



> united in purpose

POSITIVELY IMPACTING LIVES

2020
SUMMARISED
CONSOLIDATED
AUDITED RESULTS

FOR THE YEAR ENDED 30 SEPTEMBER

HIGHLIGHTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

REVENUE

▲ 9%

EARNINGS PER SHARE

▲ 23%

OPERATING PROFIT

▲ 21%

HEADLINE EARNINGS PER SHARE

▲ 15%

PROFIT BEFORE TAX

▲ 28%

TOTAL DIVIDENDS DECLARED

▲ 393 cents per share
(2019: 363 cents per share)

CASH GENERATED FROM OPERATIONS

▲ R2 083 MILLION
(2019: R1 043 MILLION)

NET DEBT TO EBITDA

▲ 1.4 TIMES
(2019: 2.2 TIMES)



SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000	% Change
Revenue	3	8 308 341	7 647 415	9
Cost of sales		(5 338 068)	(5 026 779)	6
Gross profit		2 970 273	2 620 636	13
Sales and distribution expenditure		(461 095)	(433 951)	6
Marketing expenditure		(59 993)	(59 045)	2
Overhead expenditure		(1 082 222)	(976 556)	11
Net foreign exchange (loss)/gain		(3 146)	30 093	(110)
Operating profit before associate and joint venture profit/(loss)		1 363 817	1 181 177	15
Associate and joint venture profit/(loss)		18 462	(5 852)	415
Operating profit before other operating items		1 382 279	1 175 325	18
Other operating income/(expense) items	5	17 188	(17 447)	199
Operating profit		1 399 467	1 157 878	21
Interest income		18 383	33 681	(45)
Interest expense		(271 959)	(294 547)	(8)
Profit before taxation		1 145 891	897 012	28
Taxation expense	6	(329 740)	(248 645)	33
Profit after taxation		816 151	648 367	26
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Movement on foreign currency translation reserve		524 635	292 221	
Movement on foreign currency translation reserve from associate and joint ventures		31 643	16 963	
Movement on cash flow hedging reserve		(69 609)	(23 951)	
Movement on cash flow hedging reserve from associate		(2 120)	(3 880)	
Income tax related to loss recognised in equity		11 208	5 276	
Other comprehensive income, net of taxation		495 757	286 629	
Total comprehensive income for the year		1 311 908	934 996	40
Profit after taxation attributable to:				
Shareholders of Oceana Group Limited		760 635	617 616	23
Non-controlling interests		55 516	30 751	81
		816 151	648 367	26
Total comprehensive income for the year attributable to:				
Shareholders of Oceana Group Limited		1 256 361	904 245	39
Non-controlling interests		55 547	30 751	81
		1 311 908	934 996	40
Earnings per share (cents)				
Basic		650.9	528.3	23
Diluted		603.3	486.1	24

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2020

	Notes	Audited 30 Sep 2020 R'000	Audited 30 Sep 2019 R'000
ASSETS			
Non-current assets		7 847 728	7 042 312
Property, plant and equipment		1 856 973	1 697 221
Right-of-use assets		173 507	
Goodwill and intangible assets		5 388 881	4 886 609
Deferred taxation		20 793	26 567
Investments and loans		407 574	431 915
Current assets		4 204 233	3 757 887
Inventories		1 695 975	1 852 707
Accounts receivable		1 271 898	1 243 324
Taxation		23 663	73 820
Cash and cash equivalents	9	1 212 697	588 036
Assets held for sale	10	19 420	
Total assets		12 071 381	10 800 199
EQUITY AND LIABILITIES			
Capital and reserves		5 979 935	5 121 727
Stated capital		1 200 493	1 193 473
Foreign currency translation reserve		1 352 491	796 213
Cash flow hedging reserve		(76 223)	(15 671)
Share-based payment reserve		99 066	93 406
Distributable reserve		3 221 312	2 943 871
Interest of own shareholders		5 797 139	5 011 292
Non-controlling interests		182 796	110 435
Non-current liabilities		3 908 692	3 840 143
Liability for share-based payments		7 919	6 044
Long-term loans		3 069 338	3 298 904
Lease liabilities		204 457	
Derivative liabilities	7	85 721	10 320
Deferred taxation		541 257	524 875
Current liabilities		2 182 754	1 838 329
Accounts payable and provisions		1 717 300	1 480 502
Current portion - long-term loan		383 688	351 258
Current portion - lease liabilities		45 006	
Taxation		36 760	6 569
Total equity and liabilities		12 071 381	10 800 199

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Balance at the beginning of the year		5 121 727	4 721 969
Attributable to:			
Shareholders of Oceana Group Limited		5 011 292	4 625 348
Non-controlling interests		110 435	96 621
Adjustment to balance at the beginning of the year			
IFRS 16 leases transition adjustment:	2	(53 680)	
Attributable to:			
Shareholders of Oceana Group Limited		(50 084)	
Non-controlling interests		(3 596)	
Adjusted balance at the beginning of the year		5 068 047	
Attributable to:			
Shareholders of Oceana Group Limited		4 961 208	
Non-controlling interests		106 839	
Total comprehensive income for the year		1 311 908	934 996
Profit after taxation		816 151	648 367
Movement on foreign currency translation reserve		524 635	292 221
Movement on foreign currency translation reserve from associate and joint ventures		31 643	16 963
Movement on cash flow hedging reserve from associate		(2 120)	(3 880)
Movement on cash flow hedging reserve		(69 609)	(23 951)
Income tax related to loss recognised in equity		11 208	5 276
Decrease in treasury shares held by share trusts		1 105	1 335
Increase in treasury shares held by subsidiary		(16 878)	
Share-based payment expense		14 309	12 298
Share-based payment exercised		(2 024)	(6 771)
Gain on disposal of shares distributed to deceased employee beneficiaries of Oceana Empowerment Trust		1 265	1 677
Issuance of shares to non-controlling interest**		44 636	
Oceana Empowerment Trust dividend distribution		(21 312)	(27 685)
Dividends paid		(421 121)	(516 092)
Balance at the end of the year		5 979 935	5 121 727
<i>Comprising:</i>			
Stated capital*		1 200 493	1 193 473
Foreign currency translation reserve		1 352 491	796 213
Cash flow hedging reserve		(76 223)	(15 671)
Share-based payment reserve*		99 066	93 406
Distributable reserve		3 221 312	2 943 871
Shareholders of Oceana Group Limited		5 797 139	5 011 292
Non-controlling interests		182 796	110 435
Balance at the end of the year		5 979 935	5 121 727

* R6.6 million (2019: R2.7 million) was transferred between stated capital and share-based payment reserve during the year.

** Amawandle Pelagic Proprietary Limited, a 75% held subsidiary of Oceana Group Limited, issued new shares to shareholders in the proportion to their respective shareholding, of which an amount of R44.6 million was allocated to non-controlling interests. The allocation to non-controlling interest was settled through right of set-off against a long-term loan.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Cash flow from operating activities			
Operating profit before associate and joint venture profit/(loss)		1 363 817	1 181 177
Adjustment for non-cash and other items		291 707	203 640
Cash operating profit before working capital changes		1 655 524	1 384 817
Working capital changes		427 107	(342 291)
Cash generated from operations		2 082 631	1 042 526
Investment income received ²		32 047	54 789
Interest paid		(269 456)	(285 447)
Taxation paid		(235 069)	(262 713)
Dividends paid		(442 433)	(543 777)
Cash inflow from operating activities		1 167 720	5 378
Cash outflow from investing activities		(170 641)	(217 141)
Replacement capital expenditure on property, plant and equipment		(222 457)	(228 146)
Replacement capital expenditure on intangible assets			(26 033)
Expansion capital expenditure on property, plant and equipment		(17 401)	
Proceeds on disposal of property, plant and equipment	8	18 497	5 554
Proceeds on disposal of fishing rights		2 016	
Proceeds on disposal of intangible assets	8	30 114	
Proceeds on disposal of business			17 500
Decrease in loans receivable to business partners		18 931	13 984
Increase in shareholding in other investments		(341)	
Cash outflow from financing activities		(428 278)	(239 721)
Proceeds from issue of share capital		2 370	3 012
Short-term borrowings repaid		(365 583)	(392 782)
Lease liabilities repaid ³		(38 816)	
Repurchase of treasury shares ¹		(16 879)	
Long-term borrowings raised			172 658
Equity-settled share-based payment ⁴		(9 370)	(6 771)
Costs associated with loan refinancing			(15 838)
Net increase/(decrease) in cash and cash equivalents		568 801	(451 484)
Cash and cash equivalents at the beginning of the year		588 036	1 015 060
Effect of exchange rate changes		55 860	24 460
Cash and cash equivalents at the end of the year	9	1 212 697	588 036

¹ Repurchase of treasury shares held by Lucky Star Limited (5 094 350 shares).

² Investment income for the group includes interest received of R18.4 million (2019: R33.7 million) and dividends received from an associate of R13.6 million (2019: R21.1 million).

³ Payments on lease liabilities excludes interest paid.

⁴ Acquisition of shares to settle employee equity share based scheme.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. BASIS OF PREPARATION

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act, 71 of 2008, applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies and methods of computation applied in the preparation of the consolidated financial statements, from which the summary consolidated financial statements were derived, are in terms of International Financial Reporting Standards and are consistent with those accounting policies and methods of computation applied in the preparation of the previous consolidated annual financial statements except for the adoption of new standards effective during the current financial year. The consolidated financial statements and summarised consolidated financial statements information were prepared under the supervision of the interim chief financial officer, T Giles CA(SA).

The auditors, Deloitte & Touche, have issued their unmodified audit opinion on the consolidated financial statements for the year ended 30 September 2020. The audit was conducted in accordance with International Standards on Auditing. These preliminary summarised financial statements have been derived from the consolidated financial statements, with which they are consistent in all material respects. These preliminary summarised financial statements have been audited by the company's auditors who have issued an unmodified opinion. Copies of the respective audit reports and the full consolidated financial statements are available for inspection at the company's registered office. The audit report does not necessarily cover all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the company's website or from the registered office of the company. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditors.

2. ADOPTION OF NEW ACCOUNTING STANDARDS

2.1 EFFECT OF ADOPTING IFRS 9: HEDGE ACCOUNTING

The group adopted IFRS 9 – Financial Instruments (“IFRS 9”) in the prior financial year, but elected to apply hedge accounting under IAS 39 – Financial Instruments: Recognition and Measurement (“IAS 39”). In the current financial year the group has elected to adopt the hedge accounting requirements of IFRS 9 prospectively. There were no changes to equity reported in the prior financial year. IFRS 9 aligns hedge accounting more closely with the entity's risk management strategy.

The group uses derivative financial instruments, such as forward exchange contracts and interest rate caps and swaps, to hedge its foreign currency risks and interest rate risk. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value.

2.2 EFFECT OF ADOPTING IFRS 16: LEASES

IFRS 16 – Leases (“IFRS 16”) sets out the principles for the recognition, measurement, presentation and disclosures of leases for both parties to a contract, i.e. the customer (“lessee”) and the supplier (“lessor”). IFRS 16 replaces existing leases guidance, including IAS 17– Leases, IFRIC 4 – Determining whether an Arrangement contains a Lease, SIC-15 – Operating Leases – Incentives and SIC-27 – Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The group has elected to apply IFRS 16 using the modified retrospective approach whereby the cumulative effect of initial application is recognised in retained earnings at 1 October 2019, with no restatement of comparative information. The group has re-assessed all leases to determine if they meet the definition of a lease in terms of IFRS 16. Judgement has been applied to determine the discount rate where the rate implicit in the lease cannot be determined. At transition date, lease liabilities have been discounted using an incremental borrowing rate of 9% in South Africa and 5.5% in the United States (USA). Post transition date, lease liabilities of new leases have been discounted using an incremental borrowing rate of 9% in South Africa and 4.7% in the USA. The group uses judgements when determining the borrowing rate (at and post the transition date) by taking the following assumptions into account such as duration, country and jurisdiction, currency and inception of the lease. At the transition date, the lease liabilities were measured at the present value of the remaining lease payments, using a discount rate, applied to a portfolio of leases pertaining to land and buildings within a particular jurisdiction, where funding is sourced centrally. The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. Post transition date the rate for each new lease is assessed at its inception taking the preceding factors into account.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED SEPTEMBER 2020

2. ADOPTION OF NEW ACCOUNTING STANDARDS continued

2.2.1. Practical expedients and exemptions applied

The group has elected the following practical expedients for leases in which it was the lessee at 1 October 2019:

- Leases with lease terms ending within 12 months have been accounted for as short-term leases and not capitalised.
- Leases of office equipment and computer equipment are not capitalised if they are considered to be low-value items.
- Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.
- Initial direct costs have been excluded from the measurement of the right-of-use asset at the date of initial application.
- Hindsight and judgement were applied in determining the lease terms where contracts contain options to extend or terminate the lease.

2.2.2. Summary of new accounting policies regarding leases

The group has applied the following accounting policies from the date of initial application, upon adoption of IFRS 16:

- Recognised right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;
- Recognised depreciation on right-of-use assets on a straight-line basis over the shorter of the lease term or useful life of the underlying asset and interest on lease liabilities using the effective interest rate method in profit or loss;
- Lease payments are presented within financing activities in the consolidated statement of cash flows;
- For short-term leases (lease term of 12 months or less) and leases of low-value assets, the group has opted to recognise a lease expense as permitted by IFRS 16;
- Right-of-use assets are tested for impairment in accordance with IAS 36 – Impairment of Assets; and
- Extension options are only included in the lease term if the lease is reasonably certain to be extended.

2.2.3. Judgements applied by management with regards to IFRS 16

The group is required to make judgements that affect the valuation of the lease liabilities and the valuation of the right-of-use assets. This includes determining whether a contract meets the requirements of a lease, the lease term applicable and the interest rate used for discounting of future cash flows. In determining the lease term, the group considers all facts and circumstances that create an economic incentive to exercise an extension option. Factors considered include how far in the future an option occurs, payment amounts in the optional period, future plans of the group for use of the asset as well as historic past practice of renewing leases. Extension options are only included if the lease is reasonably certain to be extended. Lease payments are discounted using a rate applied to a portfolio of leases pertaining to land and buildings within a particular jurisdiction, where funding is sourced centrally. Judgement has been applied to determine the discount rate where the rate implicit in the lease cannot be determined.

Where the contract has a right to extension beyond the current contract terms, the group has assessed whether the extension of the contract is reasonably certain. In regards the lease of land and buildings which house significant group operations, it was assessed, based on history of extensions, the potential cost of relocating operations and the extent of operations incurred at these sites, the group has determined that it was reasonably certain that the agreement would be extended. A further 20 years was applied to the extension of the lease of property used in the canned fish and fishmeal (Africa) segment.

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

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

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

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

2. ADOPTION OF NEW ACCOUNTING STANDARDS continued

2.2.4. Adjustment recognised on adoption of IFRS 16: Leases

The effect of the adoption of IFRS 16 as at 1 October 2019 (transition date) and as at 30 September 2020 is as follows:

	Audited year ended 30 September 2020 R'000	Audited at transition date 1 October 2019 R'000
Statement of financial position		
Assets		
Right-of-use assets – land and buildings	173 507	185 002
Total assets	173 507	185 002
Liabilities		
Lease liabilities	249 463	265 569
Deferred taxation	(20 555)	(21 840)
Accounts payables and provisions	(5 047)	(5 047)
Total liabilities	223 861	238 682
Equity		
Distributable reserve	(47 921)	(50 084)
Non-controlling interests	(2 433)	(3 596)
Total equity	(50 354)	(53 680)
Statement of comprehensive income (post transition date)		
Depreciation	34 009	
Lease rentals	(62 386)	
Interest expense	23 570	
Taxation expense	1 517	
Lease modification gain	(37)	
Profit after taxation	3 327	

2.2.5. Reconciliation of the undiscounted operating lease commitments as at 30 September 2019 to the lease liability recognised as at 1 October 2019 in terms of IFRS 16:

	Audited at transition date 1 October 2019 R'000
Operating lease commitments as at 30 September 2019	303 799
Discounted using the incremental borrowing rate at 1 October 2019	(212 432)
Less: Short-term and low value leases not recognised as liabilities	(45 950)
Add: Extension in lease term applied	220 152
Lease liabilities recognised as at 1 October 2019	265 569
Represented by:	
Non-current portion – lease liabilities	222 701
Current portion – lease liabilities	42 868

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED SEPTEMBER 2020

2. ADOPTION OF NEW ACCOUNTING STANDARDS continued

2.2.6. Impact on segment disclosures

Segment assets and liabilities as at 1 October 2019 (transition date) increased as a result of the adoption of IFRS 16: Leases as follows:

R'000	Segment assets	Segment liabilities
Canned fish and fishmeal (Africa)	80 040	106 516
Fishmeal and fish oil (USA)	13 672	14 050
Horse mackerel, hake, lobster and squid	22 225	29 097
Commercial cold storage and logistics	69 065	89 019
	185 002	238 682

Net profit for the year ended 30 September 2020 and segment assets and liabilities as at 30 September 2020 increased as a result of the adoption of IFRS 16: Leases as follows:

R'000	Net profit after tax	Segment assets	Segment liabilities
Canned fish and fishmeal (Africa)	(477)	71 048	97 997
Fishmeal and fish oil (USA)	40	27 190	27 529
Horse mackerel, hake, lobster and squid	209	18 010	24 675
Commercial cold storage and logistics	3 555	57 259	73 660
	3 327	173 507	223 861

3. REVENUE

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
The main categories of revenue and the segment to which they relate are set out below:		
Sale of goods		
Canned fish and fishmeal (Africa)	4 468 561	4 032 172
Fishmeal and fish oil (USA)	1 905 553	1 721 044
Horse mackerel, hake, lobster and squid	1 519 159	1 504 466
Rendering of services¹		
Commercial cold storage and logistics	383 704	371 452
Other non-trade revenue²		
Canned fish and fishmeal (Africa)	3 275	6 368
Horse mackerel, hake, lobster and squid	26 830	9 970
Commercial cold storage and logistics	1 259	1 943
	8 308 341	7 647 415

¹ Storage, handling and other minor services R362.3 million (2019: R354.1 million) and income from transportation services R21.4 million (2019: R17.4 million).

² Quota fees R19.3 million (2019: R1.2 million); commission R2.8 million (2019: R3.1 million) and factory processing and other minor recoveries R9.3 million (2019: R14.0 million).

4. SEGMENTAL RESULTS

Audited 2020 Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel, hake, lobster and squid R'000	Commercial cold storage and logistics R'000	Financing ³ R'000	Total R'000	
Statement of comprehensive income							
Revenue*	4 471 836	1 905 553	1 545 989	384 963		8 308 341	
Operating profit before other operating items	522 077	424 796	353 749	81 657		1 382 279	
Other operating items	14 053		3 135			17 188	
Operating profit	536 130	424 796	356 884	81 657		1 399 467	
Interest income	11 107	3 364	3 781	131		18 383	
Interest expense	(170 085)	(86 079)	(4 721)	(11 074)		(271 959)	
Profit before taxation	377 152	342 081	355 944	70 714		1 145 891	
Taxation	(129 869)	(69 896)	(103 473)	(26 502)		(329 740)	
Profit after taxation	247 283	272 185	252 471	44 212		816 151	
The above profit after taxation includes the following:							
Depreciation and amortisation	43 566	116 680	75 694	26 814		262 754	
Statement of financial position							
Total assets	1 655 257	7 417 237	1 171 318	594 079	1 233 490	12 071 381	
Total liabilities	1 196 289	299 946	410 587	190 341	3 994 283	6 091 446	
The above amounts of assets and liabilities includes the following:							
Interest in subsidiaries, associate and joint ventures	72 228	250 435	1			322 664	
2020 Region*	South Africa and Namibia R'000	Other Africa R'000	North America R'000	Europe R'000	Far East R'000	Other R'000	Total R'000
Revenue ¹	4 232 729	884 869	1 597 974	1 304 953	262 941	24 875	8 308 341
Non-current assets ²	1 051 684		6 367 677				7 419 361

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED SEPTEMBER 2020

4. SEGMENTAL RESULTS continued

Audited 2019 Segment	Canned fish and fishmeal (Africa) R'000	Fishmeal and fish oil (USA) R'000	Horse mackerel, hake, lobster and squid R'000	Commercial cold storage and logistics R'000	Financing ³ R'000	Total R'000	
Statement of comprehensive income							
Revenue*	4 038 540	1 721 044	1 514 436	373 395		7 647 415	
Operating profit before other operating items	450 591	359 102	303 172	62 460		1 175 325	
Other operating items	(14 293)		(1 108)	(2 046)		(17 447)	
Operating profit	436 298	359 102	302 064	60 414		1 157 878	
Investment income	12 579	13 362	7 459	281		33 681	
Interest expense	(207 830)	(80 435)	(5 970)	(312)		(294 547)	
Profit before taxation	241 047	292 029	303 553	60 383		897 012	
Taxation expense	(77 471)	(56 151)	(87 034)	(27 989)		(248 645)	
Profit after taxation	163 576	235 878	216 519	32 394		648 367	
The above profit after taxation includes the following:							
Depreciation and amortisation	35 634	95 258	65 250	14 251		210 393	
Statement of financial position							
Total assets	2 429 690	6 982 621	579 020	220 846	588 022	10 800 199	
Total liabilities	951 875	625 703	346 375	92 635	3 661 884	5 678 472	
The above amounts of assets and liabilities includes the following:							
Interest in subsidiaries, associate and joint ventures	72 731	229 323	1			302 055	
2019 Region*	South Africa and Namibia R'000	Other Africa R'000	North America R'000	Europe R'000	Far East R'000	Other R'000	Total R'000
Revenue ¹	4 192 618	742 597	1 307 645	1 179 074	200 465	25 016	7 647 415
Non-current assets ²	880 117		5 703 713				6 583 830

The segments have been identified based on both the geographic region of primary group operations and region where the different products are sold and services are rendered by the group.

* Aggregation has been applied where the geographic regions of the primary operations have similar economic characteristics with regards to the nature of the products and services, production process, methods used to distribute products or render services, and are managed as a single segment.

Revenue excludes inter-segmental revenues in South Africa and Namibia which are eliminated on consolidation as follows: Horse mackerel, hake, lobster and squid R47.4 million (2019: R44.0 million) and commercial cold storage and logistics R98.8 million (2019: R88.7 million).

Notes:

¹ Revenue per region is classified based on the region in which product is sold and services are rendered.

² Non-current assets per region is allocated based on where the subsidiary is located and includes property, plant and equipment, right-of-use assets, goodwill and intangible assets and excludes assets held for sale.

³ Financing includes cash and cash equivalents and loans receivable and payable.

5. OTHER OPERATING INCOME/(EXPENSE) ITEMS

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Profit on disposal of fishing vessel		3 303
Profit on disposal of property ¹	11 799	
Profit on disposal of property, plant and equipment	750	
Profit on disposal of intangible assets ²	22 107	
Impairment of loans in joint venture ³	(9 716)	(17 596)
Impairment of property, plant and equipment	(1 006)	(1 108)
Impairment of goodwill		(1 276)
Loss on disposal of business ⁴		(770)
Gain on deregistration of foreign subsidiary ⁵	3 414	
Foreign exchange loss on translation of impaired loans with joint venture ³	(10 160)	
	17 188	(17 447)

Notes:

¹ The disposal of property relates to land and buildings that are surplus to operational requirements.

² During the current financial year, Lucky Star Limited disposed of the Glenryck UK trademark.

³ Loans impaired pertains to loans with the group's African fishmeal and fish oil joint ventures Oceana Boa Pesca Limitada and Oceana Pesche International. The loans exhibited increased credit risk and are deemed to be credit impaired following management's decision to terminate the operations on the back of the decline in the sardinella resource in Angola.

⁴ The R0.8 million in the prior year relates to the loss on sale of the Commercial Cold Storage and Logistics V&A cold store assets.

⁵ The gain on deregistration of the Interpesca International group of companies, relates largely to a release of the foreign currency translation reserve.

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

Based on management's assessment, no transactions have arisen for the current year that warrant further disclosure.

6. TAXATION EXPENSE

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Current taxation	321 698	208 586
Current year	290 853	222 023
Withholding tax	21 638	9 786
Capital gains tax	5 763	
Adjustments in respect of previous years	3 444	(23 223)
Deferred taxation	8 042	40 059
Current year	13 164	37 306
Adjustments in respect of previous years	(5 122)	2 753
	329 740	248 645

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED SEPTEMBER 2020

7. DERIVATIVE LIABILITIES

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
DERIVATIVE LIABILITIES		
Non-current		
Opening balance	10 320	
Transferred (to)/from profit and loss	(118)	203
Loss recognised in other comprehensive income	74 642	7 803
Reclassified from derivative assets		2 102
Foreign currency translation adjustment	877	212
Closing balance	85 721	10 320
Interest rate caps		118
Interest rate swaps	85 721	10 202

Interest rate caps and swaps recorded in the cash flow hedging reserve and derivative liabilities are regarded as level 2 financial instruments. Level 2 fair value measurements are those derived from inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of interest rate caps and swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

Interest rate caps were executed in 2016 with a maturity date of 20 July 2020. Interest rate caps were designated as cash flow hedges and executed to hedge interest payable under various South African debt facilities. The designated hedged item with a principle value of R267 million (2019: R390 million) was early settled on 31 December 2019 resulting in the discharge of the interest rate cap.

In May 2019, interest rate swaps on South African debt were executed with a maturity date of 20 July 2021 and 20 July 2022. This comprises term debt of R482 million at a swap rate of between 7.050% and 7.094%.

Interest rate swaps were executed in 2018 with a maturity date of 22 July 2020 at a swap fixed rate of 2.175%. The interest rate swaps were designated cash flow hedges and executed to hedge interest payable under US debt facilities. The designated hedged item with a principle value of R1 819 million (2019: R1 712 million) matured on 22 July 2020. The interest rate swap was reclassified from derivative assets during the prior year.

Further interest rate swaps were executed to hedge interest payable under US debt facilities on the 4 October 2019 and 29 April 2020 respectively with a maturity date of 27 September 2024. This comprises term debt of R1 919 million at a swap rate of between 0.349% and 1.473%.

Gains and losses on the interest rate swaps held as a hedging instrument in a designated and effective hedging relationship are recognised in other comprehensive income and are reclassified in the same period that the hedged cash flows affect profit or loss. During the year a fair value loss of R74.6 million (2019: loss R7.8 million) was recognised in other comprehensive income.

The carrying amounts of all other financial assets and liabilities approximate their fair values at year end.

8. DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Profit on sale of property, plant and equipment		
Proceeds on disposal of property, plant and equipment	18 497	
Net book value of property, plant and equipment disposed	(6 991)	
Profit on sale of property, plant and equipment ¹	11 506	
Profit on disposal of intangible assets		
Proceeds on disposal of intangible assets	30 114	
Net book value of intangible assets disposed	(10 457)	
Profit on sale of intangible assets ²	19 657	

¹ Included in the profit on sale of property, plant and equipment is an amount for the sale of land and buildings surplus to the group's operating requirements relating to the Hout Bay Fishmeal plant for the value of R11.8 million.

² Included in profit on sale of intangible assets is a profit on the sale of the Glenryck UK trademark for the value of R22.1 million.

9. NET CASH AND CASH EQUIVALENTS

Cash and cash equivalents	1 212 697	588 036
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Daybrook Fisheries Incorporated ("Daybrook") received USD1.2 million (net of legal costs) in the year following a Federal Court settlement in relation to Daybrook's 2006 Deepwater Horizon oil spill law suit. In terms of the 2015 stock purchase agreement entered into with the selling Daybrook stockholders, all risks and rewards relating to the Deepwater Horizon oil spill law suit were excluded from the transaction and the purchase consideration. The settlement proceeds received from Transocean, net of any taxation and legal costs, are accordingly due and payable to the Stockholder Representative on behalf of the selling shareholders. At 30 September 2020, these restricted funds (R20.4 million) were held in cash and cash equivalents with a corresponding liability in accounts payable as the funds had not yet been remitted to the Stockholder Representative. The funds were settled in full to the Stockholder Representative on 12 November 2020.

10. ASSETS HELD FOR SALE

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

The Bayhead cold storage facility operated by the Commercial Cold Storage and Logistics division has been designated as held for sale following the conclusion of an agreement of sale of the business.

During the prior year, the company and group's investment in Oceana Boa Pesca Limitada was impaired following a decision to mothball all operations following a decline in the Sardinella resource in Angola. During 2020, Oceana entered into an agreement to dispose of its interest in Oceana Boa Pesca Limitada to its joint venture partner.

Accordingly the Investment and related loans in Oceana Boa Pesca Limitada have been designated as held for sale.

Both transactions are expected to be concluded by 31 January 2021.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED SEPTEMBER 2020

10. ASSETS HELD FOR SALE continued

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Reclassification of assets to assets held for sale		
Cold storage assets held for sale (Commercial cold storage and logistics segment)		
Reclassified from plant and equipment and vehicles	6 749	
Reclassified from land and buildings	691	
Reclassified from intangible assets	63	
	7 503	
Oceana Boa Pesca Limitada joint venture interests held for sale¹ (Canned fish and fishmeal (Africa) segment)		
Reclassified from loans and investments with joint ventures and associates	11 917	
Carrying amount of assets held for sale at 30 September 2020	19 420	

¹ The investment and long-term interest is designated held for sale and has been reclassified from loans and investments with joint ventures and associate at a carrying amount of R11.9 million.

11. DETERMINATION OF HEADLINE EARNINGS

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Profit after taxation attributable to shareholders of Oceana Group Limited	760 635	617 616
Adjusted for:		
Impairment of capital loans	4 047	7 887
Impairment of property, plant and equipment and intangible assets	1 006	2 384
Joint venture: Reversal of impairment of property, plant and equipment		7 903
Joint venture: Profit on disposal of vessels	(710)	
Loss on disposal of business		770
Gain on deregistration of foreign subsidiary	(3 414)	
Profit on disposal of intangible assets	(22 107)	
Insurance proceeds received	(2 576)	
Net profit on disposal of property, plant and equipment	(12 548)	(3 040)
Total non-controlling interest in above	200	74
Total tax effect of adjustments	9 885	2 772
Headline earnings for the year	734 418	636 366
Headline earnings per share (cents)		
– Basic	628.4	544.3
– Diluted	582.5	500.9

12. DIVIDENDS

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Dividend declared after reporting date	342 068	280 710
Dividend per share (cents)	393.0	363.0
Number of shares in issue net of treasury shares (in millions)	116 747	116 962

13. SUPPLEMENTARY INFORMATION

	Audited year ended 30 Sep 2020 R'000	Audited year ended 30 Sep 2019 R'000
Amortisation	38 956	39 443
Depreciation of property, plant and equipment	189 789	170 950
Depreciation of right-of-use assets	34 009	
Operating lease charges		105 821
Expenditure on low value and short term leases	42 810	
Share-based expenses	20 492	10 892
Cash-settled compensation	1 883	(1 407)
Equity-settled compensation	18 609	12 298
Capital expenditure (property, plant and equipment and intangible assets)	239 858	254 179
Replacement	222 457	254 179
Expansion	17 401	
Budgeted capital commitments	448 093	375 471
Contracted	101 651	26 822
Not contracted	346 442	348 649

14. ELIMINATION OF TREASURY SHARES

	2020 Audited number of shares '000	2019 Audited number of shares '000
Weighted average number of shares in issue	130 432	135 526
Less: Weighted average treasury shares held by share trusts	(13 450)	(13 522)
Less: Weighted average treasury shares held by subsidiary company	(119)	(5 094)
Weighted average number of shares on which basic earnings per share and basic headline earnings per share are based	116 863	116 910
Weighted average number of shares on which diluted earnings per share and diluted headline earnings per share are based	126 087	127 043

Oceana Group Limited's ("Oceana's") wholly owned subsidiary Lucky Star Limited ("Lucky Star") held 5 094 350 ordinary shares of no par value which were acquired in terms of specific authorisation to repurchase shares in 2007. Oceana repurchased the 5 094 350 shares of no par value as announced on the JSE Limited's Stock Exchange News Service on 30 March 2020. The subsequent delisting and cancellation of the 5 094 350 ordinary shares, as approved by the JSE Limited, was effected on 30 March 2020.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED SEPTEMBER 2020

14. ELIMINATION OF TREASURY SHARES continued

A total of 288 400 shares were repurchased on the open market, during the year by Lucky Star Limited, for the purposes of the group's forfeitable share plan allocation. The shares were repurchased at an average price of R58.32 per share.

The Oceana Empowerment Trust lock-in period will expire in January 2021 and the trust will then commence with its unwinding process in terms of the trust deed. The participation rights of employee beneficiaries in the Oceana Empowerment Trust represent restricted equity instruments given that employee beneficiaries cannot freely dispose of any participation rights until the expiration of the lock-in period.

15. RELATED-PARTY TRANSACTIONS

The group entered into various other transactions with related parties in the normal course of business. The nature of these related-party transactions is consistent with those reported previously.

16. CONTINGENT LIABILITIES AND GUARANTEES

Oceana Group Limited ("the company") and its subsidiaries have given cross suretyships in support of bank overdraft facilities of certain subsidiaries and the company. Further the company and six of the group subsidiaries have guaranteed rand-denominated term loans of R1 533.1 million (2019: R1 874.8 million).

17. EVENTS AFTER THE REPORTING DATE

At the date of this report, the Covid-19 pandemic has had no further significant effect on the operations of the group since the year-end. The group continues to monitor the potential outcomes of the Covid-19 pandemic and maintains sufficient liquidity to withstand any foreseeable disruptions. Other than the dividend that has been declared (refer to Note 12) after the reporting period, no further events occurred after the reporting date that may have an impact on the group's reported position at 30 September 2020 or require separate disclosure in these summarised consolidated financial statements.

COMMENTS

OVERALL RESULTS

Oceana has delivered an exceptional performance for the year ended 30 September 2020, with after tax profit growth of 26%, amidst challenging economic conditions, logistics and supply constraints compounded by Covid-19 restrictions and protocols. The group and its operations were classified as an essential service provider in all geographies in which it operated during the peak Covid-19 lockdown periods and was accordingly able to continue operating with all employees abiding by stringent procedures and protocols to safeguard their health and well-being.

On an overall basis the strong performance can be attributed primarily to the rallying of our workforce in heeding the call to provide continuous supply of product and aid food security for our consumers, supported by the continued demand and firm pricing for our range of products which are predominately consumed in-home.

REVENUE

Group revenue increased by 9% to R8 308 million (2019: R7 647 million) driven by increased fishmeal sales volumes, consistent supply and sustained demand for canned fish together with favourable pricing across most products which was further enhanced by the benefit of a weaker exchange rate on export revenue.

OPERATING PROFIT

Group operating profit before other operating items increased 18% to R1 382 million (2019: R1 175 million). In addition to the benefit of strong revenue growth, operating costs remained well controlled during the year, supported by production efficiencies in our canneries and fishmeal operations, improved occupancies in the commercial cold storage business and further aided by the closure of underperforming operations in the prior year.

The group remains favourably disposed to a weaker Rand aided by the USD earnings of our Daybrook operations. Our Africa operations offered a natural Rand hedge over the financial period with procurement of raw materials and fuel in foreign currency approximately matched by export revenues, primarily from our fishmeal, horse mackerel and hake businesses.

COVID-19 IMPACT

In order to provide a safe working environment at both our land and sea-based operations the group incurred costs of R50 million in the provision of personal protective equipment, dedicated staff transport, food parcels and staff recognition bonuses for frontline workers. In addition to the fortitude demonstrated by our workforce this resulted mainly in continuous harvesting, processing and supply of product.

Notwithstanding this level of resilience, our fishing operations suffered intermittent disruptions due to Covid-19 infections during the year. This resulted in approximately 10% of harvesting time lost, particularly in our USA and Namibian operations. We estimate earnings lost as a consequence of these disruptions at R75 million.

OTHER ITEMS

The group adopted the IFRS 16: Leases (IFRS 16) standard which was effective for the accounting period commencing 1 October 2019 and replaces IAS 17: Leases. The group implemented the standard using the modified retrospective approach.

Other operating items include profit on the disposal of non-core land and buildings and the Glenryck UK trademark, reduced by an increased loan impairment and related exchange rate losses on the mothballed Angolan operation.

Net interest expense of R254 million (2019: R261 million) includes R24 million in finance charges arising from the adoption of IFRS 16. Net interest expense, excluding the lease related interest charge, reduced by 12% primarily due to the settlement of R278 million of South Africa (SA) debt in the year, strong working capital management over the year and lower interest rates in both SA and the United States (USA). The average interest rate for all debt is currently 5.1% (2019: 6.8%).

TAXATION

The taxation expense of R330 million (2019: R249 million) includes dividend withholding tax of R21.6 million (2019: R9.8 million) accrued on dividends declared by foreign subsidiaries and capital gains tax of R5.8 million (2019: R nil) on capital gains realised.

HEADLINE EARNINGS

Headline earnings after minority interests and headline earnings adjustments improved by 15.4% from R636 million to R734 million. The increase in profit attributable to minority interests to R56 million (2019: R31 million) is primarily driven by the improved performance in the SA fishmeal and hake segments which directly benefited black owned minority shareholders in these segments.

COMMENTS continued

CASH FLOW AND FINANCIAL POSITION

Management adopted a defensive approach in view of the uncertainties brought on by the Covid-19 pandemic, immediately introducing proactive measures to strengthen the balance sheet and optimise cashflow management including a reassessment of planned capital expenditure.

Strong cash generation, close monitoring of working capital utilisation favourably impacted by lower inventory levels and improved supplier terms contributed to significantly improved cash balances of R1 212 million (2019: R588 million).

In addition to planned debt reduction, this contributed to a material improvement of 27% in net debt levels to R2 240 million (2019: 3 062 million) reducing the group's Net Debt to EBITDA ratio to 1.4 times (2019: 2.2 times).

DIVIDENDS

After due consideration and evaluation of our prospects and liquidity for the immediate future, the Board declared a final dividend of 293.0 cents (2019: 240.0 cents) per share which together with the interim dividend brings the total dividend for the year to 393.0 cents (2019: 363.0 cents) per share.

REVIEW OF OPERATIONS

Segmental Results	Revenue			Operating profit before other operating items		
	2020 R'000	2019 R'000	% change	2020 R'000	2019 R'000	% change
Canned fish and fishmeal (Africa)	4 471 836	4 038 540	11	522 077	450 591	16
Fishmeal and fish oil (USA)	1 905 553	1 721 044	11	424 796	359 102	18
Horse mackerel, hake, lobster and squid	1 545 989	1 514 436	2	353 749	303 172	17
Commercial cold storage and logistics	384 963	373 395	3	81 657	62 460	31
	8 308 341	7 647 415	9	1 382 279	1 175 325	18

CANNED FISH AND FISHMEAL (AFRICA)

Canned fish demand remained resilient in an environment where the disposable income of consumers was under considerable pressure. Canned pilchard sales volumes increased by 1% to 9.1 million cartons (2019: 9.0 million cartons) largely driven by increased in-home consumption of the 400g (talls) canned pilchard category and feeding scheme volumes. Revenue growth was attributable to a 4% price increase implemented in November 2019 aligned with our affordable protein strategy.

Our canneries in both SA and Namibia continued to deliver production and supply chain efficiencies along with increased throughputs, driven by strong workforce attendance ensuring continued cost containment and consistent availability of product on shelf.

In light of the continued slow recovery of the local pilchard resource in both SA and Namibia, supply of raw material for our canned fish product is predominantly from frozen fish imported from other geographies. During the year overall procurement levels and pricing of raw materials improved but was insufficient to offset the negative impact of a weaker Rand. Production efficiencies and improved throughputs have enabled this segment to maintain operating margins at attractive levels.

The group's African fishmeal and oil segment has delivered a stellar performance supported by a healthy anchovy biomass in SA and strong adherence to Covid-19 protocols which ensured harvesting and processing continuity during peak periods of the fishing season. A 20% increase in landings and consistent demand for fishmeal in our key geographies contributed to strong revenue growth for the year. The rightsizing of our SA fleet and elimination of operating losses following the closure of our Angolan factory have further enhanced financial performance for the year.

FISHMEAL AND FISH OIL (USA)

Our USA business delivered a solid set of results with an improvement in operating profit in both local currency and SA Rands in addition to strong cash generation and reduction of debt.

Operating conditions this season were severely hampered by a combination of Covid-19 disruptions and an abnormally active hurricane season which contributed to a reduction in overall fishing days for the season. Covid-19 disruptions were experienced primarily at the commencement of the season due to staffing capacity and availability and further exacerbated by additional virus exposure subsequent to national holidays in June and July.

Notwithstanding this impediment, which led to approximately 25% downtime, strong catch rates supported by a healthy biomass resulted in a 17% reduction in landings to 567 million fish (2019: 685 million fish) and an improvement in the fish oil yield to 10.0% (2019: 8.2%). This season also enjoyed the successful trials of a run-boat concept and experimental weekend fishing.

Revenue for the year was supported by strong demand for menhaden fishmeal in the US pet food sector due to increased lockdown related consumption by American households with pets. Steady fishmeal demand in other sectors and increased fish oil pricing in European markets further contributed to positive earnings growth.

The business has embarked upon extensive procurement efficiencies during the year which will continue to benefit operating margins going forward.

HORSE MACKEREL, HAKE, LOBSTER AND SQUID

This segment delivered 17% growth in operating profit before other operating items, driven by strong performances from both the horse mackerel and hake businesses.

Horse mackerel operations remained resilient during the year with quota levels in both SA and Namibia materially unchanged. Demand for fresh fish protein, particularly in Southern Africa, contributed to strong pricing during the second half of the year. Lower fuel prices and the effect of the weaker Rand contributed further to an improvement in performance. Notwithstanding a 10% reduction in fishing days due to Covid-19 disruptions which impacted volumes negatively, this segment delivered a significant increase in operating profit for the year.

The 2020 Hake offshore TAC remained in line with the prior year. A strong improvement in revenue and operating profit for this business resulted from continued European demand for products consumed in-home, supported by a weaker exchange rate and lower fuel prices, but marginally curtailed by Covid-19 disruptions to fishing days.

Profitability in the lobster segment was negatively impacted by the closure of the Chinese market for live lobster following the Covid-19 outbreak. In response, fishing was slowed down and product frozen for sale into other geographies at lower margins. Lower industry wide catches resulted in a reduction of sales volumes and lower profitability in the squid segment.

COMMERCIAL COLD STORAGE AND LOGISTICS (CCS)

The CCS business delivered a significantly improved performance with operating profit before other operating items increasing 31%. Occupancy levels at most stores improved as a direct result of Covid-19 resulting in longer storage periods and contracting with new customers. Increased fixed reservation contracts in the Western Cape and Gauteng regions contributed further to revenue and operating profit growth. The CCS business continued to play a critical role in enabling the supply of frozen fish to Lucky Star resulting in stable occupancies in the Western Cape region.

The strong performance was further driven by reduced operational costs following right sizing of cold storage capacity and the non-recurrence of once-off costs incurred in the prior year. Operating profit was, however, negatively impacted by higher staff expenditure directly related to Covid-19 precautionary measures.

DIRECTORATE CHANGES

Hajra Karrim was appointed as the group's Chief Financial Officer effective from 1 November 2020. Hajra takes over the role from Trevor Giles who was appointed as Interim Chief Financial Officer from 11 February 2020. The Board extends its gratitude to Trevor for the exemplary manner in which he fulfilled the responsibilities of the role and furthermore wishes Hajra well and much success in her new role.

PROSPECTS

Covid-19 continues to bring uncertainty in all the geographies in which we operate. Our performance in 2020 was underpinned by in-home consumption of most of our products, matched with consistent supply brought about by the adoption of strong safety protocols across our workforce. We believe that this will continue to drive our activity and performance in the short term.

Over the medium term we anticipate that our diverse operations will continue to offer risk mitigation. Our product offerings remain attractive despite the continued effects of the pandemic and we will look to drive volume growth particularly in the canned fish and fishmeal segments.

We remain cautious, however, about the evolving impact of the Covid-19 pandemic on the global macroeconomic environment, the effect on consumer spending and the impact on the pace of economic recovery. We will continue to evaluate the group's prospects against this backdrop, and in particular the possible emergence of a vaccine when evaluating future capital allocation and dividend decisions.

In SA, updated timelines for the 2021 Fishing Rights Allocation Process have been published. It is currently anticipated that applications and allocations will be concluded during November 2021. We remain confident of an objective and transparent policy setting, application and adjudication process. As a level-1 B-BBEE contributor with over 70% black ownership and the honour of being the most empowered food producer on the JSE, Oceana believes it is well placed to strongly contest for the renewal of its fishing rights. The group intends to replace its current staff empowerment scheme, which vests in January 2021, subject to shareholder approval. An announcement in this regard will follow in due course.

Any forward-looking statements set out in this announcement have not been reviewed or reported on by the auditors.

COMMENTS continued

NOTE OF APPRECIATION

Oceana is exceptionally proud of all its employees for their committed diligence, care and professionalism in continuing to deliver excellence and essential products during this most trying of times. Our ability to heed the call to deliver food security for our consumers is testament to our strong desire to play a meaningful role in the betterment of society.

We are particularly grateful to the regulators in all the geographies in which we operate for their support during the peak of the pandemic. In SA, Minister Barbara Creecy and her team, through engagement with industry associations, were instrumental in providing much needed clarity and guidance which in turn enabled us to provide continuity of job and food security.

On behalf of the Board

MA Brey
Chairman (non-executive)
3 December 2020

I Soomra
Chief executive officer

CASH DIVIDEND DECLARATION

Notice is hereby given of dividend number 153. A gross final dividend amounting to 293.0 cents per share, in respect of the year ended 30 September 2020, was declared on Thursday, 3 December 2020, out of current earnings. Where applicable the deduction of dividends withholding tax at a rate of 20% will result in a net dividend amounting to 234.4 cents per share.

The number of ordinary shares in issue at the date of this declaration is 130 431 804. The company's tax reference number is 9675/139/71/2. Relevant dates are as follows:

Last day to trade <i>cum</i> dividend	Monday, 28 December 2020
Commence trading <i>ex</i> dividend	Tuesday, 29 December 2020
Record date	Thursday, 31 December 2020
Dividend payable	Monday, 4 January 2021

Share certificates may not be dematerialised or rematerialised between Tuesday, 29 December 2020 and Thursday, 31 December 2020, both dates inclusive.

By order of the Board

A Fortune
Company secretary
3 December 2020

DIRECTORATE AND STATUTORY INFORMATION

Directors:	MA Brey (chairman), I Soomra* (chief executive officer), E Bosch* (resigned 31 January 2020), H Karrim* (chief financial officer - appointed 1 November 2020), ZBM Bassa, PG de Beyer, A Jakoet (appointed 14 November 2019), S Pather, NA Pangarker, L Sennelo, NV Simamane. (*Executive)
Prescribed Officer:	T Giles (Interim chief financial officer)
Registered Office:	9th Floor, Oceana House, 25 Jan Smuts Street, Foreshore, Cape Town, 8001
Transfer Secretaries:	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold, 2132)
Sponsor – South Africa:	The Standard Bank of South Africa Limited
Sponsor – Namibia:	Old Mutual Investment Services (Namibia) Proprietary Limited
Auditors:	Deloitte & Touche
Company Secretary:	A Fortune
JSE share code:	OCE
NSX share code:	OCG
ISIN:	ZAE000025284

