adoption of new standards effective during the current year.

1.1 Basis of preparation

The consolidated annual financial statements have been prepared on the historical-cost basis, except where otherwise stated and incorporate the principal 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 Statement of Compliance

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.

1.3 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.

1.4 Interest in joint ventures and joint operations

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 Interest in joint ventures and joint operations (continued)

Interest in joint operations

The Group as a joint operator recognises in relation to its interest in a joint operation:

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

1.5 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 properties 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.

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 properties 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.

Assets under construction are costs that are capitalised as work in progress on the improvements to leasehold properties. The capitalised costs are transferred to the relevant asset category once all improvements are finalised and completed. Assets under construction costs are depreciated only when work is completed, and depreciation is done according to the useful life of the asset category they are classified into.

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

Item	Average useful life
Land	Indefinite
Buildings	4 to 30 years
Leasehold properties	2 to 50 years
Plant and machinery	2 to 30 years
Furniture and fixtures	2 to 12 years
Motor vehicles	3 to 25 years
Office equipment	5 to 17 years
Computer equipment	1 to 3 years
Vessels	5 to 42 years

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.

FOR THE YEAR ENDED 31 AUGUST 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.6 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.

1.7 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 estimated remaining useful lives are reviewed at each reporting date.

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.

1.8 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; and
- other financial assets.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.8 Financial instruments (continued)

The Group's financial liabilities comprise:

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

Note 40 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.

Recognition and measurement

Loans to 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.

FOR THE YEAR ENDED 31 AUGUST 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.8 Financial instruments (continued)

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 1.24: *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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.9 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

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

Tax expenses

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

The current tax charge is the expected tax payable on the taxable income for the period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis using the standard costing method to value all products received from landings and some items of finished goods, while the weighted average methods are used to value some items from finished goods and consumable stores.

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.

Inventory also consists of canned abalone and is stated at the lower of cost and net realisable value. The cost of abalone finished goods is determined in accordance with IAS 41 as the fair value of the biological asset at point of harvest plus direct costs to completion. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable costs of completion and selling expenses.

Inventory of squid from the Talhado group is assigned using the weighted average cost formula. The cost of consumables inventory is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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

1.11 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.

An entity shall recognise a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Point-of-sale costs includes all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to the market.

FOR THE YEAR ENDED 31 AUGUST 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.11 Biological assets (continued)

In order to measure and value biological assets, management uses a growth-formula and drip-and-purge-loss factors to determine the weight of the animals at the reporting date, and a fair value less cost to sell per weight is determined and added together to get the total fair value less cost to sell of animals on the farm at the reporting date. The exchange rate and expected sales prices are significant factors in determining the fair value of biological assets.

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.

Refer to note 41 for the fair value of biological assets.

1.12 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.

1.13 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.

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. All lease contracts in place are discounted using interest rates implicit in the lease agreement.

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 29).

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.13 Leases (continued)

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.

1.14 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.

1.15 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.

1.16 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 environmentally 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.

FOR THE YEAR ENDED 31 AUGUST 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.16 Revenue from contracts with customers (continued)

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.

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.

1.17 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.

1.18 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.

1.19 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.

1.20 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 41 for further detail.

1.21 Dividends

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.22 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.

1.23 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 38 for the financial detail of how each operating segment has performed during the year under review.

1.24 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.

FOR THE YEAR ENDED 31 AUGUST 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 6 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.

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: <ul style="list-style-type: none"> – 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.

Fair value of 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. The key assumptions used in the calculation of the fair value of abalone and a sensitivity analysis are disclosed in note 41 of the consolidated financial statements.

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 37 Provisions, Contingent Liabilities and Contingent assets	<ul style="list-style-type: none"> 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
IAS 16 Property, Plant and Equipment	<ul style="list-style-type: none"> Property, Plant and Equipment: Proceeds before Intended Use. This prohibits an entity from deducting from 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Changes in Reference to the Conceptual Framework (Amendments to IFRS 3) update IFRS 3 so that it refers to the 2018 <i>Conceptual Framework</i> instead of the 1989 <i>Framework</i>; 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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

3. PROPERTY, PLANT AND EQUIPMENT

	2022			2021		
	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	145 295	(8 523)	136 772	145 295	(6 469)	138 826
Leasehold property	26 439	(16 674)	9 765	26 266	(15 763)	10 503
Plant and machinery	201 690	(108 132)	93 558	201 022	(104 482)	96 540
Furniture and fixtures	3 724	(2 650)	1 074	3 704	(2 461)	1 243
Motor vehicles	7 780	(5 744)	2 036	7 972	(5 547)	2 425
Office equipment	1 971	(1 161)	810	1 839	(1 029)	810
Computer equipment	2 016	(681)	1 335	2 258	(859)	1 399
Vessels	363 553	(164 180)	199 373	336 174	(143 726)	192 448
Assets under construction	17 977	–	17 977	16 457	–	16 457
Total	773 077	(307 745)	465 332	743 619	(280 336)	463 283

Reconciliation of property, plant and equipment

2022	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Land	2 632	–	–	–	–	2 632
Buildings	138 826	–	–	–	(2 054)	136 772
Leasehold property	10 503	173	–	–	(911)	9 765
Plant and machinery	96 540	571	–	96	(3 649)	93 558
Furniture and fixtures	1 243	20	–	–	(189)	1 074
Motor vehicles	2 425	118	(153)	–	(354)	2 036
Office equipment	810	132	–	–	(132)	810
Computer equipment	1 399	307	(172)	–	(244)	1 290
Vessels	192 448	27 765	(35)	–	(20 760)	199 418
Assets under construction	16 457	1 616	–	(96)	–	17 977
Total	463 283	30 702	(360)	–	(28 293)	465 332



3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
2021	R'000	R'000	R'000	R'000	R'000	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

Additions to Property plant and equipment

Furthermore to future commitment on expansion projects, the group has current work in progress pertaining to improvements that have been made on Leasehold properties at one of the operational sites. All current spending on the projects has been disclosed as Assets under construction, an amount of R15,5 million of the budgeted expenditure on improvements will be incurred in future in order to complete all improvements currently under construction. Refer to note 34 Commitments.

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

During the prior and current reporting period, the group assessed the useful lives of some of its property plant and equipment per below. The impact of the change is a reduction in the annual depreciation charge for the current year and future years of R5, 273million

- Office equipment changed to 5 – 17 years
- Motor vehicles changed to 5 – 21 years
- Fishing vessels changed to 5 – 42 years

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4. RIGHT-OF-USE ASSETS

	2022 R'000	2021 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:		
Balance as at 1 September	33 061	49 535
New leases contracted into during the year	19 162	–
Depreciation expense included in depreciation charge in profit and loss (note 27)	(5 385)	(5 784)
Derecognition of right-of-use assets*	–	(10 690)
Balance as at 31 August	46 838	33 061
<i>* The derecognition of the rights-of-use assets is as a result of a contractual lease that was taken over by the holding company.</i>		
Amounts recognised in profit and loss		
Interest expense on lease liabilities	5 088	4 452
Amounts recognised in statement of cash flows		
Total cash outflow for leases	7 487	6 244

The right-of-use assets recognised under the prescribed IFRS 16 accounting standards have corresponding lease liabilities recognised per the same standard and this has been disclosed separately in the consolidated financial statements. Refer to Note 21.

5. GOODWILL

	2022			2021		
	Cost R'000	Accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated impairment R'000	Carrying value R'000
Goodwill	83 334	(13 205)	70 129	83 334	(13 205)	70 129

Reconciliation of goodwill

	Opening balance R'000	Additions through business combination R'000	Closing balance R'000
2021 & 2022			
Goodwill	70 129	0	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 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 (Talhado) 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.



5. GOODWILL (CONTINUED)

The goodwill arose from the acquisition of an additional 50% shareholding in Premfresh Seafoods Proprietary Limited 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. 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. Goodwill has also been allocated to the Group's Abalone division which is categorised under Aquaculture segment.

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 in the 2021 financial year, 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.

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

	2022	2021
Aquaculture - Abalone division		
Discount rate %	18.28	17.30
Number of years*	5	5
Terminal growth rate %	4.50	4.50
Premier Fishing SA - squid and pelagic division		
Discount rate %	16.33	16.65
Number of years*	5	5
Terminal growth rate %	4.5	4.5
Talhado Squid - Fishing division		
Discount rate %	17.24	16.65
Number of years*	5	5
Terminal 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.

Allocation of goodwill to CGUs

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

	2022 R'000	2021 R'000
Abalone division	14 136	14 136
Talhado Squid – fishing division	51 964	51 964
Premier Fishing SA - squid and pelagic divisions	4 029	4 029
	70 129	70 129

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6. INTANGIBLE ASSETS

	2022			2021		
	Cost R'000	Accumulated amortisation R'000	Carrying value R'000	Cost R'000	Accumulated amortisation R'000	Carrying value R'000
Trademarks	308	(176)	132	299	(152)	147
Brand names	17 028	-	17 028	17 028	-	17 028
Computer software	-	-	-	1 853	(1 853)	-
Fishing quotas	-	-	-	33 668	(33 668)	-
Total	17 336	(176)	17 160	52 848	(35 673)	17 175

Reconciliation of intangible assets

2022	Opening balance	Additions	Amortisation	Total
	R'000	R'000	R'000	R'000
Trademarks	147	9	(24)	132
Brand names	17 028	-	-	17 028
	17 175	9	(24)	17 160

Reconciliation of intangible assets

2021	Opening balance	Additions	Amortisation	Disposals	Total Restated
	R'000	R'000	R'000	R'000	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

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.

6. INTANGIBLE ASSETS (CONTINUED)

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.

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 squid - fishing division	51 964	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 (i.e. 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 this is crucial as the group exports its squid to Europe customers.
- 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 %	17.24%
Number of years	5 years
Terminal growth rate	4.50%
Revenue average growth rate	37.98%
Gross margin	17%

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 37.98% 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 deems the revenue growth rate of 37,98% assumption used above to be reasonable for the following reasons:

- The squid sector catch rates for the 3 years have been volatile and not normal in the industry and
- Management expects the catch rates to return to a more normal amount based on historical evidence

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 2022	Effective % held 2021	Country of incorporation	Nature of business
Sekunjalo Food and Fishing Proprietary Limited	100.00	100.00	South Africa	Investment holding
Sekfish Investments Proprietary Limited	100.00	100.00	South Africa	Investment holding
Premier Fishing SA Proprietary Limited	100.00	100.00	South Africa	Fishing
Marine Growers Proprietary Limited	100.00	100.00	South Africa	Aquaculture
Premfresh Seafoods Proprietary Limited	100.00	100.00	South Africa	Sales and Marketing
Talhado Fishing Enterprises Proprietary Limited*	50.31	50.31	South Africa	Fishing
Dazzalle Traders Proprietary Limited*	56.84	56.84	South Africa	Fishing
Rupestris Investments Proprietary Limited*	60.22	60.22	South Africa	Fishing
Manicwa Fishing Proprietary Limited*	50.25	50.25	South Africa	Fishing
MB Fishing Ventures Proprietary Limited*	76.10	76.10	South Africa	Fishing
Robberg Seafreeze Proprietary Limited*	50.25	50.25	South Africa	Fishing
Lurama 166 Proprietary Limited	50.25	50.25	South Africa	Fishing
John Quality Proprietary Limited	100.00	100.00	South Africa	Dormant
John Ovenstone Proprietary Limited	100.00	100.00	South Africa	Dormant
Kuttlefish Proprietary Limited	100.00	100.00	South Africa	Dormant
Seagro Fertilisers Proprietary Limited	100.00	100.00	South Africa	Dormant
Atlantic Fishing Enterprises Proprietary Limited	100.00	100.00	South Africa	Dormant
Chapman's Peak Fisheries Proprietary Limited	100.00	100.00	South Africa	Dormant
Fish Drying Corporation Proprietary Limited	100.00	100.00	South Africa	Dormant
Southern Ocean Fishing Proprietary Limited	100.00	100.00	South Africa	Dormant
Cape Marine Growers Proprietary Limited**	100.00	100.00	Namibia	Dormant
Whale Premier Fishing Proprietary Limited**	100.00	100.00	Namibia	Dormant
Premfresh Seafoods Namibia Proprietary Limited**	100.00	100.00	Namibia	Dormant
Talhado Fishing Enterprises Namibia Proprietary Limited**	100.00	100.00	Namibia	Dormant

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

** The group acquired these subsidiaries in the current financial year. These subsidiaries are all incorporated in the Republic of Namibia and are all dormant.



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 2022	% held by non-controlling interest 2022	Effective % held by Premier 2021	% held by non-controlling interest 2021
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	77.61%	22.39	76.10%	23.90
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.

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 2022	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	(1 488)	30 228
Dazalle Traders Proprietary Limited	South Africa	(828)	7 172
Rupestris Investments Proprietary Limited	South Africa	124	1 345
Manicwa Fishing Proprietary Limited	South Africa	(601)	(8)
MB Fishing Proprietary Limited	South Africa	(186)	793
Robberg Seafreeze Proprietary Limited and its subsidiary	South Africa	106	1 366
		(2 873)	40 896

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	7 760	44 138
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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8. SUBSIDIARIES WITH NON-CONTROLLING INTERESTS (CONTINUED)

The following shows the summarised financial information about the assets, liabilities and profit or loss of the subsidiaries with non-controlling interests for the 2022 financial year:

	2022 R'000	2021 R'000
Talhado Fishing Enterprises Proprietary Limited		
Revenue	80 318	172 651
Operating profit (loss)	(3 739)	25 528
Profit (loss) after tax	(1 931)	17 473
Non-current assets	46 014	30 261
Current assets	32 101	68 606
Total assets	78 115	98 867
Non-current liabilities	27 290	12 642
Current liabilities	27 551	36 020
Total liabilities	54 841	48 662
Net assets	23 274	50 205
Dazzalle Traders Proprietary Limited		
Revenue	16 266	34 430
Operating profit (loss)	(4 194)	10 251
Profit (loss) after tax	(1 920)	8 107
Non-current assets	11 572	13 125
Current assets	14 087	17 862
Total assets	25 659	30 987
Non-current liabilities	9 350	10 616
Current liabilities	2 427	1 370
Total liabilities	11 777	11 986
Net assets	13 882	19 001
Rupestris Investments Proprietary Limited		
Revenue	3 458	8 115
Operating profit	118	2 165
Profit after tax	312	1 706
Non-current assets	2 469	2 689
Current assets	4 186	3 870
Total assets	6 655	6 559
Non-current liabilities	1 812	1 957
Current liabilities	167	239
Total liabilities	1 979	2 196
Net assets	4 676	4 363



8. SUBSIDIARIES WITH NON-CONTROLLING INTERESTS (CONTINUED)

	2022 R'000	2021 R'000
Manicwa Fishing Proprietary Limited		
Revenue	2 064	5 061
Operating profit (loss)	(1 660)	489
Profit (loss) after tax	(1 207)	403
Non-current assets	2 115	2 072
Current assets	903	885
Total assets	3 018	2 957
Non-current liabilities	–	254
Current liabilities	1 862	339
Total liabilities	1 862	593
Net assets	1 156	2 364
MB Fishing Proprietary Limited		
Revenue	3 055	6 289
Operating profit (loss)	(1 186)	1 299
Profit (loss) after tax	(777)	981
Non-current assets	2 191	2 398
Current assets	864	1 766
Total assets	3 055	4 164
Non-current liabilities	1 313	1 674
Current liabilities	445	414
Total liabilities	1 758	2 088
Net assets	1 297	2 076
Robberg Seafreeze Proprietary Limited and its subsidiary		
Revenue	4 917	7 767
Operating profit (loss)	(68)	2 109
Profit after tax	228	1 685
Non-current assets	7 996	6 631
Current assets	4 084	3 470
Total assets	12 080	10 101
Non-current liabilities	2 529	2 604
Current liabilities	2 107	1 951
Total liabilities	4 636	4 555
Net assets	7 444	5 546

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9. JOINT ARRANGEMENTS

Joint operations

The following joint operations are material to the Group:

Joint operation	Country of operation	% ownership interest	
		2022	2021
Premier – BCP Hake	South Africa	48	48
Premier – Seacat	South Africa	50	50

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.

Joint ventures

The following table list the joint venture in the Group:

Name of company	% ownership interest	% ownership interest
	2022	2021
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

	2022 R'000	2021 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

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)



9. JOINT ARRANGEMENTS (CONTINUED)

	2022 R'000	2021 R'000
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.

10. LOANS TO HOLDING COMPANY

	2022 R'000	2021 R'000
African Equity Empowerment Investments Limited	44 820	105 263
The loan to African Equity Empowerment Investments Limited bears interest at the prime overdraft rate per annum, compounded monthly and repayment terms are negotiated from time to time as there is a deferral option		
	44 820	105 263

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 as the holding company's investments have indicated profitability and the business going concern is considered positive as of year end. Credit risk is considered minimal due to the fact that the holding company holds a portfolio of profitable investments as of year end. In determining the amount of expected credit losses, the group has taken into account any historic default experience, the financial positions of the holding company as well as the future prospects in the industries in which the invested entities operate in. 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

	2022 R'000	2021 R'000
11. DEFERRED TAX		
Deferred tax comprises of the following:		
Property, plant and equipment	(70 240)	(66 923)
Fair value adjustments on other financial assets	(2 693)	(2 793)
Shipping allowance	(65 393)	(62 792)
Prepaid expenses	(1 058)	(738)
Intangibles	(4 768)	(4 768)
Biological assets	(22 430)	(26 855)
Right-of-use assets	(2 698)	(9 257)
Provisions	1 959	2 976
Credit loss	50	16
Lease liability	5 738	11 574
Farming expenses carried forward	2 661	2 759
Tax losses available for set-off against future taxable income	37 193	37 365
Limitation of deferred tax asset	(4 656)	(5 216)
Net deferred tax liability	(126 335)	(124 652)
	2022 R'000	2021 R'000
Reflected in the statement of financial position as follows:		
Deferred tax liability	(126 354)	(124 674)
Deferred tax asset	19	22
Total net deferred tax liability	(126 335)	(124 652)
Reconciliation of deferred tax asset/(liability)		
Balance at the beginning of the year	(124 652)	(124 162)
Accelerated capital allowances of property, plant and equipment	(3 317)	(5 772)
Tax loss available for set-off against future taxable income	(172)	13 405
Intangible assets	-	1 197
Income received in advance	100	(292)
Provisions	(1 018)	1 155
Fair value adjustment on biological assets	4 425	(3 213)
Shipping allowances	(2 601)	(4 651)
Prepaid expenses	(320)	51
Lease liability	(5 836)	(4 464)
Right-of-use assets	6 559	4 613
Allowance for credit loss	35	(62)
Farming expenses carried forward	(98)	2 759
Limitation of deferred tax asset adjustment	560	(5 216)
	(126 335)	(124 652)

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 unrecognised portion of the gross tax losses amounts to R17,243 million (2021: R18.6 million). These tax losses do not expire.



	2022 R'000	2021 R'000
12. INVENTORIES		
Finished goods	8 254	4 275
Raw materials and components	14 829	11 799
Consumables	4 018	7 032
Aquaculture held for canning	6 078	8 127
Talhado squid	8 439	2 849
	41 618	34 082
Cost of sales comprising:		
Cost of materials	120 539	177 628
Inventory movement	7 536	(97)
Production costs	193 794	205 826
	321 869	383 357
There were no inventory written down and recognised as an expense during the year under review.		
No inventory was written down to net realisable value in the current and prior year.		
13. TRADE AND OTHER RECEIVABLES		
Trade receivables	47 446	44 606
Amounts receivable from other quota holders	3 361	1 520
Amounts receivable from related parties	6 482	6 984
Provision for expected credit loss	(145)	(99)
Trade receivables at amortised cost	57 144	53 011
Deposits	3 713	3 721
Insurance claims receivable	315	–
Accrued interest	–	94
Other receivables	211	1 095
Non-financial instruments		
Value added tax	3 215	2 964
Employee costs in advance	687	522
Prepayments	2 078	2 709
	67 363	64 116
Categorisation of trade and other receivables		
Trade and other receivables are categorised as follows in accordance with IFRS 9:		
Financial Instruments:		
At amortised cost	61 383	57 921
Non-financial instruments	5 980	6 195
	67 363	64 116

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.

Credit risk associated with outstanding balances with the group's related parties is considered low, this is due to the fact that the related parties pay off their accounts on monthly basis and any amounts that are overdue are follow-up and settled.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

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.

Group	2022		2021	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
0 – 30 days (2022: 0.12%, 2021: 0.51%)	48 803	56	32 209	35
30 – 60 days (2021: 1.04%, 2021: 1.83%)*	1 542	16	3 011	–
60 – 90 days (2022: 1.89%, 2021: 0.46%)	106	2	92	–
90 days and older (2022: 0.00%, 2021: 0.91%)	3 477	71	9 294	64
	53 928	145	44 606	99

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 R12,927 million was written off in the current financial year. A decision was taken at year end to write off the debts due to the customer relationship which had become strained.

Reconciliation of loss allowances

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

	Group 2022	Group 2021
Opening balance	(99)	(497)
Loss allowance recognised during the year	(46)	398
Closing balance	(145)	(99)

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

Currencies

Rand	39 449	17 496
US Dollar	14 153	17 710
Euro	326	9 400
Total	53 928	44 606

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.



14. OTHER FINANCIAL ASSETS

Loans and receivables

Premier Seacat Joint Venture

The loan is unsecured, bears no interest and has no fixed terms of repayment.

3 011 2 684

Saggitarius Fisheries

The loan is unsecured, bears no interest and has no fixed terms of repayment.

97 60

Engeli Finance Solutions Proprietary Limited

The loan is unsecured, bears no interest and has no fixed terms of repayment.

– 138

Mnyameni Fishers Close Corporation

The loan is unsecured, bears interest at prime overdraft rate and has no fixed terms of repayment.

15 172

Intsimbi Industrial Manufacturing Close corporation

The loan is unsecured, bears no interest and has no fixed terms of repayment.

56 –

Resionex Enterprise Development Proprietary Limited

The loan is unsecured, bears no interest and has no fixed terms of repayment.

232 –

Siyaloba Training Academy Non Profit Company

The loan is unsecured, bears no interest and has no fixed terms of repayment.

310 –

Afrinat Proprietary Limited

The loan is unsecured, bears no interest and is repayable on demand.

700 500

Total other financial assets

4 421 3 554

Fair value of loans and receivables

4 421 3 554

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

15. BIOLOGICAL ASSETS

	Fair value less costs to sell	
	2022 R'000	2021 R'000
Abalone	83 073	95 910
	83 073	95 910

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 deducted from fair values.

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

2022: (R'000)					Changes in fair value, births and deaths	
Reconciliation of biological assets	Opening balance	Harvests	Purchases	Disposals		Total
Abalone	95 910	(37 402)	–	–	24 565	83 073

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

Non-financial information

	2022 R'000	2021 R'000
Quantities of biological assets		
Abalone – Kgs	190 224	260 484

Fair value measurement and biological assets pledged as security

The fair value adjustment to biological assets relates to a mix of the physical changes in size, changes in market price, translated at the year-end exchange rate. A change in unobservable inputs would not have a significant change in fair value.

There are no biological assets pledged as security for debt.

Methods and assumptions used in determining fair value

For more information, refer to note 41.



16. CASH AND CASH EQUIVALENTS

	2022 R'000	2021 R'000
Cash and cash equivalents consist of:		
Cash on hand	31	73
Bank balances	88 557	106 973
Short term deposits	76 038	–
	164 626	107 046
Current assets	164 626	107 046
	164 626	107 046

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:
 - 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16. CASH AND CASH EQUIVALENTS (CONTINUED)

- 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:

- Financial Guarantees: R682 000
- Forward Exchange Contracts: R15 000 000
- Foreign Exchange Settlement Limit: R60 000 000

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 Moodaley 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 ABSA Bank, First National Bank, Bidvest Bank, Standard Bank, Trustlink, Bank of Namibia, Mercantile Bank and Nedbank. These are all reputable banking institutions and their credit quality is considered to be high.

	2022 R'000	2021 R'000
Credit rating		
Absa Bank Limited Baa3	19	–
Bidvest Bank Limited BB	1 281	10
Nedbank Limited Baa3	146 397	99 499
Standard Bank Limited BB+	626	7 464
First National Bank BB+	4 173	–
Trustlink BB+	10 813	–
Mercantile Bank, Bank of Namibia BB	1 286	–
Total	164 595	106 973



17. STATED CAPITAL

	2022 R'000	2021 R'000
Authorised		
2 000 000 000 ordinary shares of no par value	2 000 000	2 000 000
Issued		
260 000 000 ordinary shares of no par value	260 000	260 000
Issued capital		
260 000 000 ordinary shares of no par value	526 500	526 500
Capitalised share issue costs	(18 983)	(18 983)
Total stated capital	507 517	507 517

The authorised and issued 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.

At the end of the 2016 financial year, there were 100 shares in issue of R1.00 each.

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

- converting the entire authorised and issued share capital from par value shares of R1.00 each into no par value shares;
- increasing the authorised share capital from 1 000 ordinary shares of R1.00 each into 2 000 000 000 ordinary no par value shares; and
- subdividing each share in the Company's authorised and issued share capital into 1 430 000 shares.

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

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

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

18. RESERVES

	2022 R'000	2021 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

	2022 R'000	2021 R'000
C Van Rij	1 084	1 277
The loan is unsecured bears interest at the SARS fringe benefit rate on the base value and has no fixed terms of repayment.		
Total	1 084	1 277
Non-current liabilities		
At amortised cost	–	–
Current liabilities		
At amortised cost	1 084	1 277
Total	1 084	1 277

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

	2022 R'000	2021 R'000
20. POST-EMPLOYMENT MEDICAL COSTS		
Opening balance	276	261
Increase in provision for medical aid benefits	15	15
Closing balance	291	276

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. LEASE LIABILITIES

	2022 R'000	2021 R'000
Opening balance	41 338	57 282
Current year movement		
New leases contracted into during the year	19 162	-
Interest	5 087	4 452
Lease payments	(7 488)	(6 345)
Lease liability amendments/modifications	-	(14 051)
Closing balance	58 099	41 338
Lease liability maturity analysis		
Due within one year	10 746	6 129
Due within two years	11 618	6 681
Due within three years	12 561	7 282
Due within four years	12 497	7 938
Due within and later than five years	37 654	35 698
Total minimum lease payments	85 076	63 728
Less unearned interest	(26 977)	(22 390)
Present value of lease liability	58 099	41 338
Categorised between non-current and current portion		
Non-current liabilities	53 163	39 342
Current liabilities	4 936	1 996
	58 099	41 338

Details of lease contracts

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

- One of the leases is for property located in the V&A Waterfront in the Western Cape. The property was used as the group Head Offices. The lease term for the premises located at the V&A Waterfront were revised after year end, a new lease contract was signed into effective 1 December 2022. There will be no future payments on this lease within the next two to five years. The accounting implications have been disclosed in the directors report - Events after reporting period note.

- The group company Marine Growers Proprietary Limited leased Lot 32A, Gansbaai Harbour. The lease expired in April 2021 and is currently on a month to month basis. The property will be advertised, as per the tender process, where after the group company will reapply for Lot 32A. The company did not have the option to purchase the Lot on completion of the lease term, this lease is no longer accounted for under the IFRS 16 accounting standards.



21. LEASE LIABILITIES (CONTINUED)

– A new lease was signed for property in Port Elizabeth to lease land and a jetty. The lease was signed effective of 1 November 2021 for the rental of land and on 1 August 2022 for the rental of a jetty, there are 2 separate lease terms for the property situated in Port Elizabeth with details per below.

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	Port of Port Elizabeth, Gqeberha	1 August 2022	3.75 years	30 April 2026
3	Port of Port Elizabeth, Gqeberha	1 November 2021	10	31 October 2031

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.

The lease liabilities were recognised in terms of the prescribed IFRS 16 accounting standards and corresponding right-of-use assets were raised according to the same standard. The right-of-use assets have been disclosed separately in the consolidated financial statements.

Refer to note 4.

22. TRADE AND OTHER PAYABLES

	2022 R'000	2021 R'000
Trade payables	41 211	43 763
Amounts due to related parties	2 685	1 467
Payroll accruals	4 409	2 952
Accrued expenses	7 368	8 758
Amounts due to other quota holders	436	2 252
Accrued audit fees	558	633
Accrued leave pay	2 053	2 762
Payroll accruals for related parties	–	428
Non-financial instruments		
Value added taxation	17	265
	58 737	63 280

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

23. PROVISIONS

	2022 R'000	2021 R'000
Total provisions	4 134	6 950

Reconciliation of provisions

2022 (R'000)	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Bonus provision	6 799	2 209	(4 703)	(171)	4 134
Provision for commission	151		(151)		
	6 950	2 209	(4 854)	(171)	4 134

Reconciliation of provisions

2021 (R'000)	Opening balance	Additions	Utilised during the year	Reversed during the year	Leave pay paid out	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

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.



	2022 R'000	2021 R'000
24. REVENUE		
The main categories of revenue and the segment to which they relate are set out below:		
Sales of goods		
<i>Fishing</i>		
Lobster, Pelagics, Hake and Squid divisions	412 433	503 547
<i>Aquaculture</i>		
Aquaculture	37 401	35 108
Seagro	3 422	10 155
Rendering of services		
Processing and marketing	9 372	15 893
Cold storage	12 458	10 412
	475 086	575 115
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.		
Total revenue from contracts with customers	453 256	548 810
Timing of revenue recognition		
At a point in time		
Sale of goods	412 433	503 547
Aquaculture	40 823	45 263
Over time		
Rendering of services	21 830	26 305
Total revenue from contracts with customers	475 086	575 115
25. COST OF SALES		
Sale of goods	107 702	176 570
Manufactured goods:		
Raw materials consumed	6 577	25
Employee costs	77 119	95 973
Depreciation and impairment	21 075	13 453
Manufacturing expenses	96 559	96 278
	309 032	382 299

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

	2022 R'000	2021 R'000
26. OTHER OPERATING INCOME		
Administration and HR fees received	334	154
Commission received	193	–
Profit on exchange differences	339	–
DTI Funding received - Grant income	30 000	–
Other rental income	154	94
Sundry income	3 010	544
Fuel rebates received	4 653	5 377
Discount received	–	1 249
Insurance proceeds received	92	2 605
	38 775	10 023
27. OPERATING PROFIT		
Operating profit for the year is stated after accounting for the following:		
Management fees expenses to the holding company	6 263	6 263
(Gain)/loss on foreign exchange	(1 569)	5 111
Amortisation on intangible assets	24	1 951
Depreciation and impairment on property, plant and equipment and rights of use assets	12 603	13 661
Bad debts	12 927	18 188
Employee costs	137 208	155 804
Storage costs	–	3 752
Fair value loss on biological assets	12 837	1 058
Repairs and maintenance	16 608	13 952
Boat fuel	21 317	15 491
Professional and consulting fees	3 091	7 663
28. INVESTMENT REVENUE		
Interest income		
Other related party loans	38	33
Bank	1 897	1 694
Loans to holding company	8 059	7 164
Outside quota holders and trade receivables	2	30
Commissioner of revenue	2	60
Total investment revenue	9 998	8 981
29. FINANCE COSTS		
Bank	–	587
Leases	5 088	4 452
Late payment of tax	292	210
Other	243	–
Total finance costs	5 623	5 249



30. TAXATION

Major components of the tax expense

Current

Local income tax – current year	2 362	13 869
Local income tax – recognised in current tax for prior periods	2 796	(123)

Total current tax

5 158 13 746

Deferred (refer to note 11)

Originating and reversing temporary differences	1 683	491
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Total deferred tax

1 683 491

Total tax expense

6 841 14 237

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	1.20%	0.09%
Consulting and legal fees disallowed	0.00%	7.85%
Interest expense disallowed	0.00%	0.01%
Adjustments to prior year tax expense	0.00%	1.39%
JSE listing fees capital in nature - disallowed	0.00%	3.23%
Other disallowed expenses	30.66%	0.00%
Other non taxable income	(0.25%)	0.00%
Effects of tax rate change	(35.20%)	0.00%
Non taxable Grant income	(30.16%)	0.00%
Tax losses carried forward to future taxable income	4.08%	0.00%
Scrapping allowance	0.17%	0.00%
Prior year under provision for tax	15.07%	3.18%
Amortisation disallowed	0.00%	0.80%
Learnerships	(1.81%)	(1.91%)
Prior year income tax adjustment	0.00%	9.65%
Tax losses limitation	25.08%	28.61%
Effective tax rate	36.84%	80.90%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

	2022 R'000	2021 R'000
31. CASH GENERATED FROM OPERATIONS		
Profit before taxation	18 567	17 587
Adjustments for:		
Depreciation, impairment and amortisation	33 702	29 065
Loss on sale of assets	101	1 367
Interest income	(9 998)	(8 982)
Finance costs	5 623	5 251
Loss on foreign exchange	596	4 919
Allowance for expected credit loss	46	(399)
Gain from ceding lease	-	(2 007)
Movements in operating lease liability	-	(2 860)
Movements in post-employment medical costs liability	15	15
Movements in provisions	(2 816)	3 362
Fair value adjustment on biological assets	12 837	(11 474)
Bad debts	12 927	18 188
Non-cash movement in financial assets	543	(989)
DTI Grant Income	(30 000)	-
Changes in working capital:		
Inventories	(7 536)	97
Trade and other receivables	(17 527)	18 020
Trade and other payables	(4 543)	(13 817)
Cash generated from operations	12 537	57 343
32. TAX PAID		
Balance at beginning of the year	4 733	3 938
Current tax for the year recognised in profit or loss	(5 162)	(13 746)
Balance at end of the year	(2 646)	(4 733)
Tax paid	(3 075)	(14 541)

33. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Opening balance	Additions	Total non-cash movements	Cash movements	Closing balance
Group – 2022					
Leases	41 338	19 161	-	(2 400)	58 099
Other financial liabilities	1 277	-	-	(193)	1 084
	42 615	19 161	-	(2 593)	59 183
Group – 2021					
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

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.



34. COMMITMENTS

	2022 R'000	2021 R'000
Authorised capital expenditure		
Not yet contracted for and authorised by directors	15 000	32 000
This committed expenditure relates to the abalone farm expansion. The expenditure will be financed by available finance resources.		

35. 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.

	2022 cents	2021 cents
Basic and diluted earnings per share	5.62	(3.79)

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

	2022 R'000	2021 R'000
Earnings attributable to owners of Premier Fishing and Brands Limited	14 599	(9 849)
Weighted average number of shares (000)	260 000	260 000

Headline earnings per share

	2022 R'000		2021 R'000	
	Gross	Net	Gross	Net
Headline earnings is determined as follows:				
Earnings attributable to owners of Premier Fishing and Brands Limited		14 599		(9 849)
Adjusted for:				
Effect of loss on derecognition of property, plant and equipment gross of tax	101	73	1 452	1 048
Impairment of property, plant and equipment	35	25	-	-
Headline earnings		14 697		(8 801)

	2022 cents	2021 cents
Basic and diluted headline earnings per share	5.65	(3.39)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

36. EVENTS AFTER THE REPORTING PERIOD

Share subscription binding agreement

Shareholders holding securities in Premier Fishing and Brands Limited ("PFB") and African Equity Empowerment Investments Limited respectively are advised that Premier Fishing SA Proprietary Limited ("PFSA"), a wholly owned subsidiary of PFB entered into a binding subscription agreement where PFSA will subscribe for 607 Ordinary shares of Talhado Fishing Enterprises Limited ("Talhado") for a subscriptions price of R95,000,000 and Talhado will enter into a binding share repurchase agreement to subscribe for 607 Scofish Proprietary Limited ("Scofish") shares, for a Repurchase price of R95,000,000.

Lease contract termination - Head office premises

The lease term for the premises located at the V&A Waterfront, the group head offices, were revised after year end and a new lease contract was signed effective 1 December 2022. The effect of the lease contract cancellation on the reported financial statements are that a lease liability and right of use assets reported on the statement of financial position will be written off to a nil value in the next financial year. Details of the lease are disclosed in the group financial statements, refer to note 21.

The effects of the lease termination as at 1 December 2022 will be as follows:

Accounting implications	R' 000
Right of use asset write off	(27 671)
Lease liability write off	38 756
Net gain on write off	11 085
Deferred tax adjustment at effective rate of 27%	(2 993)
Net effect - increase in profit after tax	8 092

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.

37. RELATED PARTIES

Relationships

Ultimate holding company	African Equity Empowerment Investments Limited
Subsidiaries	Refer to note 7
Joint ventures and joint operations	Refer to note 9
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
Other related to the ultimate controlling entity	Cape Sunset Villas Close Corporation Independent News and Media Proprietary Limited



37. RELATED PARTIES (CONTINUED)

	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
	Africa Online Retail Proprietary Limited t/a Loot.co.za
Other parties related to subsidiaries with non-controlling interests	DM Moodaley
	Scofish Proprietary Limited
	The Dino Moodaley Family Trust
	The Patrick Mbiko Family Trust
	The Sanbourne Trust
	C Van Rij
Directors	Mnyameni Fishers CC
	SKR Ramdenee
	R Isaacs
	Brent Robertson
	S Young (resigned 1 September 2021)
	AB Amod
	RP Mosia
	CL Van der Venter
	V Dzvova
	Adv. N Ramatlhodi
Members of key management	SP Mngconkola
	Brent Robertson
	Shaun Bhana
	Shaun Solomons
	Rushaan Isaacs
	Jean-Pierre Coetzer
	SKR Samdenee

	2022 R'000	2021 R'000
Related party balances		
Loan receivable from holding company (refer to note 10)		
African Equity Empowerment Investments Limited	44 820	105 263
Loans receivables relating to joint ventures (refer to note 14)		
Afrinat Proprietary Limited	700	500
Premier Seacat Joint Venture	3 011	2 684
Loans receivables from related parties		
Patrick Mbiko Family Trust	–	375
Scofish Proprietary Limited	–	468
Amounts receivable from fellow subsidiaries (refer to note 13)		
Independent News and Media Proprietary Limited	–	364
Magic 828 Proprietary Limited	–	53
Afrinat Proprietary Limited	1 808	1 270

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

37. RELATED PARTIES (CONTINUED)

	2022 R'000	2021 R'000
Amounts receivable relating to joint ventures		
BCP Hake Joint Venture	–	1 951
Premier Seacat Joint Venture	400	486
Loans payable to other related parties (refer to note 19)		
C Van Rij	1 084	1 277
Amounts payable to holding company		
African Equity Empowerment Investments Limited*	2 379	1 456
Amounts payable to fellow subsidiaries (refer to note 22)		
Afrinat Proprietary Limited	300	10
Related party transactions		
Interest received from holding company (refer to note 10)		
African Equity Empowerment Investments Limited	8 059	7 164
Interest paid to / (received from) parties with non controlling interests		
Scofish Proprietary Limited	2	(18)
The Patrick Mbiko Family Trust	(10)	(15)
Consumables purchased from fellow subsidiaries		
Afrinat Proprietary Limited	584	98
Africa Online Retail Proprietary Limited t/a Loot.co.za	16	–
Management fee expense to holding company		
African Equity Empowerment Investments Limited*	6 263	6 263
*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.		
Export fees paid to related party		
Scofish Proprietary Limited	178	–
Expenses paid to related party		
Tripos Tourism Investments Proprietary Limited	1 173	604
Sales to fellow subsidiary		
Afrinat Proprietary Limited	1 250	1 439
Administration fees received in relation to joint ventures and other related parties		
Premier Seacat Joint Venture	90	90
Premier BCP Hake Joint Venture	2 157	2 016
Scofish Proprietary Limited	746	1 701
Advertising expenses paid to fellow subsidiaries		
Independent News and Media Proprietary Limited	349	116
African News Agency Publishing Proprietary Limited	–	14
Commission received in relation to joint venture		
Premier Seacat Joint Venture	88	127



37. RELATED PARTIES (CONTINUED)

	2022 R'000	2021 R'000
Vessel usage fees received in relation to joint ventures		
Premier BCP Hake Joint Venture	645	1 277
Dividends paid to holding company		
African Equity Empowerment Investments Limited	–	7 310
Dividends paid to parties with non controlling interests		
DM Moodaley	1 103	–
Scofish Proprietary Limited	7 570	–
The Dino Moodaley Family Trust	1 250	–
The Patrick Mbiko Family Trust	1 250	–
The Sanbourne Trust	1 250	–
Compensation to directors and other key management		
Short term employee benefits	20 773	7 035
Post employment benefits	854	653
	21 627	7 688

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.

Directors' interests in shares 2022	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	–	–	26 722	0.01%
	86 500	–	26 722	0.04%

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	–	–	26 722	0.01%
	86 500	–	26 722	0.04%

During the year, the directors held in aggregate a direct beneficial interest of 86 500 (2021: 86 500) in the company's shares, equivalent to 0.03% (2021: 0.03%) of the issued share capital.

* Aziza Amod has an indirect interest in shares of 26 722 (2021: 26 722) shares which equates to 0.01% (2021: 0.01%) 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

38. 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 Revenue 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 (Included are Talhado and Premier fishing divisions)
- Aquaculture:**
- Aquaculture
 - Seagro
- Services:**
- Processing and marketing
 - Cold storage

	Segment revenue		Segment profit	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Lobster	202 956	170 723	61 562	28 301
Pelagics	73 405	93 530	17 446	24 985
Hake	30 908	33 049	4 780	7 575
Squid	103 085	206 245	5 218	62 656
Aquaculture	39 226	35 108	(17 579)	(6 183)
Cold storage	10 779	10 412	2 064	3 105
Seagro	6 558	10 155	2 298	4 797
Processing and marketing	8 169	15 893	8 169	8 278
Total	475 086	575 115	83 958	133 514
Administration and support services			(87 405)	(119 989)
Fair value gains			(12 361)	1 058
Proceeds from Grant from DTI			30 000	–
Interest income			9 998	8 255
Finance costs			(5 623)	(5 251)
Total revenue and profit before tax	475 086	575 115	18 567	17 587

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.



38. GROUP SEGMENTAL ANALYSIS (CONTINUED)

	2022 R'000	2021 R'000
Segment assets		
Lobster	73 613	66 877
Pelagics	110 931	108 882
Hake	5 072	5 030
Squid	148 426	162 587
Aquaculture	317 032	325 046
Cold store	932	1 465
Seagro	6 117	3 840
Processing and marketing	931	1 610
Administration and support services	344 159	323 910
Total segmental assets	1 007 213	999 247
Unallocated	19	22
Consolidated total assets	1 007 232	999 269
Segment liabilities		
Lobster	10 143	12 241
Pelagics	7 206	9 929
Hake	5 472	5 098
Squid	12 534	14 239
Aquaculture	16 323	16 331
Processing and marketing	921	2 723
Administration and support services	68 931	53 455
Total segmental liabilities	121 530	114 016
Unallocated	126 353	124 674
Consolidated total liabilities	247 883	238 690

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

38. GROUP SEGMENTAL ANALYSIS (CONTINUED)

	Depreciation and amortisation		Additions to property, plant and equipment	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Lobster	8 070	3 933	11 692	6 255
Pelagics	7 979	7 404	14 654	6 226
Hake	645	71	1 382	2 815
Squid	6 942	8 079	852	3 103
Aquaculture	3 996	3 830	1 744	15 500
Cold storage	360	32	–	–
Seagro	43	43	–	–
Processing and marketing	2	2	–	–
Administration and support services	5 665	4 988	379	1 243
Total	33 702	28 382	30 703	35 142

Geographical information

The Group operates in South Africa.

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

	2022 R'000	2021 R'000
United States of America	172 124	120 521
Europe	132 984	239 595
Far East	46 317	66 399
South Africa	123 661	148 600
Total revenue	475 086	575 115

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:

	2022	2021	Segment
Customer 1	R148 million	R138 million	Lobster
Customer 2	R71 million	R68 million	Pelagic



39. DIRECTORS' EMOLUMENTS

Executive directors

	Provident, medical and funeral benefit					Total R'000
	Salary R'000	Bonus R'000	contributions R'000	Allowances R'000		
2022						
SKR Ramdenee	260	0	30	580		870
R Isaacs	2 120	1 050	340	–		3 510
B Robertson	1 579	441	185	18		2 223
	3 959	1 491	555	598		6 603
2021						
R Isaacs	2 048	540	239	–		2 827
B Robertson	1 457	252	166	–		1 875
	3 505	792	405	–		4 702

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

Non-executive directors

	2022 R'000	2021 R'000
Board fees		
S Young	–	217
AB Amod*	420	399
RP Mosia	319	260
Adv. N Ramatlhodi	295	249
SP Mngconkola	97	145
CL Van der Venter	414	249
I Amod	–	127
	1 545	1 646

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

39. DIRECTORS' EMOLUMENTS (CONTINUED)

Directors emoluments for services to other group companies

	Salary R'000	Bonus R'000	Provident Fund R'000	Medical Aid R'000	Directors' fees R'000	Total R'000
2022						
V Dzvova	2 175	500	308	85	–	3 068
JS Van Wyk	1 610	350	231	85	–	2 276
	3 785	850	539	170	–	5 344
2021						
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	–	–	2 027
	9 312	4 708	1 155	228	5 928	21 331

2022

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.

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.

Emoluments for previous directors for services in other group companies

2021

Mr I Amod's emoluments shown above are for services rendered to AYO Technology Solutions 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.

Non-executive directors fees in other Group companies

	2022 R'000	2021 R'000
Board and Consulting fees		
AB Amod	2 763	2 370
R Mosia	944	809
Adv N Ramatlhodi	663	494
I Amod	–	1 294
	4 370	4 967

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.



40. 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 2022 was less than 15%. (2021: less than 15%)

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.

		Less than 1 year	1 to 2 years	Total	Carrying amount
Group – 2022	Notes				
Current liabilities					
Trade and other payables	21	58 737		58 737	58 737
Other financial liabilities	19	1 084		1 084	1 084
		59 821		59 821	59 821
Group – 2021					
Current liabilities					
Trade and other payables	21	63 280	–	63 280	63 280
Other financial liabilities	19	1 277	–	1 277	1 277
		64 557		64 557	64 557

* 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

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	2022			2021		
		Gross carrying amount	Credit loss allowance	Amortised cost/fair value	Gross carrying amount	Credit loss allowance	Amortised cost/fair value
Loans to holding company	9	44 820	–	44 820	105 263	–	105 263
Trade and other receivables	13	67 508	(145)	67 363	64 215	(99)	64 116
Cash and cash equivalents	15	164 627	–	164 627	107 046	–	107 046
		276 955	(145)	276 810	276 524	(99)	276 425

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.



40. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 2022		
Trade debtors	850	0
Cash and cash equivalents	1 514	247
Income received in advance	(24)	0
Total	2 340	247
At 31 August 2021		
Trade debtors	1 175	542
Cash and cash equivalents	88	511
Income received in advance	(20)	0
Total	1 243	1 053

Exchange rates used for conversion of foreign items were:

	US Dollar	Euro
At 31 August 2022	17.047	17.14
At 31 August 2021	14.475	17.06

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.

	2022 R'000	2021 R'000
Increase in profit after tax		
US dollar	2 861	1 296
Euro	305	0

(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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate profile

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

Group	Average effective interest rate		Carrying amount	
	2022	2021	2022	2021
Variable rate instruments:				
Assets				
Loans to Group companies – AEEI	7%	7%	44 820	105 263
			44 820	105 263

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 (2021: 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 due to the current economic climate that the Group has been faced with over 2021 and 2022 compared to years before that.

	2022 R'000	2021 R'000
Impact on profit after tax		
Increase of 2.5% (2021: 2.5%)	(1 231)	1 129
Decrease of 2.5% (2021: 2.5%)	1 231	(1 129)

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.



4.1. 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 2022	Fair value at 31 August 2021	Valuation method	Significant inputs	Fair value hierarchy
	R'000	R'000			
Biological assets	83 073	95 910	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

Reconciliation of assets measured at level 3

	Opening balance	Changes in fair value, births and deaths	Sales		Purchases	Transfers to inventory	Closing balance
			R'000	R'000			
At 31 August 2022							
Biological assets – Abalone	95 910	20 774	(33 611)	0	0	0	83 073
At 31 August 2021							
Biological assets – Abalone	84 436	26 084	(14 610)	0	0	0	95 910

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 \$5/kg. 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	1% decrease
	R'000	R'000
Weight	496 628	(496 628)
USD spot rate	518 063	(518 063)
International freight	(124 677)	124 677
Packaging and processing	(21 434)	21 434

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

42. 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

Since the outbreak of COVID-19, The Group was placed under certain financial pressures. A number of interventions have been put in place to mitigate these financial pressures and as such, the Board of Directors believe that the Group still has adequate financial resources to continue in operation for the near future and accordingly these financial statements for the year ended 31 August 2022 have been prepared on a going concern basis.

The FRAP was officially concluded during March 2022. The Group's applications were scored and rated based on the quality of how we operated the fishing rights, the efficiency and usage of the assets and resources, investment into the vessels and the management of the entire crew over the past 15 years. Other areas where ratings were given include job creation, corporate social investment, transformation, and other societal benefits. The Group scored very well in all its major applications as we submitted strong applications.

The Group is pleased to announce that the Department of Agriculture, Forestry and Fishing ("DAFF") granted the Group all its fishing rights for the next 15 years in March 2022, in all the sectors below:

- South Coast Rock Lobster
- Anchovies
- Pilchards
- Squid
- Hake Deep Sea
- Hake Longline

The Group is monitoring closely the ongoing situation that is developing on the conflict between Russian and Ukraine which has an impact on the global business activities as this plays a big role in availability of resources affecting all sectors. The supply of energy resources has already been affected by the ongoing conflict, the group will continue its operations as a going concern and there has been no significant changes that affect the future operations of the group.



NOTES

Lined area for notes, consisting of a large rectangular box with rounded corners and horizontal ruling lines.

NOTES

A large rectangular area with rounded corners, containing numerous horizontal blue lines for writing notes.



