



**GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2021

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Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2021

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 28 of 2004 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the group and company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and the Companies Act 28 of 2004. The external auditors are engaged to express an independent opinion on the consolidated and separate annual financial statements.

The consolidated and separate annual financial statements are prepared in accordance with International Financial Reporting Standards and the Companies Act 28 of 2004 and are based upon appropriate accounting policies consistently applied and 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 company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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 company and all employees are required to maintain the highest ethical standards in ensuring the group and company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group and company is on identifying, assessing, managing and monitoring all known forms of risk across the group and company. While operating risk cannot be fully eliminated, the group and company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

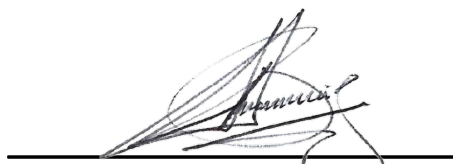
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any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

The directors have reviewed the group and company's cash flow forecast for the year to 31 December 2022 and, in light of this review and the current financial position, they are satisfied that the group and company has or had access to adequate resources to continue in operational existence for the foreseeable future. The group and company's going concern assumptions are disclosed in note 11 in the directors report as well as note 55 in the notes to the financial statements.

The external auditors are responsible for independently auditing and reporting on the group and company's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the group and company's external auditors and their report is presented on pages 3 to 5.

The consolidated and separate annual financial statements set out on pages 6 to 194, which have been prepared on the going concern basis, were approved by the board on 20 December 2021 and were signed on their behalf by:



Director

Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Ohlthaver & List Finance and Trading Corporation Limited

Report on the Audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Ohlthaver & List Finance and Trading Corporation Limited ("the Company") and its subsidiaries ("the Group") set out on pages 6 to 194, which comprise the consolidated and separate statements of financial position as at 30 June 2021 and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and the report of the Directors.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Company and the Group as at 30 June 2021 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act of Namibia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated and separate Financial Statements section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the statement of Directors responsibility and approval of the financial statements set out on page 2 and the O&L Integrated Annual Report 2021 issued separately with page numbers 1 to 93 which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements, report of the Directors and our auditor's report thereon.

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



INDEPENDENT AUDITOR'S REPORT (Continued)**To the Members of Ohlthaver & List Finance and Trading Corporation Limited (Continued)****Other Information (continued)**

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 and separate Financial Statements

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

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as going concerns, 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 and/or the Company to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements

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

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

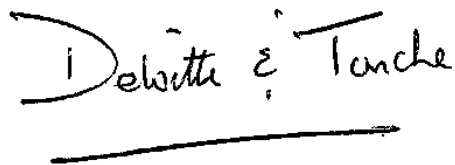
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Members of Ohlthaver & List Finance and Trading Corporation Limited (Continued)

- 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures and whether the consolidated and separate 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 Audit Committee 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.

A handwritten signature in black ink that reads "Deloitte & Touche". The signature is written in a cursive, flowing style. Below the signature is a single horizontal line.

Deloitte & Touche

Registered Accountants and Auditors

Chartered Accountants (Namibia)

Per: RH Mc Donald

Partner

Windhoek

21 December 2021

Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2021

Directors' Report

The Directors have pleasure in submitting their report on the annual financial statements of Ohlthaver & List Finance and Trading Corporation Limited and the group for the year ended 30 June 2021.

1. Nature of business

The group and company is engaged in diversified business activities. Details of the group and company's activities are set out in notes 7 and 8.

There have been no material changes to the nature of the group and company's business from the prior year other than the business acquisitions set out in point 7 below.

2. Review of financial results and activities

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 28 of 2004. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group and company are set out in these consolidated and separate annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review. Full details of the Company's authorised and issued share capital at 30 June 2021 are set out in note 20 to the consolidated and separate financial statements.

4. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board may pass on the payment of dividends.

No dividend was declared in respect of the year under review (2020: 182c per share as ordinary dividend as well as a special dividend of N\$ 450 million).

5. Directorate

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

Directors	Designation	Nationality	Changes
S Thieme	Executive	Namibian	
H van der Westhuizen	Executive	Namibian	
G Hanke	Executive	Namibian	
B Mukuahima	Executive	Namibian	
G Shilongo	Executive	Namibian	
P Hoeksema	Executive	Namibian	
(alternate to S Thieme)			
W J Oosthuizen	Executive	South African	Appointed Thursday, 9 July 2020
H-H Muserler	Non-executive Independent	Namibian	
E Ender	Non-executive Independent	German	
L Mcleod-Katjirua	Non-executive	Namibian	
P Grüttemeyer	Non-executive	Namibian	
C G N Uushona	Non-executive	Namibian	
U Stritter	Non-executive	Namibian	
E P Shiimi	Non-executive	Namibian	Appointed Tuesday, 27 October 2020

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Annual Financial Statements for the year ended 30 June 2021

Directors' Report

6. Property, plant and equipment

Capital expenditure on property, plant and equipment during the year amounted to N\$ 526.4 million (2020: N\$ 444.5 million), of which N\$ 510.1 million (2020: N\$ 420.7 million) was in respect of plant, equipment and operating assets and N\$ 16.3 million (2020: N\$ 23.8 million) for land and buildings.

Capital expenditure on investment property of N\$ 2.8 million (2020: N\$ 18.4 million) was incurred during the year under review.

7. Interests in subsidiaries and associates

Details of material interests in subsidiary companies and associates are presented in the consolidated and separate annual financial statements in notes 7 and 8.

The group and company acquired 51% interest in O&L Nexentury GmbH (formerly Cronimet Mining Power Solutions GmbH) during the current year for a consideration of 1 Euro. O&L Nexentury GmbH is incorporated in Germany and operates in the solar power industry through subsidiaries in South Africa and Namibia.

On 1 January 2021 the group, through O and L Fresh Produce (Proprietary) Limited acquired 100% of the operating business of Andrico Investments Number Eighty Three t/a Farm to Folk (Farm to Folk) for a consideration of N\$ 11.8 million which resulted in the group obtaining control over Farm to Folk.

Farm to Folk is principally involved in the fruit and vegetable industry, consisting of sourcing, warehousing and logistics. The business sources and distributes fresh produce to retailers in Namibia.

The details of the business combinations are set out in Note 46.

The group and company bought out the 49% minority shareholders of Weathermen & Company Advertising (Proprietary) Limited for N\$490 with effect from 31 December 2020.

8. Holding company

The group and company's holding company is Ohlthaver & List Holdings (Proprietary) Limited which holds 50.1% (2020: 50.1%) of the group and company's equity. Ohlthaver & List Holdings (Proprietary) Limited is incorporated in Namibia.

9. Ultimate holding company

The group and company's ultimate holding company is Sven Thieme Holdings (Proprietary) Limited which is incorporated in Namibia.

The ultimate holding company's name was changed from List Trust Company (Proprietary) Limited to Sven Thieme Holdings (Proprietary) Limited effective 13 October 2020.

Ohlthaver & List Finance and Trading Corporation Limited

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Directors' Report

10. Events after the reporting period

Namibia Breweries Limited and related companies

Subsequent to year end, Heineken N.V. made an offer to acquire Namibia Breweries Limited's (NBL's) 25% shareholding in Heineken South Africa (RF) Proprietary Limited (HSA). An independent committee was appointed to assist in the assessment of the offer received. On 20 December 2021, the shareholders of NBL approved the transaction as set out above in the general meeting.

Namibia Breweries Limited ('NBL') will potentially acquire Distell's business in Namibia in a parallel, but separate transaction, in order to combine both businesses in Namibia under NBL. This potential transaction will be detailed in due course and will be subject to NBL shareholder approval.

Heineken N.V. has entered into an implementation agreement with Distell Group Holdings Limited and Namibia Breweries Limited (NBL) to integrate their respective and relevant businesses in Southern Africa into one enlarged company from 15 November 2021.

Heineken will acquire Ohlthaver & List Finance and Trading Corporation Limited's 50.01% stake in NBL Investment Holdings (Proprietary) Limited (NBL's holding company with an additional effective interest of 29.7% in NBL) for €350 million, with such stake also being contributed to the newly formed group. NBL will remain listed on the Namibian Stock Exchange, with public shareholders in NBL continuing to hold the remaining 40.6%.

On 13 August 2021, NBL received confirmation that its insurers approved a claim that was submitted by NBL during the year. The claim submitted was to compensate the Group for losses incurred as a result of business interruption under the Covid-19 lockdown restrictions imposed on the Group during March 2020 to May 2020. As a result, the Group recognised income amounting to N\$42,608,695, as the event constitutes an adjusting event under IAS 10.

O&L Leisure (Proprietary) Limited

The COVID-19 outbreak has developed rapidly in 2020/21, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity and the company's business in the following material way:

- Due to the resulting low occupancies, the decision was taken to close Mokuti Etosha Lodge and Chobe Water Villas from 1 August to 30 September 2021.
- Employee salaries have been reduced by 50% at Strand Hotel Swakopmund, Mokuti Etosha Lodge and Chobe Water Villas and 25% at Midgard Country Estate and Central Office for 3 months ending 31 October 2021.

As restrictions were subsequently relaxed and tourism activities increased, O&L Leisure experienced a steady improvement in business activity and turnovers. Chobe Water Villas and Mokuti Etosha Lodge were re-opened on 1 October and all business rescue measures were relaxed as from 1 November and all O&L Leisure employees resumed their normal working hours.

A new COVID-19 variant was detected in December 2021, which is expected to have a negative impact on tourism, due to travel restrictions and resulting cancellations of bookings at the lodges and hotels. Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the group may experience further negative results, liquidity restraints and incur impairments on its assets in 2021. The exact impact on our activities in the remainder of 2021 and thereafter cannot be predicted.

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Directors' Report

Namibia Dairies (Proprietary) Limited

Namibia Dairies implemented a temporary 20% salary reduction for all employees to be implemented in line with section 12 (6) of the Labour Act, Act 11 of 2017, which was effective 1 August 2021 to 30 October 2021. An improvement in the overall business performance of the company was noted over the three month period. A decision was taken to perform an organizational and business process restructuring. The restructuring process will take place in different phases from 01 October 2021 to July/August 2022. This process will include closure of depots, restructuring of the Superfarm, Avis and Namibia Dairies Head office teams as well as the relocation of Namibia Dairies head office activities from Prosperita to the Avis plant.

On 3 February 2019, a technical failure occurred at the Avis Plant of Namibia Dairies, resulting in the release of heavy furnace oil (HFO) from the boiler feeding system on site. Whilst the majority of the spill was contained on the site, some HFO released ended up in the Windhoek wastewater / sewerage system. City of Windhoek allege that Namibia Dairies is (solely) liable for secondary / downstream pollution caused following the spill, but management denied liability.

In November 2021, Namibia Dairies received a request for an environmental audit with regards to the oil spill that occurred in February 2019. The audit has not yet taken place.

Wernhil Park (Proprietary) Limited

In 2021, there were material breaches of covenants by Wernhil Park (Proprietary) Limited in respect of the long-term facility agreement entered into with First National Bank of Namibia. First National Bank did not accept the breaches and the loan of N\$ 917,065,695 was reclassified to currently payable at 30 June 2021. The breaches were however condoned after year-end and the loan reverted to classification as a non-current liability.

11. Going concern

We draw attention to the fact that at 30 June 2021, the group's current liabilities exceed the current assets by N\$ 10,268,000.

The deficit is a result of the breach by Wernhil Park (Proprietary) Limited in respect of the long-term facility agreement entered into with First National Bank of Namibia. First National Bank did not accept the breaches and the loan of N\$ 917,065,695 was reclassified to currently payable at 30 June 2021.

The breaches were however condoned after year-end and the loan reverted to classification as a non-current liability, resulting in the net current liability position to be subsequently resolved.

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

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Directors' Report

12. Secretary

The company secretary is Ohlthaver & List Centre (Proprietary) Limited.

Postal address:

P O Box 16
Windhoek
Namibia

Business address:

7th Floor - South Block
Alexander Forbes House
23-33 Fidel Castro Street
Windhoek

13. Auditors

Deloitte & Touche continued in office as auditors of the group and company for 2021.

14. Approval of financial statements

The consolidated and separate annual financial statements have been authorised for issue by the directors on 20 December 2021.

Ohlthaver & List Finance and Trading Corporation Limited

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Annual Financial Statements for the year ended 30 June 2021

Statements of Financial Position as at 30 June 2021

		Group		Company	
	Note(s)	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
ASSETS					
Non-Current Assets					
Property, plant and equipment	2	4,136,451	3,887,872	-	-
Right-of-use assets	3	210,341	247,928	-	-
Investment property	4	2,392,905	2,312,341	-	-
Biological assets	5	49,403	46,253	-	-
Intangible assets	6	98,212	78,334	-	-
Investments in subsidiaries	7	-	-	241,466	238,822
Investments in associates	8	717,652	793,701	-	-
Loans to group companies	9	-	-	1,328,234	929,200
Loans receivable	11	16,751	13,306	-	-
Non-current receivables	12	37,091	32,949	-	-
Deferred tax	13	13,276	12,016	-	-
		7,672,082	7,424,700	1,569,700	1,168,022
Current Assets					
Inventories	14	592,569	633,551	-	-
Loans to group companies	9	-	-	951	117,004
Loans to related parties	10	87,394	44,977	-	-
Trade and other receivables	15	817,580	800,241	3,747	1,630
Derivatives	16	6,386	9,588	-	-
Operating lease asset		37	61	-	-
Current tax receivable	45	2,383	5,813	-	-
Property units for sale	17	8,597	9,052	-	-
Cash and cash equivalents	18&19	999,561	1,231,728	308,671	875,586
		2,514,507	2,735,011	313,369	994,220
Total Assets		10,186,589	10,159,711	1,883,069	2,162,242
EQUITY AND LIABILITIES					
EQUITY					
Equity Attributable to Equity Holders of Parent					
Share capital	20	3,391	3,391	3,391	3,391
Reserves		957,099	949,176	54,949	54,949
Retained income		2,991,644	3,138,384	1,516,194	1,723,003
		3,952,134	4,090,951	1,574,534	1,781,343
Non-controlling interest		1,576,836	1,491,440	-	-
		5,528,970	5,582,391	1,574,534	1,781,343

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Statements of Financial Position as at 30 June 2021

		Group		Company	
	Note(s)	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
LIABILITIES					
Non-Current Liabilities					
Loans from related parties	25	1,588	1,433	-	-
Borrowings	26	1,217,655	1,893,916	220,000	100,000
Derivatives	16	54,832	83,306	-	-
Finance lease liabilities	27	241,082	264,898	-	-
Deferred income	31	821	-	-	-
Deferred tax	13	542,044	541,699	-	-
Provisions	28	68,065	59,051	-	-
Non-current payables	29	6,757	8,300	-	-
		2,132,844	2,852,603	220,000	100,000
Current Liabilities					
Trade and other payables	30	1,017,450	843,589	1,461	2,306
Loans from group companies	24	-	-	78,607	78,579
Loans from related parties	25	17,499	22,131	2,362	2,237
Borrowings*	26	1,208,783	575,891	1,266	192,880
Derivatives	16	3,511	32,395	-	-
Finance lease liabilities	27	63,675	79,317	-	-
Deferred income	31	4,324	1,400	-	-
Current tax payable	45	13,933	244	-	-
Dividend payable		11,900	4,897	4,839	4,897
Bank overdraft	18	183,700	164,853	-	-
		2,524,775	1,724,717	88,535	280,899
Total Liabilities		4,657,619	4,577,320	308,535	380,899
Total Equity and Liabilities		10,186,589	10,159,711	1,883,069	2,162,242

*Certain loan covenants were breached at 30 June 2021, resulting in the loans to be classified as currently payable. The breaches were however condoned after year-end and the loans reverted to classification as a non-current liability. Refer to notes 26, 54 & 55 for detailed disclosure.

Ohlthaver & List Finance and Trading Corporation Limited

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Statements of Profit or Loss and Other Comprehensive Income

	Note(s)	Group		Company	
		2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Revenue	32	7,163,613	7,223,119	62,472	152,732
Excise duties	32	(757,534)	(746,644)	-	-
Net revenue	32	6,406,079	6,476,475	62,472	152,732
Cost of sales	33	(3,931,387)	(4,340,177)	-	-
Gross profit		2,474,692	2,136,298	62,472	152,732
Other operating income	34	173,542	123,561	-	-
Other operating (losses) gains	35	(26,909)	(221,066)	(67,153)	156,960
Other operating expenses		(2,051,564)	(1,875,141)	(181,194)	(200,944)
Operating profit (loss)	36	569,761	163,652	(185,875)	108,748
Investment income	37	33,913	51,960	11,141	34,844
Finance costs	38	(270,993)	(297,330)	(22,075)	(42,272)
Loss from equity accounted investments	8	(70,200)	(73,556)	-	-
Profit (loss) before taxation		262,481	(155,274)	(196,809)	101,320
Taxation	39	(157,895)	(29,245)	-	-
Profit (loss) for the year		104,586	(184,519)	(196,809)	101,320
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements on net defined benefit liability/asset		(2,351)	6,697	-	-
Gains on property revaluation		-	41,633	-	-
Share of comprehensive income of equity accounted investments		4,953	-	-	-
Income tax relating to items that will not be reclassified		1,321	15,422	-	-
Total items that will not be reclassified to profit or loss		3,923	63,752	-	-
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		4,060	(445)	-	-
Other comprehensive income for the year net of taxation	40	7,983	63,307	-	-
Total comprehensive income (loss) for the year		112,569	(121,212)	(196,809)	101,320
Profit (loss) attributable to:					
Owners of the parent		(139,754)	(357,588)	(196,809)	101,320
Non-controlling interest		244,340	173,069	-	-
		104,586	(184,519)	(196,809)	101,320

Ohlthaver & List Finance and Trading Corporation Limited

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Annual Financial Statements for the year ended 30 June 2021

Statements of Profit or Loss and Other Comprehensive Income

		Group		Company	
	Note(s)	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Total comprehensive income (loss) attributable to:					
Owners of the parent		(134,567)	(266,461)	(196,809)	101,320
Non-controlling interest		247,136	145,249	-	-
		112,569	(121,212)	(196,809)	101,320

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Statements of Changes in Equity

	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Revaluation reserve	Changes in ownership	Equity settled share based payment reserve	Total reserves	Retained income	Total attributable to owners of the parent	Non- controlling interest	Total equity
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000
Group												
Balance at 1 July 2019	2,746	645	3,391	(31)	824,690	(19,086)	54,949	860,522	3,947,151	4,811,064	1,620,127	6,431,191
Loss for the year	-	-	-	-	-	-	-	-	(357,588)	(357,588)	173,069	(184,519)
Other comprehensive income	-	-	-	(132)	86,327	-	-	86,195	4,932	91,127	(27,820)	63,307
Total comprehensive Loss for the year	-	-	-	(132)	86,327	-	-	86,195	(352,656)	(266,461)	145,249	(121,212)
Sale of subsidiary	-	-	-	-	-	-	-	-	(110)	(110)	(107)	(217)
Transfer (to) / from non-distributable reserve to retained earnings	-	-	-	-	(755)	-	-	(755)	755	-	-	-
Dividends	-	-	-	-	-	-	-	-	(456,756)	(456,756)	(324,577)	(781,333)
Changes in ownership interest - control not lost	-	-	-	-	-	3,214	-	3,214	-	3,214	(26,546)	(23,332)
Business combinations	-	-	-	-	-	-	-	-	-	-	77,294	77,294
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(755)	3,214	-	2,459	(456,111)	(453,652)	(273,936)	(727,588)

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Statements of Changes in Equity

	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Revaluation reserve	Changes in ownership	Equity settled share based payment reserve	Total reserves	Retained income	Total attributable to owners of the parent	Non- controlling interest	Total equity
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000
Balance at 1 July 2020	2,746	645	3,391	(163)	910,262	(15,872)	54,949	949,176	3,138,384	4,090,951	1,491,440	5,582,391
Loss for the year	-	-	-	-	-	-	-	-	(139,754)	(139,754)	244,340	104,586
Other comprehensive income	-	-	-	4,223	708	-	-	4,931	256	5,187	2,796	7,983
Total comprehensive Loss for the year	-	-	-	4,223	708	-	-	4,931	(139,498)	(134,567)	247,136	112,569
Transfer (to) / from non-distributable reserve to retained earnings	-	-	-	-	392	-	-	392	2,758	3,150	(3,150)	-
Dividends	-	-	-	-	-	-	-	-	(10,000)	(10,000)	(156,811)	(166,811)
Changes in ownership interest - control not lost	-	-	-	-	-	2,600	-	2,600	-	2,600	(4,831)	(2,231)
Business combinations	-	-	-	-	-	-	-	-	-	-	3,052	3,052
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	392	2,600	-	2,992	(7,242)	(4,250)	(161,740)	(165,990)
Balance at 30 June 2021	2,746	645	3,391	4,060	911,362	(13,272)	54,949	957,099	2,991,644	3,952,134	1,576,836	5,528,970
Note(s)	20	20	20	22&40	23&40	40	21		40			

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Statements of Changes in Equity

	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Revaluation reserve	Changes in ownership	Equity settled share based payment reserve	Total reserves	Retained income	Total attributable to owners of the parent	Non-controlling interest	Total equity
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000
Company												
Balance at 1 July 2019	2,746	645	3,391	-	-	-	54,949	54,949	2,078,439	2,136,779	-	2,136,779
Profit for the year	-	-	-	-	-	-	-	-	101,320	101,320	-	101,320
Total comprehensive income for the year	-	-	-	-	-	-	-	-	101,320	101,320	-	101,320
Dividends	-	-	-	-	-	-	-	-	(456,756)	(456,756)	-	(456,756)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	-	-	-	(456,756)	(456,756)	-	(456,756)
Balance at 1 July 2020	2,746	645	3,391	-	-	-	54,949	54,949	1,723,003	1,781,343	-	1,781,343
Loss for the year	-	-	-	-	-	-	-	-	(196,809)	(196,809)	-	(196,809)
Total comprehensive Loss for the year	-	-	-	-	-	-	-	-	(196,809)	(196,809)	-	(196,809)
Dividends	-	-	-	-	-	-	-	-	(10,000)	(10,000)	-	(10,000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	-	-	-	(10,000)	(10,000)	-	(10,000)
Balance at 30 June 2021	2,746	645	3,391	-	-	-	54,949	54,949	1,516,194	1,574,534	-	1,574,534
Note(s)	20	20	20	22&40	23&40	40	21		40			

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Statements of Cash Flows

		Group		Company	
	Note(s)	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Cash flows from operating activities					
Cash receipts from customers		7,099,355	7,229,029	60,355	152,915
Cash received from other operating income		173,543	123,563	-	156,960
Cash paid to suppliers and employees		(6,150,855)	(6,816,613)	21,947	(116,615)
Cash generated from / (used in) operations	42	1,122,043	535,979	82,302	193,260
Interest income		33,913	51,960	11,141	34,844
Finance costs		(270,993)	(297,330)	(22,075)	(42,272)
Tax paid	45	(138,997)	(49,619)	-	-
Employer benefit payments on provisions		(10,993)	(6,973)	-	-
Net cash from operating activities		734,973	234,017	71,368	185,832
Cash flows from investing activities					
Purchase of property, plant and equipment	2	(484,244)	(444,500)	-	-
Sale of property, plant and equipment	2	24,144	28,279	-	-
Purchase of investment property	4	(2,845)	(18,385)	-	-
Purchase of other intangible assets	6	(10,215)	(13,576)	-	-
Sale of other intangible assets	6	144	365	-	-
Business combinations	46	(29,508)	(127,372)	(28,494)	(129,177)
Movement in investments (incl subs, JVs & Assoc)		17,803	-	-	-
Sale of businesses		-	(149)	-	-
Loans to group companies repaid	43	-	-	-	14
Loans advanced to group companies	43	-	-	(428,851)	(376,414)
Receipts from loans receivable at amortised cost		(3,445)	4,913	-	-
Purchase of biological assets	5	(2,305)	(17,663)	-	-
Sale of biological assets	5	96	13,494	-	-
Sale of property units for sale		455	2,314	-	-
Loans advanced to related parties		(42,911)	(27)	-	-
Loans to related parties repaid		494	125,562	-	5,785
Net cash from investing activities		(532,337)	(446,745)	(457,345)	(499,792)

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Statements of Cash Flows

		Group		Company	
	Note(s)	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Cash flows from financing activities					
Repayment of loans from group companies		-	-	28	(29)
Proceeds from borrowings	43	262,530	994,530	120,000	-
Repayment of borrowings	43	(374,648)	(792,042)	(191,614)	(114,370)
Movement in non-current payables	43	(1,543)	928	-	-
Proceeds from loans from related parties		1,993	6,504	125	915
Repayment of loans from related parties		(6,915)	(4,181)	-	-
Payment on lease liabilities	43	(76,253)	(71,363)	-	-
Dividends paid	44	(159,808)	(777,665)	(10,058)	(453,088)
Acquisition of additional shares in subsidiary from non-controlling interest		(2,231)	(23,332)	(2,644)	(14,792)
Net cash from financing activities		(356,875)	(666,621)	(84,163)	(581,364)
Total cash movement for the year		(154,239)	(879,349)	(470,140)	(895,324)
Cash at the beginning of the year		1,066,875	1,835,985	875,586	1,660,665
Effect of exchange rate movement on cash balances		(96,775)	110,239	(96,775)	110,245
Total cash at end of the year	18	815,861	1,066,875	308,671	875,586

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Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Namibian Companies Act. The consolidated and separate annual financial statements have been prepared on the historic basis, except for the measurement of land and buildings classified as property, plant and equipment; investment properties; biological assets and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in thousands of Namibian Dollar (N\$ '000).

The consolidated and separate annual financial statements provide comparative information in respect of the previous period. In addition, the group and company will present an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the financial statements.

These accounting policies are consistent with the previous period.

1.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated and separate annual financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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Accounting Policies

1.2 Fair value measurement (continued)

For assets and liabilities that are recognised in the consolidated and separate annual financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and AFS (Available for sale) financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years.

The group, in conjunction with the group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.3 Consolidation

Basis of consolidation

The consolidated and separate annual financial statements incorporate the annual financial statements of the company and all investees which are controlled by the company and its subsidiaries. The group 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.

The results of subsidiaries are included in the consolidated and separate annual financial statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the group. All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

When the group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The group considers all relevant facts and circumstances in assessing whether or not the group's voting rights in an investee are sufficient to give it power, including:

- the size of the group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

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Accounting Policies

1.3 Consolidation (continued)

Changes in the group's ownership interests in existing subsidiaries

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transactions and are recognised directly in the Statement of Changes in Equity. The difference between the fair value of consideration paid or received and the movement in Non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Business combinations

Business combinations are recognised and measured in terms of IFRS 3 Business combinations. Business combinations under common control are recorded at cost and not fair value. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from acquisition date) about facts and circumstances that existed at the acquisition date.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the group assesses the classification of the acquiree's assets and liabilities are reclassifies them where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of Non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

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Accounting Policies

1.3 Consolidation (continued)

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed. For the purpose of impairment testing, goodwill is allocated to each of the group's Cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the Cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

In assessing value in use, the expected future cash flows from the unit under review are discounted to their present value using a pre-taxation discount rate that reflects current market assessments of the time value of money and specific identifiable risks.

Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

Investment in associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in associate is accounted for using the equity method, except when the investment is classified as Held-for-sale in accordance with IFRS 5 Non-current assets Held-for-sale and discontinued operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post acquisition changes in the group's share of net assets of the associate, less any impairment losses. Any change in other comprehensive income (OCI) of investees is presented as part of the group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the group recognises its share of any changes, when applicable, in the statement of changes in equity. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

Losses in an associate in excess of the group's interest in that associate are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein.

After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

When the group reduces its level of significant influence or loses significant influence, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

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Accounting Policies

1.3 Consolidation (continued)

Joint ventures

An interest in a joint venture is accounted for using the equity method, except when the investment is classified as Held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations. Under the equity method, interests in joint ventures are carried in the consolidated annual statement of financial position at cost adjusted for post acquisition changes in the company's share of net assets of the joint venture, less any impairment losses. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. Profits or losses on transactions between the company and a joint venture are eliminated to the extent of the company's interest therein.

After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on its investment in its joint ventures. At each reporting date, the group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

When the company loses joint control, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

Joint operations

The group's share of assets, liabilities, income, expenses and cash flows of jointly controlled operations are combined on a line by line basis with similar items in the consolidated and separate annual financial statements.

The group's proportionate share of intercompany balances and transactions, and resulting profits or losses between the group and jointly controlled operations are eliminated on consolidation.

1.4 Investments in subsidiaries

Company financial statements

In the company's financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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Accounting Policies

1.5 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the group and company, and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying value. Cost includes professional fees, and for qualifying assets, borrowing costs are dealt with in accordance with the group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Owner-occupied land and buildings are carried at their revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited to other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is debited in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Buildings are depreciated over their useful lives (2-12% depreciation per year) to the residual value. Land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Hotel equipment is valued annually at the lower of cost or a value based on its remaining useful life.

Refits of fishing vessels which relate to separate components are capitalised when incurred, and amortised over their useful lives.

Other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write off the cost over their estimated useful lives to their residual value, using the Straight-line method. The depreciation for each significant part of an item of property, plant and equipment is separately determined.

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Accounting Policies

1.5 Property, plant and equipment (continued)

The residual value of an item of property, plant and equipment is the amount it estimates it would receive currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life.

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

Item	Average useful life
Leasehold land and buildings	2.0-33.3%
Plant and machinery	4.0-25.0%
Furniture and equipment	10.0-33.3%
Vehicles	10.0-33.3%
Refits	20.0-86.0%
Fishing vessels	4.0-15.0%
Returnable containers	20%
Spare parts	4.0%

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.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.6 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

In determining whether a property qualifies as an investment property or owner-occupied property, the group applies the principle that if the floor space occupied by third parties exceeds 80% of the total floor space of the property, then the property classifies as investment property and is treated in accordance with this policy. Where the asset does not meet this criterion, the property is treated in accordance with the policies on land and buildings referred to above.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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1.6 Investment property (continued)

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

If the fair value of investment property under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable or construction is complete.

Property interests held under operating leases are accounted for as investment property when the property is subleased.

Transfers

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to Owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

1.7 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

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1.7 Impairment of assets (continued)

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost if acquired separately or internally generated or at fair value (which is regarded as their cost) if acquired as part of a business combination.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

The expenditure capitalised includes the cost of material, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss in the period in which it is incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life tested for impairment.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end, with the effect of any changes in estimate being accounted for on a prospective basis.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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Accounting Policies

1.8 Intangible assets (continued)

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other subsequent expenditure is expensed as incurred.

Amortisation commences when the project generating the intangible asset has been completed. Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date, which is regarded as their cost. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided to write down the intangible assets, on a Straight-line basis, to their residual values. The foreseeable lives the intangible assets range between 3 and 7 years.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined on the following bases:

- Raw materials, merchandise and consumable stores on the First-in, First-out basis or weighted average cost.
- Manufactured finished products and work in progress, at raw material cost on the First-in, First-out basis plus overhead expenses or weighted average cost.

Inventories includes a "right to returned goods asset" which represents the group right to recover products from customers where customers exercise their right of return under the group and company returns policy. The group and company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

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1.10 Biological assets

The group's biological assets mainly consist of livestock. Livestock is used for dairy production.

The group is also involved in agronomy and its activities relate to the cultivation of maize, oats, other plants used in the production of fodder or sold for cash and vegetables.

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.

Biological assets are measured on initial recognition and at the end of each reporting period at fair value less estimated point-of-sale costs, except where the fair value cannot be measured reliably in which case the biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The fair value of livestock (including Abalone livestock) is determined based on market prices of livestock of similar age, breed, and genetic merit less estimated point-of-sale costs.

The fair value of milk cows and agronomy is determined based on market prices in the local area.

A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell is included in profit or loss for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined rate is used to determine fair value.

Amortisation is provided on biological assets where fair value cannot be determined, to write down the cost, less residual value, by equal installments over their useful lives as follows:

Item	Useful life
Work in progress – Agronomy	5 years
Abalone	Indefinite
Game	12-50 years
Milk cows	Indefinite

1.11 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in notes 48&49.

Onerous contracts:

Present obligations from onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from contract.

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1.12 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable 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.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale.

1.13 Government grants

Government grants are recognised when there is reasonable assurance that:

- the group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. The grant recognised as deferred income is amortised on a systematic basis over the expected useful life of the related asset, to match the depreciation or amortisation expense.

Grants related to income are presented as a credit in the profit or loss (separately).

1.14 Revenue from contracts with customers

The group recognises revenue from the following major sources:

- Sales of goods
- Rendering of services
- Construction contracts

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Sale of goods

Revenue from sale of goods is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably. The group has concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

Timing of revenue from exported goods

The timing of the transfer of control varies depending on the individual terms of the sales contract.

The group sells certain products to the export market. Revenue is recognised when the customer obtains control of the goods. Determining the timing of transfer of control requires judgement. Where control is transferred on a later date, revenue on the transaction will only be recorded when control has transferred and will result in a delay in revenue recognition.

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1.14 Revenue from contracts with customers (continued)

Variable consideration

If the consideration in a contract includes a variable amount, the group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

Revenue is measured at the consideration at which the group is expected to be entitled, excluding discounts, rebates, and VAT.

Rendering of services

Revenue from services is recognised when control of the 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 services, allocated to each specific performance obligation. Revenue is measured at the fair value of consideration received or receivable.

Revenue is measured at the consideration at which the group is expected to be entitled, excluding discounts, rebates, and VAT.

Construction contracts

Revenue from construction contracts is recognised when the outcome of the construction contract can be measured reliably, by reference to satisfaction of the performance obligation(s) over a period of time. The group has concluded that it is the principal in its construction contract revenue arrangements, because it typically controls the delivery of construction contracts over a period of time. Anticipated losses to completion are immediately recognised as an expense in contract costs.

When the outcome of a construction contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable.

Where contract costs incurred to date plus recognised earnings, less recognised losses exceed progress billings, the surplus is reflected as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits, less recognised losses, the surplus is reflected as amounts due to customers for contract work.

Amounts received before the related work is performed are included as a liability in the consolidated statement of financial position, as amounts received in advance under the amounts due from / (to) contract customers. Amounts billed for work performed but not collected from customers are included as contract receivables. Variations in contract work, claims and incentive payments are included as part of contract revenue as follows:

Variations to a contract

Revenue related to variations is recognised when it can be reliably measured and it is highly probable that revenue will not be reversed in the future.

Incentive payments

Revenue is recognised when the contract is sufficiently advanced that it is highly probable that the specified performance standard will be met or exceeded and the revenue will not be reversed in the future, and the amount of incentive payment can be measured reliably.

Revenue is measured at the consideration at which the group is expected to be entitled, excluding discounts, rebates, and value added taxation (VAT).

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Accounting Policies

1.14 Revenue from contracts with customers (continued)

Combining and segmenting construction contracts

The group's contracts are typically negotiated for the construction of a single asset or a group of assets which are closely interrelated or interdependent in terms of their design, technology and function. In certain circumstances, the group measures revenue over a period of time for each separately identifiable components of a single contract or to a group of contracts together in order to reflect the substance of a contract or group of contracts.

Assets covered by a single contract are treated separately when:

- separate proposals have been submitted for each asset;
- each asset has been subject to separate negotiation and the group and customer have been able to accept or reject that part of the contract relating to each asset; and
- the costs and revenues of each asset can be identified.

A group of contracts is treated as a single construction contract when:

- the group of contracts is negotiated as a single package;
- the contracts are so closely interrelated that they are, in effect, part of a single project with an overall positive margin; and
- the contracts are performed concurrently or in a continuous sequence.

Other revenue

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements.

1.15 Revenue other than from contracts with customers

Interest is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the year to maturity, when it is probable that such income will accrue to the company.

Revenue from rentals is recognised on the accrual basis in accordance with the substance of the relevant lease agreements and when the right to receive rentals is assured.

Dividends are recognised, in profit or loss, when the shareholders' right to receive payment has been established.

1.16 Cost of sales

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

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

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1.17 Leases IFRS 16

The group as lessee

The group assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the lease assets are consumed.

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. If this rate cannot be readily determined the group uses its incremental borrowing rate.

Lease payment included in the measurement of the lease liability comprise:

- fixed lease payment (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measure using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated 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 the lease payments made.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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1.17 Leases IFRS 16 (continued)

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

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The group applies IAS36 to determine whether a right-of-use asset is impaired and account for any identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of these liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payment occurs and are included in the line 'Other expenses' in the statement of profit or loss.

As practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The group has not used this practical expedient.

The Group as lessor

The group enters into lease agreements as a lessor with respect to some of its investment properties. The group also rents equipment to retailers necessary for the presentation and customer fitting and testing of footwear and equipment manufactured by the group.

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amount due from lessees under finance leases are recognised as receivable at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

When a contract includes lease or non-lease components, the group applies IFRS 15 to allocate the consideration under the contract to each component.

1.18 Translation of foreign currencies

Functional and presentation currency

Items included in the annual financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The annual financial statements are presented in Namibia Dollar which is the group functional and presentation currency.

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1.18 Translation of foreign currencies (continued)

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, 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 end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange exposures as well as foreign exchange contracts and options are recorded at the rate ruling on the transaction date and are remeasured to fair value at the end of the reporting period.

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 annual financial statements are recognised in profit or loss in the period in which they arise.

In order to hedge its exposure to certain foreign exchange risks, the group enters into forward contracts and options (refer to 1.22 for details of the group's accounting policies in respect of such derivative financial instruments).

For the purpose of presenting consolidated and separate financial statements, the assets and liabilities of the group's foreign operations are expressed in Namibia Dollars using exchange rates prevailing at the end of the reporting period. Items included in profit or loss are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity and attributed to non-controlling interests as appropriate. Such translation differences are reclassified to profit or loss in the period in which the foreign operation is disposed of. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

On disposal of a foreign operation all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

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

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1.18 Translation of foreign currencies (continued)

Investments in subsidiaries

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

1.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

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1.20 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Retirement benefits

The policy of the group is to provide retirement benefits for its employees, the assets of which are held in a separate Trustee administrated fund. The contributions paid by the companies in the group to fund obligations for the payment of retirement benefits are recognised as an expense in the year of payment. The Ohlthaver & List Retirement Fund, which is a defined contribution fund, covers all the group's employees and is governed by the Namibian Pension Funds Act.

Medical benefits

Qualifying employees in the group are entitled to certain Post-retirement medical benefits. The group's obligation for Post-retirement medical aid benefits to past employees is actuarially determined in respect of current and retired employees and is provided for in full. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises the following changes in the net defined benefit obligation under operating expenses in the statement of profit or loss and other comprehensive income: Service costs comprising current service costs, Past-service costs, gains and losses on curtailments and non-routine settlements, and Net interest expense or income.

Severance pay

In accordance with the Namibia Labour Act, 2007, severance benefits are payable to an employee, if the employee is unfairly dismissed, dies while employed or resigns/retires on reaching the age of 65 years. The obligation for severance benefits to current employees is actuarially determined in respect of all its employees and is provided for in full. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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1.20 Employee benefits (continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises the following changes in the net defined benefit obligation under operating expenses: Service costs comprising current service costs, Past-service costs, gains and losses on curtailments and non routine settlements; and Net interest expense or income.

1.21 Taxation

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

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). In addition, deferred tax liabilities are not recognised if the temporary difference arises from initial recognition of goodwill.

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.

Deferred tax assets or liabilities that arise on investment property are measured on the basis of the tax consequences that would follow from recovery of the carrying amount of that asset through sale.

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Accounting Policies

1.21 Taxation (continued)

Taxation expenses

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated (statement of profit or loss and other comprehensive income/ statement of profit or loss) because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred taxes are 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.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.22 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group ,as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or

Note 52 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:

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Accounting Policies

1.22 Financial instruments (continued)

Loans receivable at amortised cost

Classification

Loans to group companies (note 9), loans to related parties (note 10), and loans receivable (note 11) 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 and company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

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

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 37).

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Loans denominated in foreign currencies

When a loan receivable is denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating (losses) gains (note 35).

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in the financial instruments and risk management (note 52).

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Accounting Policies

1.22 Financial instruments (continued)

Impairment

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

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

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

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

Significant increase in credit risk

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

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

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group and company have reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The group and company regularly monitor the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the group and company consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group and company consider that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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Accounting Policies

1.22 Financial instruments (continued)

Write off policy

The group and company write 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 and company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group and company have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group and company measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 36).

Credit risk

Details of credit risk related are included in the trade and other receivables note (note 15) and the financial instruments and risk management note (note 52).

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 15).

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

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Accounting Policies

1.22 Financial instruments (continued)

Recognition and measurement

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

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 37).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating (losses) gains (note 35).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 52).

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Accounting Policies

1.22 Financial instruments (continued)

Impairment

The Group and Company recognise 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 and Company measure 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.

Measurement and recognition of expected credit losses

The Group and Company make use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 15.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 36).

Write off policy

The Group and Company write off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the group and company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 15) and the financial instruments and risk management note (note 52).

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Accounting Policies

1.22 Financial instruments (continued)

Non-hedging derivatives

Classification

Non-hedging derivatives are classified as mandatorily at fair value through profit or loss.

The group enters into a variety of derivative financial instruments in order to manage its exposure to foreign exchange risk and cash flow interest rate risk. Derivatives held by the group which are not in designated hedging relationships, include forward exchange contracts and interests rate swaps. (Note 16)

Recognition and measurement

Derivatives are recognised when the group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses are included in other operating gains (losses) (note 35). Details of the valuation policies and processes are presented in note 53.

Borrowings and loans from related parties

Classification

Loans from group companies (note 9), loans from shareholders (note 10) and borrowings (note 26) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

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

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 38.)

Borrowings expose the Group and Company to liquidity risk and interest rate risk. Refer to note 52 for details of risk exposure and management thereof.

Loans denominated in foreign currencies

When borrowings are denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating (losses) gains (note 35).

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in the financial instruments and risk management (note 52).

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1.22 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 30), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

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

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

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 (note 38).

Trade and other payables expose the group and company to liquidity risk and possibly to interest rate risk. Refer to note 52 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating (losses) gains (note 35).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 52).

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. Bank overdrafts are recorded as cash and cash equivalents under current liabilities, for the purposes of the cash flow statement.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Bank overdrafts are recorded as cash and cash equivalents under current liabilities.

Derivatives

Derivative financial instruments, principally options, forward foreign exchange contracts, interest rate swap agreements and interest rate collars, are used by the group in its management of financial risks. Therefore, the group's objective in using derivative financial instruments is to reduce the uncertainty over future cash flows arising from movements in currency and interest rates. The risks being hedged are exchange losses due to unfavourable movements between the Namibia Dollar and the foreign currency and the movements in interest rates. Currency and interest exposure is managed within board approved policies and guidelines. As a matter of principle, the group does not enter into derivative contracts for speculative purposes.

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Accounting Policies

1.22 Financial instruments (continued)

Derivative financial instruments are initially recorded at fair value at the date the derivative contract is entered into and are remeasured to fair value at subsequent reporting dates. The fair value of foreign exchange forward contracts, options, interest rate swaps and interest rate collars represents the estimated amounts the group would receive, should the contracts be terminated at the reporting date, thereby taking into account the unrealised gains or losses. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Derecognition

Financial assets

The group and company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group and company neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the group and company recognise their retained interest in the asset and an associated liability for amounts they may have to pay. If the group and company retain substantially all the risks and rewards of ownership of a transferred financial asset, the group and company continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

Financial liabilities

The group and company derecognise financial liabilities when, and only when, the group and company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated and separate statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification

Financial assets

The group and company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

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Accounting Policies

1.23 Hedge accounting

At the inception of the hedge relationship, the group and company document the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the group and company documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group and company actually hedges and the quantity of the hedging instrument that the group and company actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the group and company adjust the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The group and company designate the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The group and company exclude the time value of options and designates only the intrinsic value of options as the hedging instruments in hedges involving options as the hedging instruments. The change in fair value attributable to the time value of options is recognised in other comprehensive income and accumulated in equity as deferred hedging gains (losses). The group and company only hedges time period related hedged items using options. The change in the aligned time value is recognised in other comprehensive income and is amortised on a systematic and rational basis over the period during which the hedge adjustment for the option's intrinsic value could affect profit or loss (or other comprehensive income, if the hedged item is an equity instrument at fair value through other comprehensive income). However, if hedge accounting is discontinued the net amount (i.e. including cumulative amortisation) that has been accumulated in the deferred hedging reserve is immediately reclassified into profit or loss.

Fair value hedges

The fair value change on qualifying hedging instruments is recognised in profit or loss except when the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income, in which case it is recognised in other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at fair value through other comprehensive income, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognised in profit or loss instead of other comprehensive income. When the hedged item is an equity instrument designated at fair value through other comprehensive income, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument. The net gains (losses) on fair value hedges which are recognised in profit or loss are included in other operating gains (losses) note 35.

The group and company discontinue hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

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Accounting Policies

1.23 Hedge accounting (continued)

Cash flow hedges

The effective portion of changes in the fair value of qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss in other operating gains (losses) 35.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the group and company expect expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group and Company discontinue hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

1.24 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

If the group reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group and company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the group and company in which they are declared.

1.25 Significant judgements and sources of estimation uncertainty

In preparing the consolidated and separate annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the financial statements. Key assumptions used and significant judgements include the following:

Post employment benefit obligations

Post-retirement defined benefits are provided for certain former employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets, healthcare inflation costs and rates of increases in compensation costs. Refer to note 41 for further detail.

Ohlthaver & List Finance and Trading Corporation Limited

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Accounting Policies

1.25 Significant judgements and sources of estimation uncertainty (continued)

Severance pay obligation

Severance pay has been provided for all employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the inflation rate and rates of increases in compensation costs. Refer to note 41 for further detail.

Valuation of investment properties and freehold land and building

Valuations are based on assumptions regarding discount rates, vacancy factors, structural conditions and inflation rates, and are performed by independent external valuers.

Valuation sensitivity analysis: significant inputs and coronavirus impact:

There has been no change in the valuation methodology used for investment property and freehold land and buildings as a result of COVID-19. The property valuations reflect the external valuers' assessment of the impact of the COVID-19 at the valuation date, hence the increased uncertainty in these key valuation assumptions. The results of this analysis are detailed in the sensitivity tables in Note 52.

The general risk environment in which the group operates has heightened in the three months prior to the reporting date, largely due to the COVID-19 pandemic. For some of the group's properties, the pandemic has had a significant impact on valuations. As at 30 June 2021, the external valuers consider that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The current response to the pandemic means that external valuers are faced with an unprecedented set of circumstances on which to base a judgment.

The valuations of certain investment property are therefore reported on the basis of a "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the valuations provided than would normally be the case. The external valuers have confirmed that the inclusion of the "material valuation uncertainty" declaration does not mean that valuations cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to valuations than would otherwise be the case. In light of this material valuation uncertainty we have reviewed the ranges used in assessing the impact of changes in the discount rates and capitalisation rates on the fair value of the group's property portfolio.

Biological assets

Fair value of livestock (including Abalone livestock) is determined based on market prices of livestock of similar age, breed and genetic merit.

Expected credit loss

When measuring ECL the group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

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Accounting Policies

1.25 Significant judgements and sources of estimation uncertainty (continued)

Trade receivables and loans and receivables

The group assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock is recognised to write stock down to the lower of cost and net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items.

Fair value estimation - derivatives

The valuation of derivative financial instruments is based on the market situation at reporting date. The value of the derivative instruments fluctuates on a daily basis and the actual amounts realised may differ materially from their value at the reporting date.

The directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. Details of the assumptions used and of the results of sensitivity analyses regarding these assumptions are provided in Note 53.

Asset lives and residual values

Property, plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The group depreciates and amortises items of property, plant, equipment and intangible assets down to residual value over the useful life of the assets. Management makes and applies assumptions about the expected useful life and residual value of these assets in determining the annual depreciation charge. Further details are given in the accounting policy note on depreciation.

In particular management have assumed a depreciation rate of 20% (2020: 20%) on returnable containers, this being management's best estimate of breakage rate and useful life. The majority of returnable containers are with customers and the estimate of cost along with the corresponding returnable deposit liability is based on management's judgement. Any change to these assumptions could have a significant impact on both the asset and corresponding liability.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group and company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group and company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Ohlthaver & List Finance and Trading Corporation Limited

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Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1.25 Significant judgements and sources of estimation uncertainty (continued)

Recoverability of investment in Associate

The Company's investment in the associate is carried at cost less impairment. The directors have evaluated the value of the investment and have considered this to approximate the Company's investment less equity-accounted losses at yearend. Changes in the assumptions impacting expected future cash generation could affect the recoverability of the valuation of the investment in the associate. See note 8 for further details on these assumptions.

IFRS 16 leases and right-of-use assets

Lease identification

The group has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered or modified before 1 July 2019.

The group applies the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into on or after 1 July 2019.

Lease term

Where the group recognises a lease liability and corresponding right-of-use asset, consideration is given to the extension options of the lease, in terms of IFRS 16. An evaluation of the facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option on the remaining lease term, is performed. These include an assessment of the likelihood of renewal by the tenant situated on the leasehold land, the potential business disruption by not extending and the unrecoverable costs or penalties incurred to extend or terminate the contract. The group concluded that all lease liabilities and right-of-use assets are appropriately accounted for based on the lease term and that any significant changes or circumstances in the current year to this assessment have been accounted for.

Incremental borrowing rate

The incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

For the existing leases at 1 July 2019 the prime lending rate was determined as the incremental borrowing rate. For leases entered into on or after 1 July 2019, the incremental borrowing rate is determined as the prime lending rate at inception of the lease.

The annual renewal of the lease has been assessed not to be a lease modification and the incremental borrowing rate remains the rate used at inception.

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2. Property, plant and equipment

Group	2021			2020		
	Cost or revaluation N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000	Cost or revaluation N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000
Freehold land and buildings	2,279,241	(27,585)	2,251,656	2,330,475	(17,959)	2,312,516
Leasehold improvements	166,903	(31,882)	135,021	162,314	(22,379)	139,935
Plant and machinery	1,862,709	(1,131,610)	731,099	1,719,809	(1,006,861)	712,948
Furniture and fixtures	519,066	(371,873)	147,193	502,291	(339,613)	162,678
Vehicles	226,366	(118,809)	107,557	167,395	(111,216)	56,179
Office equipment	49,461	(39,878)	9,583	58,217	(46,959)	11,258
Containers	373,452	(189,877)	183,575	477,480	(312,974)	164,506
Fishing vessels	181,309	(101,478)	79,831	201,485	(125,705)	75,780
Construction in progress	490,936	-	490,936	252,072	-	252,072
Total	6,149,443	(2,012,992)	4,136,451	5,871,538	(1,983,666)	3,887,872

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Notes to the Annual Financial Statements

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2021

	Opening balance N\$'000	Additions N\$'000	Additions through business combinations N\$'000	Disposals N\$'000	Transfers* N\$'000	Foreign exchange movements N\$'000	Other changes, movements N\$'000	Depreciation N\$'000	Impairment loss N\$'000	Impairment reversal N\$'000	Total N\$'000
Freehold land and buildings	2,312,516	16,299	651	-	(66,488)	-	-	(11,322)	-	-	2,251,656
Leasehold improvements	139,935	1,321	-	(19)	-	-	-	(6,216)	-	-	135,021
Plant and machinery	712,948	55,695	85,982	(9,639)	3,720	-	11	(117,430)	(188)	-	731,099
Furniture and fixtures	162,678	18,068	98	(544)	11,667	(2)	-	(44,772)	-	-	147,193
Vehicles	56,179	76,243	4,548	(4,259)	527	(4,991)	-	(20,690)	-	-	107,557
Office equipment	11,258	3,792	266	(148)	47	(1)	-	(5,631)	-	-	9,583
Containers	164,506	68,614	-	(456)	1,666	-	-	(50,755)	-	-	183,575
Fishing vessels	75,780	6,573	-	(1,416)	308	-	-	(1,903)	-	489	79,831
Construction in progress	252,072	279,810	-	-	(40,946)	-	-	-	-	-	490,936
	3,887,872	526,415	91,545	(16,481)	(89,499)	(4,994)	11	(258,719)	(188)	489	4,136,451

Additions during the year includes a prepayment of the airplane amounting to N\$ 42,171,085 which had a non-cash movement.

* Transfers consists of transfers to the following asset classes (N\$'000):

Investment property:	N\$	67,658
Intangible assets:	N\$	21,841
Total:	N\$	89,499

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Notes to the Annual Financial Statements

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2020

	Opening balance N\$'000	Additions N\$'000	Additions through business combinations N\$'000	Disposals N\$'000	Transfers* N\$'000	Revaluations N\$'000	Other changes, movements N\$'000	Depreciation N\$'000	Impairment loss N\$'000	Total N\$'000
Freehold land and buildings	2,065,066	23,753	222,042	(1,147)	757	39,132	-	(10,296)	(26,791)	2,312,516
Leasehold improvements	120,178	812	-	(314)	22,475	2,501	-	(5,717)	-	139,935
Plant and machinery	687,012	84,832	60,694	(11,063)	10,432	-	-	(118,959)	-	712,948
Furniture and fixtures	191,892	19,760	2,046	(3,536)	4,345	-	(61)	(51,771)	3	162,678
Vehicles	108,950	26,023	11,689	(2,647)	(68,765)	-	-	(19,071)	-	56,179
Office equipment	10,992	4,267	780	(112)	1,732	-	(3)	(6,401)	3	11,258
Containers	173,959	41,849	2	(1,891)	-	-	-	(49,413)	-	164,506
Fishing vessels	73,870	35,172	-	(18,565)	1,531	-	-	(15,739)	(489)	75,780
Construction in progress	92,022	208,033	-	(601)	(47,382)	-	-	-	-	252,072
	3,523,941	444,501	297,253	(39,876)	(74,875)	41,633	(64)	(277,367)	(27,274)	3,887,872

* Transfers consists of transfers to the following asset classes (N\$'000):

Right-of-use assets:	N\$	69,637
Investment property:	N\$	33
Prepayments:	N\$	5,205
Total:	N\$	74,875

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Notes to the Annual Financial Statements

2. Property, plant and equipment (continued)

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings in Note 26:

	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Freehold land and buildings	1,359,990	1,393,810	-	-
Plant and machinery	134,156	74,400	-	-
Vehicles	20,763	17,180	-	-
Furniture, fixtures, equipment and spare parts	44,819	56,091	-	-
Fishing vessels	78,482	74,797	-	-

Consortium Fisheries Limited group:

Marine Bonds registered over the following Motor Fishing Vessels (MFV):

MFV Begonia - N\$18m (2020: N\$18m)

MFV Otterbank - N\$12m (2020: N\$12m)

MFV Erica - N\$18m (2020: N\$18m)

MFV Fisherbank - N\$12m (2020: N\$12m)

MFV Zogi - N\$3m (2020: N\$3m)

Cession over Fire Policy for N\$ 13,850,000 at Western National dated 02/02/2021.

Cession over Fire Policy for N\$ 67,690,125 (2020: N\$ 67,690,125) (Erf 3692 & 14B) at Mutual & Federal dated 12/0/2018.

First covering mortgage bond for N\$2,217,500 over erf 14B, Walvis Bay.

Collateral given to Bank Windhoek in respect of first, second, third, fourth and fifth covering mortgage bonds for N\$8,000,000; N\$1,200,000; N\$4,782,500; N\$10,000,000 & N\$32,000,000 respectively over erf 3692, Walvis Bay.

Unlimited suretyship by Kuiseb Fish Products (Proprietary) Limited and Protea Fish Products (Proprietary) Limited supported by:

1st and 2nd Mortgage Bond of N\$6.4 million and N\$9 million over erf 4895, Walvis Bay in favour of Bank Windhoek.

A cession over fire policy for N\$ 43,977,149 (2020: N\$34,584,000) is registered at Old Mutual Short Term Insurance Company in the name of Domi Metals Industries (Proprietary) Limited.

1st Continuing Covering Mortgage Bond N\$12,000,000 (2020: N\$ 12,000,000) over erf 514 Luderitz in the name of Hangana Abalone (Proprietary) Limited. Cession of Marsh Insurance Policy No.17787831 over the building on erf 514.

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Notes to the Annual Financial Statements

2. Property, plant and equipment (continued)

1st Continuing Covering Mortgage Bond N\$65,000,000 (2020: N\$65,000,000) over erf 4606 (a consolidation of erf 3614 & 2942) no.19 Ben Amathila Street, Walvis Bay and Erf 3691 and Erf 13B, No 21 Ben Amadhila Street, Walvis Bay in the name of Kuiseb Fish Products (Proprietary) Limited

2nd Continuing Covering Mortgage Bond N\$10,000,000 (2020: N\$10,000,000) over erf 4606 (a consolidation of erven 3614 & 2942) in name of Kuiseb Fish Products (Proprietary) Limited

3rd Continuing Covering Mortgage Bond N\$55,000,000 (2020: N\$55,000,00) over erf 4606 (a consolidation of erven 3614 & 2942) in the name of Kuiseb Fish Products (Proprietary) Limited.

2nd Continuing Covering Mortgage Bond N\$125,000,000 (2020: N\$125,000,000) over erf 3691 & erf 13B Walvis Bay in the name of Protea Fish Product (Proprietary) Limited.

Cession over Mutual and Federal Insurance policy 17787793 required in terms of the Continuing Covering Mortgage Bonds.

General Notarial Mortgage Bond in the amount of N\$20,000,000 over moveable assets.

Cession over Marsh Marine Insurance policy FMA 99670 N (50%), Momentum Insurance Namibia 01 R1A 5013423 (25%) and Tri-Marine Acceptances (Proprietary) Limited TRI4000212CH (25%) required in terms of marine bonds referred above.

Collateral given to Bank Windhoek in respect of the 1st Covering Mortgage Bond for N\$ 1,665,000 over Erf 1239, Tsumeb.

Cession over Fire Policy for N\$ 7,437,991 at Old Mutal Short Term Insurance Compnay, dated 10/02/2021

Collateral given to Bank Windhoek in respect of the 1st Covering Mortgage Bond over Erf 1 Lafrenz Town, Windhoek.

Cession over Fire Policy for N\$ 9,298,616 at Old Mutal Short Term Insurance Company, dated 28/05/2021.

WUM Properties (Proprietary) Limited group:

Land and buildings - Pick 'n Pay Erf 2817 Swakopmund

Cross-bonded at FNB for 1st of N\$ 10.7 million for debt held in the books of Wernhil Park (Pty) Ltd (2020: N\$ 10,7 million)

Land and buildings - Consolidated Farm Hardap Nedersetting No 607

Carrying Value in W.U.M Properties (Pty) Ltd

First Continuing Surety Mortgage Bond No. B3180/2016 at Agribank for N\$ 15,447,493 (2020: N\$15,447,493).

Third Continuing Surety Mortgage Bond No. B3144/2016 at Agribank for N\$ 2,777,018 (2020: N\$ 2,777,018).

Third Continuing Surety Mortgage Bond No. B3119/2016 at Agribank for N\$ 1,805,595 (2020: N\$ 1,805,595).

Land and buildings - Farm Okatjemisse no.68, Okatjemisse Ptn A no. 68 & Okaramuti-Oos no. 142

Bonded at Bank Windhoek for combined 1st mortgage bond of N\$2.47 million and 2nd bond of N\$13 million for debt held in the books of WUM Properties (Proprietary) Limited.

Land and buildings - Erf 3469 Avis, Windhoek in the books of Namibia Dairies (Pty) Ltd

First Mortgage Bond at Development Bank of Namibia for N\$ 25,000,000 (2020: N\$ 25,000,000)

Second Mortgage Bond at Agribank for N\$ 26,400,000 (2020: N\$ 26,400,000)

Third Mortgage Bond at Agribank for N\$ 19,445,000 (2020: N\$ 19,445,000)

Land and buildings - Erf 209 Prosperita, Windhoek in the books of Namibia Dairies (Pty) Ltd

First Continuing Covering Mortgage Bond at Standard Bank for N\$ 55,000,000 (2020: N\$ 55,000,000)

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Notes to the Annual Financial Statements

2. Property, plant and equipment (continued)

Land and buildings - Erf 1577 Oshakati in the books of Namibia Dairies (Pty) Ltd
First Covering Mortgage Bond at Bank Windhoek for N\$1,200,000 (2020: N\$ 1,200,000)
Second Covering Mortgage Bond at Bank Windhoek for N\$ 3,000,000 (2020: N\$ 3,000,000)

Land and buildings - Portion 2 of the Farm Kleinbegin No 941 in the books of O&L Leisure (Pty) Ltd
First Mortgage Bond at Bank Windhoek for N\$35,000,000 (2020: N\$ 35,000,000)
Second Mortgage Bond at ABSA Bank for N\$10,000,000 (2020: N\$ 10,000,000)

Land and buildings - Erf 222 and Erf 1771, Windhoek in the books of O&L Leisure (Pty) Ltd
First Mortgage Bond at ABSA Bank for N\$ 35,000,000

O&L Leisure (Proprietary) Limited has a mortgage bond of N\$ 26 million (2020: N\$ 27.8 million) registered over its land and buildings in favour of Bank Windhoek and N\$ 10 million (2020: N\$ 10 million) in favour of ABSA Bank.

O&L Leisure (Proprietary) Limited has registered a third Continuing Covering Mortgage Bond B827/2011 for N\$ 10 million (2020: N\$ 10 million) over Portion 2 of the farm Klein Begin No 941 Div B (Mokuti Lodge) registered 25 February 2011 held under Deed of Transfer T902/2008

Land and buildings - Erf 4743, Swakopmund in the books of O&L Leisure (Pty) Ltd
Cross-bonded First Continuing Covering Mortgage Bond registered for N\$ 1 million for debt (Domestic and medium term promissory notes) held in the books of Ohlthaver & List Finance and Trading Corporation Limited for N\$ (2020: N\$ 10,7 million), held by Deed of Transfer T903/2008.

Land and buildings - Erf 18 Okahandja
First Mortgage Bond (B5464) for N\$ 6,000,000 (2020: N\$ 6,000,000).

OLC Arandis Solar Energy (Proprietary) Limited:

General Notarial Bond for N\$ 85 million over Machinery and Equipment pledged as collateral to the Development Bank of Namibia.

Changes in estimates

The group and company reassess the useful lives and residual values of items of the group and company at the end of each reporting period, in line with the accounting policy and IAS 16 Property, plant and equipment. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information.

The impact of the change is an increase in the annual depreciation charge for the current and future 3 years of N\$ 12,052,805 (2020: N\$ 4,870,568) in total.

Net carrying amounts of leased assets

	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Leasehold property	135,021	139,935	-	-

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Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

2. Property, plant and equipment (continued)

Revaluations

The group's land and buildings are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed every 3 years and in intervening years if the carrying amount of the land and buildings differs materially from their fair value.

Revaluations during 2020 financial year:

Consortium Fisheries Limited group:

Freehold land and buildings of Hangan Seafood (Proprietary) Limited and its subsidiaries

Freehold land and buildings of Protea Fish Products (Proprietary) Limited (Erf 3691 and 13 B - No 21, Ben Amathila Street - Industrial Area Walvis) and Kuiseb Fish Products (Proprietary) Limited (Erf 4606 - No 19, Ben Amadhila Street - Industrial Area Walvis) were revalued on 30 June 2020, since management had reason to believe that their fair values significantly exceeded their carrying values at year end. The valuation was performed by J S Lofty-Eaton of Valuers Trust who has a National Diploma in Property Valuation (S.A.I.V).

Freehold land and buildings of Hangan Abalone (Erf No. Rem 514 Lüderitz) was revalued on 23 June 2020 since management had reason to believe that their fair values significantly exceeded their carrying values at year end. The valuation was performed by Jacques Tromp who has a National Diploma: Real Estate (CPUT) of Property Valuations Namibia. The valuation was arrived at by reference to market evidence of transaction prices of similar properties on a depreciated replacement cost method of valuation. These assumptions were based on current market conditions.

Freehold land and buildings of Domi Metal Industries (Proprietary) Limited

The property was revalued on 01 August 2019. The valuation was performed by Arthur Lofty-Eaton of Valuers Trust. Mr Arthur Lofty-Eaton is a professional/sworn appraiser with a National Diploma in Property Valuations (CPUT). The valuation was arrived at using the income capitalisation valuation approach. A capitalisation rate of 8.5% was used.

The valuers used are independent and are sworn appraisers and have recent experience in the location and category of property being valued.

Details of the group's freehold and leasehold land and buildings are maintained at the registered office of the company and are available for inspection by members or their duly authorised representatives.

Freehold land and buildings of Kraatz Marine (Proprietary) Limited

The effective date of the revaluation of the Tsumeb property, which is in the books of Kraatz Marine (Proprietary) Limited, was 14 May 2020. The valuation was performed by Nadia van der Smit (National Diploma: UNISA & BSc Hons: UCEM), of Messrs Gert Hamman Property Valuers CC an independent valuer, who is a Sworn Appraiser in terms of Section 6(1) of the Administration of Estate Act, 1995 and qualified property valuer in terms of Section 14 of the Valuers Act of 1982.

The valuation was arrived at by using the income capitalisation method. A capitalisation rate of 12.5% was applied

The assumptions were based on current market conditions as well as COVID-19 consequences.

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Notes to the Annual Financial Statements

2. Property, plant and equipment (continued)

WUM Properties (Proprietary) Limited group:

Erf 2817 - Swakopmund:

The property was revalued by Ludwig Schroder Estate Agents CC, an independent valuator, based on the income capitalisation method, and the following assumptions were used:

- inflation rate of 5.00%
- capitalisation rate of 10.00%
- turnover rental provision of 2%

Erf 1300 - Walvis Bay:

The property was revalued by Ludwig Schroder Estate Agents CC, an independent valuator, based on the income capitalisation method, and the following assumptions were used:

- inflation rate of 6.00%
- capitalisation rate of 8.00%
- discount rate of 13%

Erf 1300 was transferred to investment properties on the 1st July 2020.

Erf 2667 - Walvis Bay:

The effective date of the revaluations was Friday, 26 June 2020. Revaluations were performed by an independent valuer, Mr Arthur Lofty-Eaton (Property Valuer:NDPV-CPUT;NIV Sworn Appraiser), of Valuers Trust and Valuers Trust are not connected to the company and have recent experience in location and category of the property being valued. The valuation was arrived at by using the income capitalisation valuation approach.

Capitalisation rate of 9% was used.

The capitalisation rate assumptions are based on current market conditions.

O&L Leisure (Proprietary) Limited - Mokuti Lodge property and Strand Hotel property:

The effective date of valuation was 30 June 2020. The valuation was performed by an independent valuer, Pieter Kotze of Propcor who is a professional/sworn Appraiser (Appointed as appraiser by the Ministry of Justice on 17/11/1997 ref 23/1/7/1/4). Propcor is not connected to the group and company and has recent experience in location and category of the investment property being valued.

Mokuti Lodge property:

- Income capitalisation method used to value the property with a capitalisation rate used of 9.3%.

Strand Hotel property:

- Income capitalisation method used to value the property with a capitalisation rate used of 8.35%

O&L Leisure (Proprietary) Limited - Kaiser Krone property - Erf 222:

The effective date of valuation was 30 June 2020. The valuations were performed by Gert Hamman Property Valuers CC, who are sworn appraisers in terms of section 6 (1) of the Administration and Estate Act, 1995 and are qualified in terms of Section 14 of the Valuers Act 1982. The valuers have recent experience in location and category of the properties being valued. The Direct Comparable approach method was used to determine the market value, with the following assumptions:

- Bulk of 4,
- N\$ 7,750 per square metre.

O&L Leisure (Proprietary) Limited - Kaiser Krone property - Erf 1771:

The effective date of valuation was 30 June 2020. The valuations were performed by Gert Hamman Property Valuers CC, who are sworn appraisers in terms of section 6 (1) of the Administration and Estate Act, 1995 and are qualified in terms of Section 14 of the Valuers Act 1982. The valuers have recent experience in location and category of the properties being valued. The Term and Reversion method was used to determine the market value, with the following assumptions:

- Capitalisation rate of 9% and 9.5%, and
- N\$ 130 to N\$ 200 per square metre, and
- Vacancy factor of 5%, and
- 15% expense ratio to gross income.

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2. Property, plant and equipment (continued)

Chobe Water Villas (Proprietary) Limited:

The effective date of valuation was 30 June 2020. The valuation was performed by an independent valuer, Pieter Kotze of Propcor who is a professional/sworn Appraiser (Appointed as appraiser by the Ministry of Justice on 17/11/1997 ref 23/1/7/1/4). Propcor is not connected to the group and company and has recent experience in location and category of the property being valued.

The valuator used the Depreciated Replacement Cost Approach Method to determine the value of the property.

Namibia Dairies (Proprietary) Limited - properties:

Erf 464, Prosperita, Erf 1577, Oshakati and Erf 3469 Klein Windhoek:

The properties were valued during March 2020 by Gert Hamman Property Valuers cc, who are sworn appraisers in terms of Section 6(1) of the Administration and Estate Act, 1995 and are qualified in terms of Section 14 of the Valuers Act of 1982. The valuers of 7 years of experience in their field.

- Income capitalisation method used to value all three properties with a capitalisation rate of between 9% and 11%

Erf 18 Okahandja:

The property was revalued by Nadia van der Smit, an independent valuator, based on the traditional method and the following assumptions were used:

Capitalisation rate: 12%

Date of revaluation: 22 June 2020

Name & qualifications of independent valuer: Nadia van der Smit, Property Valuer: BSc Hons: Ucem Sworn Appraiser

Valuation technique (incl methods and significant assumptions): Traditional Method

Farms:

Revaluations were performed by independent valuer, Mr P.J.Scholtz (National diploma: Property Valuations (Technicon SA)), of Property Valuations Namibia and P.J.Kotze (Appointed as appraiser by the Ministry of Justice on 17/11/1997 ref 23/1/7/1/4), of Propcor. Both valuers are not connected to the group and company.

Mr P.J. Scholtz (National diploma: Property Valuations (Technicon SA)), of Property Valuations Namibia, was responsible for the below valuations. The effective date of valuation was 5 June 2020. These valuations were determined on the comparable sales method approach along with the consultation of property brokers and other accredited valuers:

- Ptn 85 of 607 (Pardah plot) Deed of transfer no T6091/2001
- Ptn 206 of 607 (Pardah plot) Deed of transfer no T6091/2001
- Ptn 235 of 607 (Pardah plot) Deed of transfer no T6091/2001
- Ptn 236 of 607 (Pardah plot) Deed of transfer no T6091/2001
- Ptn 262 of 607 (Pardah plot) Deed of transfer no T6091/2001
- Ptn 224 (a Ptn of 82) of 607 (Pardah plot) Deed of transfer no T7219/2002
- Ptn 233 of 607 (Pardah plot) Deed of transfer no T7219/2002
- Ptn 83 of 607 (Pardah plot) Deed of transfer no T7219/2002
- Ptn 89 of 607 (Pardah plot) Deed of transfer no T7219/2002
- Ptn 260 of 607 (Pardah plot) Deed of transfer no T7219/2002
- Ptn 225 (a Ptn of 82) of 607 (Pardah plot) Deed of transfer no T1055/1997
- Ptn 232 of 607 (Pardah plot) Deed of transfer no T1055/1997
- Ptn 84 of 607 (Pardah plot) Deed of transfer no T1055/1997
- Ptn 90 of 607 (Pardah plot) Deed of transfer no T1055/1997
- Ptn 255 of 607 (Pardah plot) Deed of transfer no T1055/1997
- Ptn 86 of 607 (Pardah plot) Deed of transfer no T1055/1997.

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2. Property, plant and equipment (continued)

Mr P.J. Kotze (Appointed as appraiser by the Ministry of Justice on 17/11/1997 ref 23/1/7/1/4), of Propcor was responsible for the below valuations. The effective date of valuation was 30 June 2020. These valuations were determined on the comparable sales method approach, along with the consultation of property brokers and other accredited valuers:

- Farm Kleinbegin No 941
- Farm Okatjemisse No 68
- Portion A of the Farm Okatjemisse No 68
- Portion C of the Farm Okarumuti - Ost No 142
- Farm Midgard No 191

NBL Investment Holdings (Proprietary) Limited group:

The effective date of the revaluations was 30 June 2020.

Freehold land and buildings were revalued during 2020 by the following independent valuers, not connected with the group, by reference to market evidence of recent transactions for similar properties, on a discounted cash flow basis or depreciated replacement costs:

- Roger Long FRICS MIV (SA), Chartered Valuation Surveyor, RICS Registered Valuer (59664), Professional Valuer (2649/5) of Broll Valuation and Advisory Services (Pty) Ltd;
- Frank Löhnert (National Diploma in Property Valuation (UNISA) and A Schröder (Namibia Estate Agents Board Certificate and Sworn Appraiser) from Ludwig Schröder Estate Agents cc;
- Jurie Scholtz (National Diploma Property Valuations (Technicon SA) from Property Valuations Namibia;
- Nadia van der Smit, a member of the South African Institute of Valuers of Gert Hamman Property Valuers; and

Capitalisation rates of 11% - 12% were used.

These assumptions were based on current market conditions.

Details of the group's freehold and leasehold land and buildings are maintained at the registered office of the company and are available for inspection by members or their duly authorised representatives.

Windhoek Schlachtereij (Proprietary) Limited:

Land and buildings were revalued during March 2020 by independent valuers

- Valuation company: Gert Hamman Property Valuers
- Valuator: Nadia van der Smit
- Valuator qualifications: Sworn appraiser in terms of Section 6 of the Administrators and Estate Act and qualified in terms of Section 14 of the valuers Act.
- Valuation method: Investments method approach with capitalization rate of 9%

This property was transferred to investment properties on the 1st July 2020.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company and its respective subsidiaries.

The carrying value of the revalued assets under the cost model would have been:

	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Freehold land and buildings	959,060	941,747	-	-
Leasehold improvements	44,109	43,752	-	-
	1,003,169	985,499	-	-

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3. Right-of-use assets

The group leases several assets, including buildings, plant and IT equipment. The average lease term is 3 - 99 years (2020: 3 - 99 years).

The group has the option to purchase the plant at a nominal amount on completion of the lease term.

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 as follows:

Summary of right-of-use assets - Group

Group	2021			2020		
	Cost or revaluation N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000	Cost or revaluation N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000
Buildings	222,459	(83,193)	139,266	217,464	(41,237)	176,227
Plant and machinery	-	-	-	1,550	-	1,550
Motor vehicles	141,547	(71,491)	70,056	130,043	(61,111)	68,932
Office equipment	1,423	(404)	1,019	1,423	(204)	1,219
Total	365,429	(155,088)	210,341	350,480	(102,552)	247,928

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3. Right-of-use assets (continued)

Reconciliation of right-of-use assets - Group - 2021

	Opening balance N\$'000	Additions N\$'000	Disposals N\$'000	Depreciation N\$'000	Total N\$'000
Buildings	176,227	9,160	-	(46,121)	139,266
Plant and machinery	1,550	419	(1,969)	-	-
Motor vehicles	68,932	33,919	(4,736)	(28,059)	70,056
Office equipment	1,219	-	-	(200)	1,019
	247,928	43,498	(6,705)	(74,380)	210,341

Reconciliation of right-of-use assets - Group - 2020

	Opening balance N\$'000	Additions N\$'000	Additions through business combinations N\$'000	Disposals N\$'000	Transfers* N\$'000	Depreciation N\$'000	Total N\$'000
Buildings	-	210,597	6,735	-	132	(41,237)	176,227
Plant and machinery	-	1,550	-	-	-	-	1,550
Motor vehicles	-	31,182	-	(3,814)	68,766	(27,202)	68,932
Office equipment	-	644	-	-	740	(165)	1,219
	-	243,973	6,735	(3,814)	69,638	(68,604)	247,928

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3. Right-of-use assets (continued)

Other disclosures

	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Interest expense on lease liabilities	46,404	46,080	-	-
Expenses on short term leases included in operating expenses	-	211	-	-

4. Investment property

Group	2021			2020		
	At valuation N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000	At valuation N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000
Investment property	2,392,905	-	2,392,905	2,312,341	-	2,312,341

Reconciliation of investment property - Group - 2021

	Opening balance N\$'000	Additions N\$'000	Transfers N\$'000	Fair value adjustments N\$'000	Total N\$'000
Investment property	2,312,341	2,845	67,658	10,061	2,392,905

Reconciliation of investment property - Group - 2020

	Opening balance N\$'000	Additions N\$'000	Additions through business combinations N\$'000	Transfers N\$'000	Fair value adjustments N\$'000	Total N\$'000
Investment property	2,589,247	18,385	5,835	33	(301,159)	2,312,341

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4. Investment property (continued)

Pledged as security

Carrying value of assets pledged as security:

	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Freehold land and buildings	2,334,214	2,275,014	-	-

Central Properties (Proprietary) Limited:

Central Properties (Pty) Ltd's investment property is encumbered against external debt (Preference Share loan granted by Standard Bank Namibia) held by WUM Properties (Pty) Ltd to an original amount of N\$119.8 million. Suretyship is provided to Standard Bank Namibia in favour of Duiker Investments SPV (Pty) Ltd, whereby the mortgage bond No. B2316/2003 was ceded to Duiker Investments SPV (Pty) Ltd, Company Number 2009/0629, amounting to N\$140 million and Duiker Investments SPV (Pty) Ltd has agreed to issue the Duiker Investments SPV (Pty) Ltd guarantee in favour of Standard Bank Namibia ("SBN"). Central Properties has agreed to indemnify Duiker Investments SPV (Pty) Ltd under the Indemnity and as security for its obligations under the indemnity agrees to a cession of Mortgage Bond No. B2316/2003 to Duiker Investments SPV (Pty) Ltd.

In accordance with the above, the following contingencies applies:

- 1st CCMB for N\$ 30 million over the property known as "Town Square" (Erf A/282 Windhoek),
- 2nd CCMB for N\$ 140 million registered by FNB and ceded to SBN over erf A/282 Windhoek,
- 3rd CCMB for N\$ 20 million over property known as "Town Square" (Erf A/282 Windhoek), registered by FNB and ceded to Standard Bank Namibia,
- Cession of Rental Income,
- Deed of Cession of Monies due to Central Properties (Pty) Ltd in respect of all current and future related loans,
- Security SPV Guarantee between Standard Bank Namibia and Duiker Investments SPV,
- Cession of All Risk Policy 17787831,
- Limited suretyship to Namibia Dairies (Pty) Ltd for N\$ 30 million, supported by a 1st CCMB for N\$ 30 million over the property known as "Town Square" ceded to SBN,
- Irrevocable and Unconditional Guarantee for Namibia Dairies (Pty) Ltd by Duiker Investments SPV (Pty) Ltd. WUM Properties (Pty) Ltd, registration number 024/67 and Central Properties (Pty) Ltd, for the amount of N\$ 30 million in favour of the Bank,
- Limited suretyships to WUM Properties (Pty) Ltd totalling N\$ 132,5 million signed by Central Properties (Pty) Ltd,
- Indemnity to WUM Properties (Pty) Ltd by Central Properties (Pty) Ltd in favour of SPV Duiker Investments (Pty) Ltd.
- Cession of loan agreement between WUM Properties (Pty) Ltd and Central Properties (Pty) Ltd
- Central Properties (Pty) Ltd also provided suretyship dated 07/06/2010 to OLFITRA for an amount of N\$ 10 million to Standard Bank Namibia,
- Guarantee between Central Properties (Pty) Ltd and Standard Bank Namibia dated 05 Aug 2010,
- Sale and cession of Preference Shares in agreement between Standard Bank, WUM Properties (Pty) Ltd, Duiker Investments SPV (Pty) Ltd and Central Properties (Pty) Ltd. Subscription agreement dated 8 March 2011 entered into by and between WUM Properties, Central Properties, Duiker Investments SPV and Standard Bank Namibia
- Guarantee to OLFITRA by SPV Duiker Investments (Pty) Ltd for N\$ 125 million, supported by 2nd CCMB for N\$140 million over property known as "Town Square" registered by FNB and ceded to Standard Bank Namibia,
- Guarantee to OLFITRA by Central Properties (Pty) Ltd for N\$ 125 million, supported by 3rd CCMB for N\$ 140 million over property known as "Town Square" registered by FNB and ceded to Standard Bank Namibia,
- Indemnity to OLFITRA by Central Properties (Pty) Ltd in favour of SPV Duiker Investments (Pty) Ltd,
- Guarantee issued by Standard Bank Namibia on behalf of Central Properties (Pty) Ltd to the City of Windhoek for N\$257,837.

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4. Investment property (continued)

Wernhil Park (Proprietary) Limited:

The insurance policies over certain items of investment property have been ceded to the bond holder.

The carrying value of assets pledged as security as follows:

- Alexander Forbes House (Erf 276 Windhoek) N\$ 300,678,391 (2020: N\$ 299,129,620)
- Wernhil Shopping Centre (Erf 7369 & 8879 Windhoek) N\$ 1,640,106,620 (2019: N\$ 1,640,521,4807).

The properties listed above are security for the following:

- 1st Mortgage Bond No.: B7095/2012 for N\$ 460,000,000
- 2nd Mortgage Bond No.: B2763/2017 for N\$ 384,500,000

WUM Properties (Proprietary) Limited group:

Investment property - Erf 990 Windhoek:

Cross bonded at FNB for 1st bond of N\$ 26.2 million for debt held in the books of Wernhil Park (Pty) Ltd. (2020: Same)

Investment property - Erf 482 Swakopmund

2019: Cross bonded at Bank Windhoek for 1st bond (B275/2006) of N\$ 592 000 (2020: N\$ 592 000)

Land and buildings - Ruhr Street Erf 3515 Windhoek

Cross-bonded at FNB for 1st bond of N\$ 10 million for debt held in the books of Wernhil Park (Pty) Ltd (2020: Same)

Investment Property - Erf 914 Tsumeb

Cross bonded at Bank Windhoek for 1st bond (B6938/2003) of N\$ 3 million (2020: same)

Investment property-Erf 1300 Walvis bay

Cross bonded at FNB as part of 1st Continuing Covering Mortgage bond of N\$68.5 million for debt held in the books of Wernhil Park (Pty) Ltd.

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4. Investment property (continued)

Details of valuation

All revaluations were performed by independent valuers, who are not connected to the group and company and have recent experience in location and category of the investment property being valued

Valuations performed in 2021:

WUM Properties (Proprietary) Limited group:

F.A Frank-Schultz (National Diploma in Property Valuation and BSc Town & Reg Planning) with valuation experience relating to all major banks, Namibia Airports Company, NamPower, etc;

* Erf 990 Windhoek valued at N\$ 95,460,000 (N\$ 101,430,000) based on the Comparable Sales Method: This approach is based on the selling prices of comparable erven and an estimated demolishing cost (estimated at N\$ 4 million) (2020: N\$ 3 million) was be taken into account.

* Erf 735 Okuryangava valued at N\$ 765,000 (2020: N\$ 760,000) based on the Replacement Cost Method: This method is based on the depreciated replacement costs of the improvements and the market value of land.

* Erf 3515 Ruhr Street Windhoek valued at N\$ 41,075,000 (N\$ 42,215,000) based on the Income Capitalisation method which includes the following major assumptions:

- Capitalisation rate of 9.25% (2020: 9.00%),
- Expenses based on 14.5% of income (2020: 14.5%),
- Vacancy factor of 4.50% (2020: 4.50%).

F. Löhnert (National Diploma in Property Valuation (UNISA) and Namibia Estate Agents Board Certificate) and A. Schröder (Namibia Estate Agents Board Certificate and Sworn Appraiser) from Ludwig Schröder Estate Agents CC with valuation experience relating to the financial sector, legal sector, municipal council, etc;

* Erf 482 Swakopmund valued at N\$ 2,740,000 (2020: N\$ 2,730,000) based on the Depreciated Replacement Cost (DRC) method, for the improvements, as well as the Comparable Sales (CS) method, for the land and improvements. Depreciation factors applied in the DRC method take account of the physical (condition-based) depreciation, as well as economic and functional depreciation

Nadia van der Smit (National Diploma in Property Valuation (UNISA) and Member of Namibia Council for Property Valuers Profession) with valuation experience relating to Banks, Trustco, Country lodges, etc:

* Erf 914 Tsumeb valued at N\$ 3,850,000 (2020: N\$ 6,240,000) based on the Investment method (Gross income multiplier/traditional method) with the following major assumptions:

- Capitalization rate of 13.5% (2020: 13.5%),
- Potential rental N\$ 30.00/m² (between N\$ 50.00/m² and N\$ 65.00/m²),
- Vacancy factor: 10% (2020: unoccupied)
- Expense based on 15% of gross income (2020: unoccupied).

* Erf 1567 Otjiwarongo valued at N\$ 49,000 (2020: N\$ 40,000) based on Direct Comparable Approach which is based on the values of similiar properties within the area.

* Erf 1570 Otjiwarongo valued at N\$ 49,000 (2020: N\$ 40,000) based on Direct Comparable Approach which is based on the values of similiar properties within the area.

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4. Investment property (continued)

P.J. Scholtz (National Diploma in Property Valuation (Technicon SA) & Sworn Appraiser (Ministry of Justice) from Property Valuations Namibia with valuation experience relating to financial institutions (Banks), Jimmey Construction, Construction Unlimited, Namdeb, Transnamib, Gondwana, etc:

* Erf 526 Luderitz valued at N\$ 2,560,000 (2020: same) based on the Comparable Sales Method which took into account for the value of similar properties recently sold and an annual growth rate of -1% (2020: same).

* Erf 331 Luderitz valued at N\$ 594,000 (2020: same) based on the Comparable Sales Method which took into account for the value of similar properties recently sold and an annual growth rate of -1% (2020: same).

* Erf 1300 was at N\$ 35,000,000 by Ludwig Schroder Estate Agents CC, and independent valuator, based on the income capitalisation method, and the following assumptions were used:

- Inflation rate of 5.00%

- Capitalisation rate of 7.80%

- Discount rate 13%

Erf 1300 was transferred to investment properties on the 1st July 2020.

P.J.J. Wilders (National Diploma in Property Valuation and BSc Town & Reg Planning):

* Erf 77 On Independence valued at N\$ 26,900,000 (2020: N\$ 29,415,000) based on the income capitalization method which includes the

following major assumptions:

Capitalization rate of 9.00% (2020: 9.00%);

Vacancy rate of 10% (2020: 5.00%); and

Expense rate of 15% (2020: 15.00%).

Central Properties (Proprietary) Limited:

Investment land and buildings consist of consolidated Erf 7765 Windhoek known as the Standard Bank Centre. In the current year, the property was effectively revalued on 30 June 2021 by independent professional valuers, Jones Lang LaSalle (Pty) Ltd. A discounted cash flow valuation was performed using a discount rate of 13.00% (2020: 13.00%) and an exit yield rate of 9% (2020: 8.25%).

The valuers that performed the valuation on behalf of Jones Lang LaSalle (Pty) Ltd for Central Properties (Pty) Ltd were:

- Stephen De Wet (B.Com Economics and Business Management (University of South Africa) and

- Chumisa Mapempeni (National Diploma in Real Estate (Cape Peninsula University of Technology) and

- Shawn Crous (Member of the Royal Institute of Chartered Surveyors (MRICS) and

- Joshua Askew (Fellow of the Royal Institute of Chartered Surveyors (FRICS), Registered Valuer of Royal Institute of Chartered Surveyors (RICS), Licensed Pfandbrief MLV valuer - CIS HypZert (MLV) and Recognised European Valuer (REV).

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4. Investment property (continued)

Wernhil Park (Proprietary) Limited:

A discounted cash flow valuation was performed using a discount rate of 12.50% (2020: 13.00%) for AFH and 12.00% (2020: 12.00%) for WSC, while an exit yield rate of 8.75% (2020: 8.75%) and 8.00% (2020: 7.75%) were used respectively.

Jones Lang LaSalle (Proprietary) Limited is a member of the South African Council for the Property Valuers Profession in terms of the Property Valuers Profession Act, 2000 (SAPOA). The valuations have been prepared in accordance with the RICS Valuation - Global Standards 2020 (the "Standards") and International Valuation Standards (IVS) 2020.

The effective date of the revaluations was June 30, 2021. The responsible valuers for this valuation Shawn Crous (MRICS) (Lead Valuer), Joshua Askew (FRICS) (Head of Valuation) and Chumisa Mapempeni (Junior Valuer). These valuers are qualified by RICS Valuation - Professional Standards and are RICS Registered Valuers..

Key

WSC - Wernhil Park Shopping Centre

AFH - Alexander Forbes House

Hartlief Corporation Limited group:

The investment property consist of Erf 499, Anderbolt Extension 118 Johannesburg , measuring 5587 square meters.

The fair value of Erf 499, Anderbolt (Extension 118), Gauteng South Africa measuring 5587 square metres with offices, meat processing plant and holding freezers was N\$5 835 000 at 31 October 2019. The fair value measurement was performed by D.R. Riley of The Property Partnership East Rand Close Corporation, independent valuers not related to the company. The valuers are members of the Institute of Valuers and they have the appropriate qualifications and recent experience in the fair value measurement of properties in Gauteng.

Amounts recognised in profit and loss for the year

	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Rental income earned from investment property leased out under operating leases	139,715	160,802	-	-
Direct operating expenses arising on investment property leased out under operating leases	(34,733)	(28,578)	-	-
	104,982	132,224	-	-

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

4. Investment property (continued)

Adjusted valuations

The following valuations were adjusted for annual financial statements purposes to avoid double counting:

Valuation as per financial statements: Central

Properties (Pty) Ltd

Standard Bank Centre: Erf 7765 Windhoek

Valuation obtained	216,010	183,700	-	-
Tenant commissions and allowances	(428)	(155)	-	-
Deferred rental assets	(103)	(512)	-	-
	215,479	183,033	-	-

Valuation as per financial statements: Wernhil

Park (Pty) Ltd

Erf 276 (Alexander Forbes House) and Erf 7369

(Wernhil Park shopping centre)

Valuation obtained	1,978,500	1,974,300	-	-
Tenant commissions and allowances	(13,812)	(10,322)	-	-
Deferred rental assets	(23,903)	(24,327)	-	-
	1,940,785	1,939,651	-	-

Valuation as per financial statements: WUM

Properties (Pty) Ltd

Erf 990 & Erf 3515 Windhoek and Erf 482

Swakopmund

Valuation obtained	139,275	146,375	-	-
Tenant commissions and allowances	(49)	(24)	-	-
Deferred rental assets	(82)	(260)	-	-
	139,144	146,091	-	-

5. Biological assets

Group	2021			2020		
	Cost / valuation N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000	Cost / valuation N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000
Milk cows	23,145	-	23,145	27,608	-	27,608
Work in progress – Agronomy	5,614	-	5,614	94	-	94
Abalone	18,207	-	18,207	16,273	-	16,273
Game	2,437	-	2,437	2,278	-	2,278
Total	49,403	-	49,403	46,253	-	46,253

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5. Biological assets (continued)

Reconciliation of biological assets - Group - 2021

	Opening balance N\$'000	Additions N\$'000	Decreases due to harvest / sales N\$'000	Disposals and deaths N\$'000	Gains or losses arising from changes in fair value attributable to growth N\$'000	Transfers N\$'000	Total N\$'000
Milk cows	27,608	-	-	(8,719)	4,256	-	23,145
Work in progress – Agronomy	94	2,305	(94)	-	-	3,309	5,614
Abalone	16,273	-	(1)	-	1,935	-	18,207
Game	2,278	-	-	-	159	-	2,437
	46,253	2,305	(95)	(8,719)	6,350	3,309	49,403

Reconciliation of biological assets - Group - 2020

	Opening balance N\$'000	Additions N\$'000	Additions through business combinations N\$'000	Decreases due to harvest / sales N\$'000	Disposals and deaths N\$'000	Transfers N\$'000	Gains or losses arising from changes in fair value attributable to growth N\$'000	Other changes, movements N\$'000	Total N\$'000
Milk cows	32,680	-	-	-	(13,356)	-	8,284	-	27,608
Work in progress – Agronomy	974	11,812	1,688	(13,406)	-	-	-	(974)	94
Abalone	20,315	5,851	-	(89)	(4,699)	(9,730)	4,625	-	16,273
Game	2,116	-	-	-	-	-	162	-	2,278
	56,085	17,663	1,688	(13,495)	(18,055)	(9,730)	13,071	(974)	46,253

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5. Biological assets (continued)

Non – Financial information

Quantities of each biological asset

	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Milk cows	1,802	2,180	-	-
Abalone ('000 kg)	76	46	-	-
Game *	386	423	-	-
	2,264	2,649	-	-

*Game consisted of black and blue wildebeest, black-faced impala, blesbok, bontebok, duiker, eland, giraffe, hartebeest, impala klipspringer kudu, lechwe, oryx, ostrich, roan, sable, springbok, steenbuck, waterbuck, warthog and white rhino.

Methods and assumptions used in determining fair value

The fair value of each category of livestock in the herd has been done in June 2021 by Mr. F Duvenhage member of S.A. Holstein.

The assumptions used in determining the value is the age of the cow and the number of lactations she has had.

The fair value of livestock was determined based on market prices of livestock of similar age, breed and genetic merit.

The fair value of game was determined by using market value, using live auction values.

The fair value of agronomy is determined based on market prices in the local area.

The fair value of the abalone was determined by using current market prices per size range. The market prices are denominated in US Dollars and were converted at an exchange rate of N\$ 14.31 (2020: N\$ 17.27). A fair value loss of N\$ 1,934,998 (2020: gain of N\$ 4,625,341) was recognised as a result of the depreciation of the exchange rate and the increased mass of the abalone since the last valuation was performed.

6. Intangible assets

Group	2021			2020		
	Cost N\$'000	Accumulated amortisation and impairment N\$'000	Carrying value N\$'000	Cost / Valuation N\$'000	Accumulated amortisation N\$'000	Carrying value N\$'000
Software	111,874	(56,456)	55,418	103,942	(69,717)	34,225
Goodwill	20,009	(7,579)	12,430	13,345	-	13,345
Trademark	32,297	(1,933)	30,364	32,297	(1,533)	30,764
Total	164,180	(65,968)	98,212	149,584	(71,250)	78,334

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6. Intangible assets (continued)

Reconciliation of intangible assets - Group - 2021

	Opening balance N\$'000	Additions N\$'000	Additions through business combinations N\$'000	Disposals N\$'000	Transfers (to) from property, plant and equipment N\$'000	Amortisation N\$'000	Impairment loss N\$'000	Total N\$'000
Software	34,225	10,215	-	(144)	21,841	(10,719)	-	55,418
Goodwill	13,345	-	6,664	-	-	-	(7,579)	12,430
Trademark	30,764	-	-	-	-	(400)	-	30,364
	78,334	10,215	6,664	(144)	21,841	(11,119)	(7,579)	98,212

Impairment losses consists of the following:

	N\$'000
Keetmanshoop Pick n Pay store goodwill:	1,252
Business acquisition Farm to Folks (note 46)	<u>6,327</u>
	<u>7,579</u>

The Keetmanshoop Pick n Pay store has not delivered any profits over the last few years. Spar recently opened its new store in May 2021 in the town and in the first month of opening, the turnover of the Pick n Pay store dropped by 16.7%. The location of the store is not ideal in relation to the development of the town. Due to the negative changing environment the goodwill of the Keetmanshoop Pick n Pay store has been fully impaired.

The goodwill that arose on the business acquisition of Andrico Investments Number Eighty Three t/a Farm to Folk (Farm to Folk) is fully impaired due to the loss history that is expected to continue in the future.

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6. Intangible assets (continued)

Reconciliation of intangible assets - Group - 2020

	Opening balance N\$'000	Additions N\$'000	Additions through business combinations N\$'000	Disposals N\$'000	Amortisation N\$'000	Total N\$'000
Software	28,380	13,577	60	(365)	(7,427)	34,225
Goodwill	11,366	-	1,979	-	-	13,345
Trademark	2,867	-	28,297	-	(400)	30,764
	42,613	13,577	30,336	(365)	(7,827)	78,334

Other information

Group		Company	
2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

Intangible assets with indefinite lives:

Trademarks	30,297	30,297	-	-
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The useful life of these trademarks are considered indefinite. It is not bound by any expiry period as there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the group.

Intangible assets, other than goodwill and intangible assets as above, are amortised over their useful lives. The foreseeable lives of the intangible assets range between 3 and 7 years. The charges to profit or loss are shown in Note 35. Goodwill and trademarks are assessed for impairment annually.

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7. Investments in subsidiaries

The carrying amounts of subsidiaries consist of shares at cost.

The principal place of business and of incorporation for all subsidiaries are Namibia except for:

<u>Company:</u>	<u>Incorporated in:</u>
- O&L South Africa Proprietary Limited	South Africa
- Namibia Breweries South Africa Proprietary Limited	South Africa
- Flycatcher (Proprietary) Limited Property	Botswana
- Hartlief Properties SA Proprietary Limited	South Africa
- Hartlief Continental Meat Products SA Proprietary Limited	South Africa
- FM Meat Market Proprietary Limited	South Africa
- O&L Nexentury SA Proprietary Limited	South Africa
- O&L Nexentury GmbH	Germany

In the current and prior year the investments in the following companies were deemed to not be fully recoverable due to 'at acquisition reserves' and net loans to/from subsidiaries having been reduced by subsequent accumulated operating losses:

- Eros Air (Proprietary) Limited,
- Khan Construction Company (Proprietary) Limited,
- Kraatz Marine (Proprietary) Limited,
- O&L Centre (Proprietary) Limited,
- O and L Fresh Produce (Proprietary) Limited
- O&L Leisure (Proprietary) Limited,
- O&L Nexentury Development & Construction Services Namibia (Proprietary) Limited formerly Cronimet Mining Power Solutions (Proprietary) Limited Namibia
- O&L Nexentury Green Infrastructure Solutions (Proprietary) Limited formerly O&L Energy (Proprietary) Limited,
- O&L Nexentury GmbH formerly Cronimet Mining Power Solutions GmbH
- O&L Nexentury SA Proprietary Limited formerly Cronimet Mining Power Solutions South Africa Proprietary Limited
- O&L Project Management (Proprietary) Limited
- Organic Energy Solutions (Proprietary) Limited, and
- Weathermen & Co Advertising (Proprietary) Limited

The following table lists the entities which are controlled by the group and company, either directly or indirectly through subsidiaries.

OHLTHAVER & LIST TRADING CORPORATION LIMITED

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7. Investments in subsidiaries (continued)

Name of company	Held by	Nature of business	Issued Capital N\$'000	Group effective holding		Shares at cost		Indebtedness to / (by) the company		Impairment of interest/provision for losses	
				2021	2020	2021 N\$'000	2020 N\$'000	2021 N\$'000	2020 N\$'000	2021 N\$'000	2020 N\$'000
Broll & List Property Management (Namibia) (Proprietary)	OLFITRA	Property management	1	50.10%	50.10%	1	1	-	-	-	-
Central Properties (Proprietary) Limited	OLFITRA	Letting of property	8	100.00%	100.00%	8	8	-	-	-	-
Consortium Fisheries Limited	OLFITRA	Investment holding	1,903	98.32%	98.30%	3,828	3,807	101,512	101,512	(102.0)	(102)
-Hangana Seafood (Proprietary) Limited	COFI	Processing of fish	90	95.18%	95.15%	-	-	54,913	5,000	(55)	(5)
-Kraatz Marine (Proprietary) Limited	COFI	Marine and industrial fabrication and repair	30,349	98.32%	98.30%	-	-	104,540	87,095	(104,540)	(77,907)
Eros Air (Proprietary) Limited	OLFITRA	Aircraft charter	60	100.00%	100.00%	60	60	73,716	54,094	(13,189)	(11,351)
Hartlief Corporation Limited	OLFITRA	Processing of meat	93,969	80.99%	78.91%	145,716	143,507	-	-	-	-
ICT Holdings (Proprietary) Limited	OLFITRA	Consulting service to supply electronic services	-	100.00%	100.00%	-	-	3,000	3,000	(3)	(3)
O&L Centre (Proprietary) Limited	OLFITRA	Corporate head office	-	100.00%	100.00%	-	-	568,706	542,432	(568,706)	(542,432)
O&L Nexentury Green Infrastructure Solutions (Proprietary) Limited (Previously O&L Energy)	OLFITRA	Energy solutions	-	100.00%	100.00%	-	-	36,127	32,827	(26,318)	(23,187)
-Midgard Solar Energy (Proprietary) Limited	ENERGY	Energy solutions	-	100.00%	100.00%	-	-	-	-	-	-
-Organic Energy Solutions (Proprietary) Limited	ENERGY	Manufacturing of products sourced from bush	-	75.00%	75.00%	-	-	3,697	2,947	(3,697)	(2,947)
-OLC Northern Sun (Proprietary) Limited (Previously Windhoek Parking)	ENERGY OLNEX	Dormant	-	49.08%	49.08%	-	-	-	-	-	-
OLC Arandis Solar Energy (Proprietary) Limited (Previously Kalahari Can Company)	ENERGY OLNEX	Energy solutions	-	52.85%	35.00%	-	-	-	-	-	-
-OLC Solar Energy Corp (Proprietary) Limited	ENERGY OLNEX	Energy solutions	-	75.99%	51.00%	-	-	-	-	-	-
-OLC Energy Services (Proprietary) Limited	CORP	Energy solutions	-	85.35%	70.11%	-	-	-	-	-	-
-OLC Mokuti Solar Energy (Proprietary) Limited	CORP	Energy solutions	-	75.99%	51.00%	-	-	2,342	-	(2)	-
-Okakarara Solar Farm (Proprietary) Limited	CORP	Energy solutions	-	53.19%	35.70%	-	-	-	-	-	-
-OLC Dairies Energy (Proprietary) Limited	CORP	Energy solutions	-	75.99%	51.00%	-	-	-	-	-	-
O&L South Africa Proprietary Limited	OLFITRA	South Africa head office	-	100.00%	100.00%	-	-	-	-	-	-
Ohlthaver & List Beverage Company (Proprietary) Limited	OLFITRA	Investment holding	123	100.00%	100.00%	298	298	116,003	100,143	(116)	(100)

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7. Investments in subsidiaries (continued)

Name of company	Held by	Nature of business	Issued Capital N\$'000	Group effective holding		Shares at cost		Indebtedness to / (by) the company		Impairment of interest/provision for losses	
				2021	2020	2021 N\$'000	2020 N\$'000	2021 N\$'000	2020 N\$'000	2021 N\$'000	2020 N\$'000
- NBL Investment Holdings (Proprietary) Limited	BEV	Investment holding	4,909	50.02%	50.02%			-	-	-	-
-Namibia Breweries Limited	NBLIH	Manufacturing & distribution of beer & soft drinks	1,024	29.84%	29.84%	4,875	4,875	-	-	-	-
O&L Europe GmbH	OLFITRA	Energy solutions	509	100.00%	0.00%	414	-				
O&L Nexentury GmbH	OLFITRA	Energy solutions	-	51.00%	0.00%	-	-	28,428	-	(8,608)	-
-O&L Nexentury Development & Construction Services Namibia (Proprietary) Limited	OLNEX	Energy solutions	-	51.00%	0.00%	-	-	220	-	(220)	-
-Solea SA Holding Proprietary Limited	OLNEX	Energy solutions	-	51.00%	0.00%	-	-	-	-	-	-
-O&L Nexentury SA Proprietary Limited	OLNEX	Energy solutions	1	37.74%	0.00%	-	-	2,000	-	(2,000)	-
-CRMPS SIPP Proprietary Limited	OLNEX	Energy solutions	-	26.01%	0.00%	-	-	-	-	-	-
O&L Project Management (Proprietary) Limited	OLFITRA	Project management	-	100.00%	0.00%	-	-	1,165	-	(837)	-
Weathermen and Company Advertising (Proprietary) Limited	OLFITRA	Advertising and marketing	1	100.00%	50.10%	1	1	2,076	751	(1,125)	(1)
Wernhil Park (Proprietary) Limited	OLFITRA	Letting of property	16,521	100.00%	100.00%	16,521	16,521	(78,607)	(78,579)	-	-
Windhoek Schlachtereij (Proprietary) Limited	OLFITRA	Processing of meat	31,580	90.00%	90.00%	32,938	32,938	35,580	35,518	(36)	(36)
WUM Properties (Proprietary) Limited	OLFITRA	Retail, property management and investment holding	-	97.85%	97.85%	1,807	1,807	66,861	45,716	(67)	(46)
-Namibia Dairies (Proprietary) Limited *	WUM	Manufacturing & distribution of dairy products	2	97.85%	97.85%	35,000	35,000	187,997	125,399	(188)	(125)
-O&L Fresh Produce (Proprietary) Limited (Previously Natural Value Foods)	WUM	Fresh produce	-	97.85%	97.85%	-	-	-	-	-	-
-Khan Construction (Proprietary) Limited	WUM	Investment holding	-	97.85%	97.85%	-	-	17,975	17,975	(17,975)	(17,975)
-O&L Leisure (Proprietary) Limited	KHAN	Hospitality industry	-	97.85%	97.85%	-	-	902,977	698,081	(232,866)	(130,069)
						241,466	238,822	2,231,228	1,773,911	(980,650)	(806,286)

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7. Investments in subsidiaries (continued)

OLFITRA - Ohlthaver and List Finance and Trading Corporation Limited

COFI - Consortium Fisheries Limited (only significant subsidiaries are disclosed)

NBLIH - NBL Investment Holdings (Proprietary) Limited (only significant subsidiaries are disclosed)

WUM - WUM Properties (Proprietary) Limited (only significant subsidiaries are disclosed)

BEV - O&L Beverages (Proprietary) Limited

KHAN - Khan Construction (Proprietary) Limited

WCO - Weathermen and Company Advertising (Proprietary) Limited

ENERGY - O&L Nexentury Green Infrastructure Solutions (Proprietary) Limited (Previously O&L Energy)

OLNEX - O&L Nexentury GmbH

* The Shares in Namibia Dairies (Proprietary) Limited are preference shares

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7. Investments in subsidiaries (continued)

Subsidiaries pledged as security

The company has ceded 49% of shares in Ohlthaver & List Beverage Company (Proprietary) Limited to Bank Windhoek Limited.

O&L Nexentury Green Infrastructure Solutions (Proprietary) Limited (Previously O&L Energy) and O&L Nexentury GmbH have each ceded their 35% in OLC Arandis Solar Energy (Proprietary) Limited to Development Bank of Namibia as security for a loan granted to OLC Arandis Solar Energy (Proprietary) Limited - refer to note 26.

Changes in ownership interest which did not result in loss of control

The following schedule represents the impact of changes in ownership interest of subsidiaries where control was not lost, on the equity attributable to owners of the group and company:

	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Acquisition of 788 (2020: 17,088) shares in Consortium Fisheries Limited from non-controlling interest, increasing effective shareholding from 98.30% to 98.32% (2020: 97.85% to 98.30%).	86	1,290	-	-
Acquisition of 1,955,797 (2020: 9,558,771) shares in Hartlief Corporation Limited from non-controlling interest, increasing ownership from 78.91% to 80.99% (2020: 68.73% to 78.91%).	2,685	10,464	-	-
Acquisition of 10% shareholding in Hangana Abalone (Proprietary) Limited by Hangana Seafood (Proprietary) Limited, increasing ownership from 90% to 100%.	-	(8,540)	-	-
Acquisition of 49.9% shareholding in Weathermen & Co (Proprietary) Limited by Ohlthaver & List Finance and Trading Corporation Limited, increasing ownership from 50.1% to 100%.	(171)	-	-	-
	2,600	3,214	-	-

2021:

The consideration paid of N\$ 2,231,103 less the decrease of N\$ 4,831,215 of equity attributable to owners of the group resulted in a loss on change of ownership of N\$ 2,600,112 which is included in changes in ownership reserve.

2020:

The consideration paid of N\$23,331,727 less the decrease of N\$ 26,545,524 of equity attributable to owners of the group resulted in a loss on change of ownership of N\$ 3,213,797 which is included in changes in ownership reserve.

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7. Investments in subsidiaries (continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests

The following information is provided for subsidiaries with non-controlling interests which are material to the reporting company. The summarised financial information is provided prior to intercompany eliminations.

Subsidiary	Country of incorporation	% Ownership interest held by non-controlling interest	
		2021	2020
O&L Beverages Group	Namibia	49.98 %	49.98 %
Hartlief Corporation Limited Group	Namibia	19.01 %	21.00 %
O&L Nexentury GmbH	Germany	49.00 %	- %

The country of incorporation and the principal place of business are the same.

The percentage ownership interest and the percentage voting rights of the non controlling interests were the same.

Summarised statement of financial position

	O&L Beverages Group		Hartlief Corporation Limited Group	
	2021 N\$'000	2020 N\$'000	2021 N\$'000	2020 N\$'000
Assets				
Non-current assets	2,255,323	2,358,417	400,327	412,540
Current assets	1,432,112	1,083,078	40,464	46,013
Total assets	3,687,435	3,441,495	440,791	458,553
Liabilities				
Non-current liabilities	761,805	785,436	65,093	87,916
Current liabilities	558,665	439,176	180,584	146,895
Total liabilities	1,320,470	1,224,612	245,677	234,811
Total net assets	2,366,965	2,216,883	195,114	223,742
Carrying amount of non-controlling interest	860,892	799,867	37,097	50,348

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7. Investments in subsidiaries (continued)

Summarised statement of profit or loss and other comprehensive income

	O&L Beverages Group		Hartlief Corporation Limited Group	
	2021 N\$'000	2020 N\$'000	2021 N\$'000	2020 N\$'000
Revenue	2,648,576	2,645,833	348,509	164,177
Other income and expenses	(2,137,023)	(2,305,728)	(392,024)	(175,682)
Profit / (loss) before tax	511,553	340,105	(43,515)	(11,505)
Tax expense	(143,522)	(81,612)	13,496	3,334
Profit/ (loss)	368,031	258,493	(30,019)	(8,171)
Other comprehensive income	4,826	(42,007)	70	-
Total comprehensive income	372,857	216,486	(29,949)	(8,171)
Profit / (loss) allocated to non-controlling interest	150,525	106,221	(5,511)	(2,071)

Summarised statement of cash flows

	O&L Beverages Group		Hartlief Corporation Limited Group	
	2021 N\$'000	2020 N\$'000	2021 N\$'000	2020 N\$'000
Cash flows from operating activities	792,905	333,690	3,951	(1,489)
Cash flows from investing activities	(166,344)	(46,827)	(11,804)	(3,386)
Cash flows from financing activities	(271,560)	(231,836)	(14,691)	(2,594)
Net (decrease) increase in cash and cash equivalents	355,001	55,027	(22,544)	(7,469)
Dividend paid to non-controlling interest	(91,460)	(187,997)	-	-

Aggregate profits/(losses) of subsidiaries

	Company	
	2021 N\$ '000	2020 N\$ '000
Aggregate profits	477,511	283,300
Aggregate losses	(291,381)	(570,107)
	186,130	(286,807)

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8. Investments in associates

The following table lists all of the associates in the group and company:

Name of company	Nature of business	% ownership interest 2021	% ownership interest 2020	Carrying amount 2021	Carrying amount 2020
Dimension Data Namibia (Proprietary) Limited	Consulting services to supply electronic communication	51.00 %	51.00 %	7,493	7,990
Heineken South Africa (RF) Proprietary Limited	Manufacturing and distribution of beer and soft drinks	25.00 %	25.00 %	710,159	778,662
OLC Arandis Solar Energy (Proprietary) Limited	Solar energy producer	- %	35.00 %	-	7,049
				717,652	793,701

The investment in Dimension Data Namibia (Proprietary) Limited is not a subsidiary, as the group and company does not have control. This is because the group and company does not have significant representation on the Board or control of the daily operations.

Material associates

The following associates are material to the group and company:

	Country of incorporation	Method	% Ownership interest
			2021 2020
Heineken South Africa (RF) Proprietary Limited	South Africa		25 % 25 %

Heineken South Africa (RF) Proprietary Limited is registered and operates primarily in South Africa. The nature of the business is manufacturing and distribution of beer. NBL has a 25% share in Heineken South Africa (RF) Proprietary Limited.

The closing balance of the investment includes a capital loan of N\$73.6m (2020: N\$73.6m) owed by Heineken South Africa (RF) Proprietary Limited. The loan to the associate is unsecured and bears interest at South African Prime rate (2020:South African Prime rate) and is repayable in September 2022. Trade receivables from the associate are reflected in note 10.

The Directors of Heineken South Africa (RF) Proprietary Limited assessed that the Heineken South Africa (RF) Proprietary Limited deferred tax asset of N\$1.3 billion, relating to accumulated assessed tax losses, is recoverable in the current year despite the challenging trading conditions experienced over the last 18 months.

The associate management's projections support the assumption that it is probable that the results of future operations will generate sufficient taxable income to utilise these deferred tax assets. The judgement is performed annually and is based on budgets and business plans for the coming years. The key drivers of the projections are revenue and volume growth.

The Directors of the Group agreed with this assessment.

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8. Investments in associates (continued)

Summarised financial information of material associates

Summarised Statement of Profit or Loss and Other Comprehensive Income

Heineken South Africa (RF)
Proprietary Limited

2021 N\$'000	2020 N\$'000
7,779,188	8,272,324
(8,163,799)	(8,732,586)
(384,611)	(460,262)
43,531	153,454
(341,080)	(306,808)
19,812	-
(321,268)	(306,808)

Revenue

Other income and expenses

Profit before tax

Tax expense

Profit / (loss) from continuing operations

Other comprehensive income

Total comprehensive income

Summarised Statement of Financial Position

Heineken South Africa (RF)
Proprietary Limited

2021 N\$'000	2020 N\$'000
7,633,700	7,736,300
2,736,400	2,884,300
10,370,100	10,620,600

Assets

Non-current

Current

Total assets

Liabilities

Non-current

Current

Total liabilities

2,790,900	2,812,200
5,197,600	5,105,500
7,988,500	7,917,700

Total net assets

2,381,600	2,702,900
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8. Investments in associates (continued)

Reconciliation of net assets to equity accounted investments in associates	Heineken South Africa (RF) Proprietary Limited	
	2021 N\$'000	2020 N\$'000
Interest in associates at percentage ownership	1,361,129	1,361,129
Cumulative losses	(717,102)	(641,053)
Loan provided to associate	73,625	73,625
Carrying value of investment in associate	717,652	793,701

The above loan provided to the associate is unsecured and bears interest at South Africa Prime rate (2020: South Africa Prime rate). The loan is repayable in September 2022.

Included in the group's share of profit of associate is an amount of N\$ 11.8 million relating to fair value adjustments posted by the associate that was not recognised by the group.

Carrying value of investment in associates

Beginning of the year	793,701	867,257
Acquisitions through business combination	7,002	-
Disposals	(14,003)	-
Share of loss	(70,200)	(73,556)
Share of OCI	4,953	-
Other	(3,801)	-
Investment at end of period	717,652	793,701

The summarised information presented above reflects the financial statements of the associates after adjusting for differences in accounting policies between the group and company and the associate.

In terms of overall volume sales, Heineken South Africa (RF) Proprietary Limited is one of the group's largest customers. Sales to and purchases from Heineken South Africa (RF) Proprietary Limited are made at cost, plus an agreed upon margin as stated in the contractual agreement between the two entities. The agreement also stipulates a minimum volume figure, which the associate commits to buy from NBL over a twelve month period.

In addition to sales made to the associate, the Group earned royalty income of N\$ 98.1 million (2020: N\$ 91.3 million) and know-how fees of N\$ 7.8 million (2020: N\$ 8.2 million) based on the sale of NBL brands by Heineken South Africa (RF) Proprietary Limited to third party customers. The royalties and know-how fees are based on a contractually agreed upon percentage of the net sales value derived from the third party sales.

As a result of the impact of Covid-19 on the alcohol industry, the associate was not able to order the full annual contracted volumes resulting in a shortfall. The shortfall was captured in a Variation Agreement which made provision for half of the shortfall to be paid to NBL in cash while the remaining half would be deferred and added to the production volumes in the next twelve months. The agreement also makes provision for dealing with similar shortfalls in future. The cash settlement amounted to N\$15.9 million in 2021.

Payment terms for balances receivable and payable are in conjunction with normal credit terms

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8. Investments in associates (continued)

Aggregated individually immaterial associates accounted for using the equity method

	Group 2021 N\$'000	Group 2020 N\$'000
Total assets	47,593	134,180
Total liabilities	(28,247)	(98,973)
Revenue	109,224	127,064
Profit	6,477	7,280
Group's share of associate's net assets	9,867	54,193
Group's share of profit for the year	3,304	3,897

Associates with different reporting dates

The reporting date of Dimension Data Namibia (Proprietary) Limited is 31 March. The reporting date of the associate is different from the company because it is controlled by Dimension Data (South Africa) (Proprietary) Limited which has a 31 March reporting date.

The reporting date of Heineken South Africa (RF) Proprietary Limited is 31 December. The reporting date is different from the group because it is controlled by Heineken International B.V. which has a 31 December reporting date.

Fair value

The Directors valued the unlisted investments in the associates and determined it to equal the carrying value of the investment.

Carrying value

The carrying amounts of associates are shown net of impairment losses.

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
9. Loans to group companies				
Loans to group companies				
Eros Air (Proprietary) Limited	-	-	60,527	42,743
Windhoek Schlachtereij (Proprietary) Limited	-	-	35,544	35,482
ICT Holdings (Proprietary) Limited	-	-	2,997	2,997
WUM Properties (Proprietary) Limited	-	-	66,794	45,670
Namibia Dairies (Proprietary) Limited	-	-	187,809	125,274
O&L Leisure (Proprietary) Limited	-	-	670,111	568,012
O&L Energy (Proprietary) Limited	-	-	9,809	9,640
OLC Mokuti Solar Energy (Proprietary) Limited	-	-	2,340	-
Consortium Fisheries Limited	-	-	101,410	101,410
Hangana Seafood (Proprietary) Limited	-	-	54,858	4,995
Kraatz Marine (Proprietary) Limited	-	-	-	9,188
O&L Beverage Company (Proprietary) Limited	-	-	115,887	100,043
Weathermen & Co (Proprietary) Limited	-	-	951	750
O&L Project Management (Proprietary) Ltd	-	-	328	-
O&L Nexentury GmbH	-	-	19,820	-
	-	-	1,329,185	1,046,204

		2021			2020	
Loans to group companies	Gross carrying amount	Loss allowance	Amortised cost	Gross carrying amount	Loss allowance	Amortised cost
Non-current assets	2,171,912	(843,678)	1,328,234	1,601,834	(672,634)	929,200
Current assets	137,923	(136,972)	951	250,656	(133,652)	117,004
	2,309,835	(980,650)	1,329,185	1,852,490	(806,286)	1,046,204

The loans to/(from) group companies bear no interest and have no fixed repayment period, except for O&L Leisure (Proprietary) Limited whose loan bears interest at 3 month JBAR+3,8%. The interest was waived in the current and prior years.

Unlimited surety has been provided to O&L Beverage Company (Proprietary) Limited.

The company has deferred its right to claim repayment of debt owing to it of N\$ 339.8 million (2020: N\$ 1,187 million) by certain subsidiaries until the assets of these subsidiaries, fairly valued, exceeded their liabilities.

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
9. Loans to group companies (continued)				
Non-current assets				
Windhoek Schlachtereij (Proprietary) Limited	-	-	35,544	35,482
Eros Air (Proprietary) Limited	-	-	60,527	42,743
ICT Holdings (Proprietary) Limited	-	-	2,997	-
O&L Beverage Company (Proprietary) Limited	-	-	115,887	100,043
O&L Energy (Proprietary) Limited	-	-	9,809	9,640
WUM Properties (Proprietary) Limited	-	-	66,794	-
Hangana Seafood (Proprietary) Limited	-	-	54,858	4,995
Kraatz Marine (Proprietary) Limited	-	-	-	9,188
Namibia Dairies (Proprietary) Limited	-	-	187,809	59,375
O&L Leisure (Proprietary) Limited	-	-	670,111	568,012
OLC Mokuti Solar Energy (Proprietary) Limited	-	-	2,340	-
Consortium Fisheries Limited	-	-	101,410	99,722
O&L Project Management (Proprietary) Ltd	-	-	328	-
O&L Nexentury GmbH	-	-	19,820	-
	-	-	1,328,234	929,200
Current assets				
ICT Holdings (Proprietary) Limited	-	-	-	2,997
WUM Properties (Proprietary) Limited	-	-	-	45,670
Weathermen & Co (Proprietary) Limited	-	-	951	750
Namibia Dairies (Proprietary) Limited	-	-	-	65,899
Consortium Fisheries Limited	-	-	-	1,688
	-	-	951	117,004
Split between non-current and current portions				
Non-current assets	-	-	1,328,234	929,200
Current assets	-	-	951	117,004
	-	-	1,329,185	1,046,204

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9. Loans to group companies (continued)

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for loans receivable is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

In determining the amount of expected credit losses, the company has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate.

The estimation techniques explained have been applied for the first time in the current financial period, which is the first time the company has applied IFRS 9. Loans receivable were previously impaired only when there was objective evidence that the loan was impaired. The impairment was previously calculated as the difference between the carrying amount and the present value of the expected future cash flows.

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

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below. The company does not hold collateral or other credit enhancements against loans receivable.

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9. Loans to group companies (continued)

Credit loss allowances

Company - 2021

	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans to group companies				
O&L Centre (Proprietary) Limited	12m ECL	568,706	(568,706)	-
Windhoek Schlachtereij (Proprietary) Limited	Lifetime ECL (credit impaired)	35,580	(36)	35,544
Eros Air (Proprietary) Limited	Lifetime ECL (credit impaired)	73,716	(13,189)	60,527
ICT Holdings (Proprietary) Limited	Lifetime ECL (credit impaired)	3,000	(3)	2,997
O&L Beverage Company (Proprietary) Limited	Lifetime ECL (credit impaired)	116,003	(116)	115,887
O&L Energy (Proprietary) Limited	Lifetime ECL (credit impaired)	36,127	(26,318)	9,809
WUM Properties (Proprietary) Limited	Lifetime ECL (credit impaired)	66,861	(67)	66,794
Weathermen & Co (Proprietary) Limited	Lifetime ECL (credit impaired)	2,076	(1,125)	951
Khan Construction Company (Proprietary) Limited	Lifetime ECL (credit impaired)	17,975	(17,975)	-
Organic Energy Solutions (Proprietary) Limited	Lifetime ECL (credit impaired)	3,697	(3,697)	-
Hangana Seafood (Proprietary) Limited	Lifetime ECL (credit impaired)	54,913	(55)	54,858
Kraatz Marine (Proprietary) Limited	Lifetime ECL (credit impaired)	104,540	(104,540)	-
Namibia Dairies (Proprietary) Limited	Lifetime ECL (credit impaired)	187,997	(188)	187,809
O&L Leisure (Proprietary) Limited	Lifetime ECL (credit impaired)	902,977	(232,866)	670,111
OLC Mokuti Solar Energy (Proprietary) Limited	Lifetime ECL (credit impaired)	2,342	(2)	2,340
Consortium Fisheries Limited	Lifetime ECL (credit impaired)	101,512	(102)	101,410
O&L Project Management (Proprietary) Ltd	Lifetime ECL (credit impaired)	1,165	(837)	328
O&L Nexentury GmbH	Lifetime ECL (credit impaired)	28,428	(8,608)	19,820
O&L Nexentury Development & Construction Services Namibia (Proprietary) Ltd	Lifetime ECL (credit impaired)	220	(220)	-
O&L Nexentury SA (Proprietary) Ltd	Lifetime ECL (credit impaired)	2,000	(2,000)	-
		2,309,835	(980,650)	1,329,185

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9. Loans to group companies (continued)

Company - 2020

	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans to group companies				
O&L Centre (Proprietary) Limited	12m ECL	542,432	(542,432)	-
Windhoek Schlachtereij (Proprietary) Limited	Lifetime ECL (credit impaired)	35,518	(36)	35,482
Eros Air (Proprietary) Limited	Lifetime ECL (credit impaired)	54,094	(11,351)	42,743
ICT Holdings (Proprietary) Limited	Lifetime ECL (credit impaired)	3,000	(3)	2,997
O&L Beverage Company (Proprietary) Limited	Lifetime ECL (credit impaired)	100,143	(100)	100,043
O&L Energy (Proprietary) Limited	Lifetime ECL (credit impaired)	32,827	(23,187)	9,640
WUM Properties (Proprietary) Limited	Lifetime ECL (credit impaired)	45,716	(46)	45,670
Weathermen & Co (Proprietary) Limited	Lifetime ECL (credit impaired)	751	(1)	750
Khan Construction Company (Proprietary) Limited	Lifetime ECL (credit impaired)	17,975	(17,975)	-
Organic Energy Solutions (Proprietary) Limited	Lifetime ECL (credit impaired)	2,947	(2,947)	-
Hangana Seafood (Proprietary) Limited	Lifetime ECL (credit impaired)	5,000	(5)	4,995
Kraatz Marine (Proprietary) Limited	Lifetime ECL (credit impaired)	87,095	(77,907)	9,188
Namibia Dairies (Proprietary) Limited	Lifetime ECL (credit impaired)	125,399	(125)	125,274
O&L Leisure (Proprietary) Limited	Lifetime ECL (credit impaired)	698,081	(130,069)	568,012
Consortium Fisheries Limited	Lifetime ECL (credit impaired)	101,512	(102)	101,410
		1,852,490	(806,286)	1,046,204

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

9. Loans to group companies (continued)

Exposure to currency risk

Loans to group companies

The net carrying amounts, in Namibia Dollar, of loans to group companies, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Namibia Dollar amount

Namibia Dollar	-	-	1,329,185	1,046,204
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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
10. Loans to related parties				
OLC Arandis Solar Energy (Proprietary) Ltd	-	9	-	-
Directors and past directors	56	46	-	-
SIP Project Managers (Namibia) (Proprietary) Ltd	-	190	-	-
Heineken South Africa (RF) Proprietary Limited	86,084	43,190	-	-
Heineken South Africa Exports Company Proprietary Limited	1,204	1,341	-	-
Dimension Data Namibia (Proprietary) Limited	43	201	-	-
Brandtribe Proprietary Limited	7	-	-	-
	87,394	44,977	-	-

All other amounts refer to normal trade debtors and creditors with normal credit terms.

For detailed related party information refer to Note 50.

Current assets

OLC Arandis Solar Energy (Proprietary) Ltd	-	9	-	-
Directors and past directors	56	46	-	-
SIP Project Managers (Namibia) (Proprietary) Ltd	-	190	-	-
Heineken South Africa (RF) Proprietary Limited	86,084	43,190	-	-
Heineken South Africa Exports Company Proprietary Limited	1,204	1,341	-	-
Dimension Data Namibia (Proprietary) Limited	43	201	-	-
Brandtribe Proprietary Limited	7	-	-	-
	87,394	44,977	-	-

Split between non-current and current portions

Current assets	87,394	44,977	-	-
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Loans to related parties pledged as security

Loans with a carrying amount of N\$ 86,083,897 (2020: N\$ 43,190,049) were pledged as security to secure liabilities as per Note 26.

Exposure to credit risk

Loans receivable inherently exposes the group and company to credit risk, being the risk that the group and company will incur financial loss if counterparties fail to make payments as they fall due.

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10. Loans to related parties (continued)

Credit loss allowances

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

Group - 2021

	Gross Carrying amount	Loss allowance	Amortised cost
Directors and past directors	56	-	56
Heineken South Africa (RF) Proprietary Limited	86,084	-	86,084
Heineken South Africa Exports Company Proprietary Limited	1,204	-	1,204
Dimension Data Namibia (Proprietary) Limited	43	-	43
Brandtribe Proprietary Limited	1,510	(1,503)	7
	88,897	(1,503)	87,394

Group - 2020

	Gross Carrying amount	Amortised cost
OLC Arandis Solar Energy (Proprietary) Ltd	9	9
Directors and past directors	46	46
SIP Project Managers (Namibia) (Proprietary) Ltd	190	190
Heineken South Africa (RF) Proprietary Limited	43,190	43,190
Heineken South Africa Exports Company Proprietary Limited	1,341	1,341
Dimension Data Namibia (Proprietary) Limited	201	201
	44,977	44,977

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10. Loans to related parties (continued)

Company - 2021

Nil

Company - 2020

Nil

Exposure to currency risk

Refer to note 52 Financial instruments and financial risk management for details of currency risk management to loans to related parties.

Exposure to interest rate risk

Refer to note 52 Financial instruments and financial risk management for details of interest rate risk management for loans to related parties.

Fair value of loans to related parties

The fair value of loans to related parties approximates their carrying amounts.

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
11. Loans receivable				
Loans receivable are presented at amortised cost, which is net of loss allowance, as follows:				
Token Fisheries (Proprietary) Ltd	16,751	13,306	-	-
The loan bears interest at Nedbank Prime less 4% and has a term of not more than 10 years which started from September 2013.				
L Heydenrich	-	-	-	-
The loan to L Heydenrich bears interest at 0% and there are no repayment terms. The group holds a right of execution over the Farm Leeudrink, No. 940. The fair value of the farm exceeds the carrying amount of the loan.				
	16,751	13,306	-	-
Split between non-current and current portions				
Non-current assets	16,751	13,306	-	-

Exposure to credit risk

Loans receivable inherently exposes the group and company to credit risk, being the risk that the group and company will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for loans receivable is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

The estimation techniques explained have been applied for the first time in the current financial period, which is the first time the group and company has applied IFRS 9. Loans receivable were previously impaired only when there was objective evidence that the loan was impaired. The impairment was previously calculated as the difference between the carrying amount and the present value of the expected future cash flows

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

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below.

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	Group		Company	
Figures in Namibia Dollar thousand	2021	2020	2021	2020

11. Loans receivable (continued)

Credit loss allowances

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

Group - 2021

Instrument	Gross Carrying amount	Loss allowance	Amortised cost
Token Fisheries (Proprietary) Ltd	19,574	(2,823)	16,751
L Heydenrich	493	(493)	-
	20,067	(3,316)	16,751

Group - 2020

Instrument	Gross Carrying amount	Loss allowance	Amortised cost
Token Fisheries (Proprietary) Ltd	18,895	(5,589)	13,306
L Heydenrich	493	(493)	-
	19,388	(6,082)	13,306

Exposure to currency risk

Namibia Dollar amount

Namibia Dollar	16,751	13,306	-	-
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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

11. Loans receivable (continued)

Fair value of loans receivable

Refer to note 52 Financial instruments and risk management.

12. Non-current receivables

Consists of:

Tenant allowances and commission	11,262	7,747	-	-
Operating lease straightlining asset	25,829	25,202	-	-
	37,091	32,949	-	-

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
13. Deferred tax				
Deferred tax liability				
Fixed asset allowances	(788,741)	(769,010)	-	-
Provisions	44,594	8,690	-	-
Tax losses available for set off against future taxable income	154,843	158,562	-	-
Retirement benefit obligations	34,097	6,787	-	-
Trade and other payables/provisions (incl Customer Deposits)	37,886	50,244	-	-
Prepayments	(31,149)	(4,332)	-	-
Deferred rentals	14,801	16,058	-	-
Unrealised foreign exchange differences	2,257	3,284	-	-
Consumables	(4,906)	(4,891)	-	-
Leases	10,331	8,313	-	-
Intangible assets	(16,207)	(15,514)	-	-
Other deferred taxation	150	110	-	-
Total deferred tax liability	(542,044)	(541,699)	-	-
Deferred tax asset				
Prepaid expenses	-	(38)	-	-
Provisions	1,355	184	-	-
Leases	345	596	-	-
Deferred tax balance from temporary differences other than unused tax losses	(2,075)	(2,734)	-	-
Retirement benefit obligation	179	146	-	-
Deferred tax balance from temporary differences other than unused tax losses	(196)	(1,846)	-	-
Tax losses available for set off against future taxable income	13,472	13,862	-	-
	13,276	12,016	-	-
Total deferred tax asset	13,276	12,016	-	-
The deferred tax asset has been deemed recoverable after considering the current and forecast profitability of the entities.				
Deferred tax liability	(542,044)	(541,699)	-	-
Deferred tax asset	13,276	12,016	-	-
Total net deferred tax liability	(528,768)	(529,683)	-	-

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

13. Deferred tax (continued)

Reconciliation of deferred tax asset / (liability)

At beginning of year	(529,683)	(542,008)	-	-
Charge to profit and loss for the year	(1,323)	52,698	-	-
Charge to other comprehensive income for the year	1,321	15,429	-	-
Change in accounting policy - IFRS 16	-	25,896	-	-
Business combination	849	(81,709)	-	-
Disposal of subsidiary	-	11	-	-
Prior period adjustment	68	-	-	-
	(528,768)	(529,683)	-	-

Unrecognised deferred tax asset

Unused tax losses not recognised as deferred tax assets	598,150	436,560	8,656	14,654
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14. Inventories

Raw materials	95,483	149,901	-	-
Work in progress	36,366	25,304	-	-
Finished products	196,961	177,066	-	-
Merchandise	142,730	158,704	-	-
Consumable stores	127,804	151,330	-	-
	599,344	662,305	-	-
Provision for obsolete stock	(6,775)	(28,754)	-	-
	592,569	633,551	-	-

The impairment to inventories is included in operating expenses in profit and loss and is mainly due to redundant spares, changes in packaging design and expired finished products.

Reconciliation of provision for obsolete stock

Opening balance for the year	(28,754)	(9,248)	-	-
Impairments on inventory	43,197	19,539	-	-
Provision raised on obsolete stock	(21,218)	(39,045)	-	-
	(6,775)	(28,754)	-	-

Inventory pledged as security

Inventory is encumbered as security for borrowings as disclosed in note 26.

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
15. Trade and other receivables				
Financial instruments:				
Trade receivables	384,481	399,530	-	-
Accrued income	-	-	1,683	-
Loss allowance	(40,511)	(33,364)	-	-
Trade receivables at amortised cost	343,970	366,166	1,683	-
Deposits	21,881	21,599	-	-
Promotional and buying incentives	12,330	12,510	-	-
Fuel rebate	2,534	1,415	-	-
Accrued income	82,816	13,039	-	-
Tenant allowances and commissions	3,026	3,087	-	-
Financial asset – capital deposits	2	42,171	-	-
Other receivable	53,851	55,113	-	-
Non-financial instruments:				
Value-added taxation	222,442	246,079	1,950	1,516
Staff loans	23	37	-	-
Prepayments	74,705	39,025	114	114
Total trade and other receivables	817,580	800,241	3,747	1,630

Included in trade and other receivables in the prior year is restricted cash held in a trust fund of N\$ 6,568,512. The funds were repaid to Namibia Breweries Limited during the year under review.

Included in Accrued income is the following offered by the insurance companies for losses suffered due to COVID-19 and covered by business interruption insurance cover:

- O&L Leisure (Proprietary) Limited	- N\$ 12,045,262
- Namibia Breweries Limited	- N\$ 42,608,695

The Value Added Tax receivable is shown net of a N\$13.3 million provision raised against the outstanding balance. The provision was raised for possible losses related to ageing VAT claims receivable from SARS.

Included in Other receivable Heineken Variation Income N\$ 16 million, receivable by Namibia Breweries Limited in the following financial year.

Split between non-current and current portions

Current assets	817,580	800,241	3,747	1,630
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Categorisation of trade and other receivables

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

At amortised cost	520,410	505,895	1,683	-
Non-financial instruments	297,170	294,346	2,064	1,630
	817,580	800,241	3,747	1,630

Trade and other receivables pledged as security

These assets are encumbered to secure liabilities as per note 26.

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15. Trade and other receivables (continued)

Exposure to credit risk

Trade receivables inherently expose the group and company to credit risk, being the risk that the group and company will incur financial loss if customers fail to make payments as they fall due.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The average credit period on trade receivables is 37.11 days (2020: 39.71 days). No interest is charged on the trade receivables for the first 30-60 days from the date of the invoice. Thereafter, interest is charged at between 0% and the prime overdraft rate plus 2% per annum on the outstanding balance.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The group and company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

The estimation techniques explained have been applied for the first time in the current financial period, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired. The impairment was calculated as the difference between the carrying amount and the present value of the expected future cash flows.

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

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15. Trade and other receivables (continued)

The group and company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Group	2021 N\$'000	2021 N\$'000	2020 N\$'000	2020 N\$'000
	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:				
Not past due: 0.0% - 28.3% (2020: 0.1% - 40.0%)	117,457	(504)	227,511	(1,044)
Less than 30 days past due: 0.0% - 75.0% (2020: 0.01% - 98.2%)	107,737	(324)	12,080	(581)
31 - 60 days past due: 0.1% - 75.0% (2020: 0.1% - 100%)	51,278	(575)	36,950	(991)
61 - 90 days past due: 0.23% - 75.0% (2020: 0.05% - 98.1%)	21,664	(1,408)	6,920	(1,521)
91 - 120 days past due: 0.0% - 99.9% (2020: 0.25% - 100%)	19,633	(5,247)	30,081	(4,252)
More than 120 days past due: 12.0% - 100% (2020: 0.1% - 100%)	57,535	(27,116)	62,608	(16,460)
Trade debtors handed over to legal: 55.7% - 59.9% (2020: 27.4% - 66.9%)	9,117	(5,337)	23,380	(8,515)
Total	384,421	(40,511)	399,530	(33,364)

Reconciliation of loss allowances

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

Opening balance	(33,364)	(19,477)	-	-
Amounts recovered	-	45	-	-
Provision raised on new trade receivables	(15,298)	(17,663)	-	-
Provisions reversed on settled trade receivables	2,458	91	-	-
Amounts written off as uncollectable	5,693	4,226	-	-
Business acquisition	-	(586)	-	-
Closing balance	(40,511)	(33,364)	-	-

Exposure to currency risk

The net carrying amounts, in Namibia Dollar, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Namibia Dollar Amount

Namibia Dollar	520,410	505,895	1,683	-
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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
16. Derivatives				
Non-hedging derivatives				
Interest rate swap	(54,832)	(83,306)	-	-
Hedging derivatives				
Foreign exchange contract liability	(3,511)	(32,395)	-	-
Foreign exchange contract asset	6,386	9,588	-	-
	(51,957)	(106,113)	-	-

Wernhil Park (Pty) Limited

Wernhil entered into a facility lease agreement with RMB signed on 19 December 2016 to combine all the previous existing facility agreements into one term loan, starting 1 November 2019.

A condition was set out in section 6 of the Long Term Facility Agreement that Wernhil should take out a hedge with RMB to hedge 100% of their interest rate risk for at least 4 years on or before 10 November 2019.

The Interest rate SWAP was entered into on 3 June 2019 to start on 10 July 2019 with the following terms:

Start Date: 10 July 2019;

End Date: 10 July 2024;

Company pays fixed rate: 10.69%;

RMB pays: Prime + 5 bps

The fair value is determined by RMB and the major inputs are the Swap and Prime rates on valuation date at the mid quote.

IFRS 9 requires all derivatives to be recorded at fair value at each reporting date (IFRS 9 par 4.2.1(a)).

The fair value of the SWAP transaction is obtained from RMB bi-annually and the fair value of the SWAP is adjusted as either a gain or a loss and result in a corresponding fair value gain or loss in the Statement of Comprehensive Income.

The fair value of the SWAP transaction was obtained from RMB and adjusted as a loss in the Statement of Comprehensive Income resulting in a corresponding liability in the Statement of Financial Position.

Split between non-current and current portions

Current assets	6,386	9,588	-	-
Non-current liabilities	(54,832)	(83,306)	-	-
Current liabilities	(3,511)	(32,395)	-	-
	(51,957)	(106,113)	-	-

Refer to note 53 Fair value information for details of valuation policies and processes.

Refer to note 52 Financial instruments and risk management further details.

The group and company's objective in using derivative financial instruments is to reduce the uncertainty over future cash flows arising from the movements in fuel prices, currency and interest rates. As a matter of principle, the group and company does not enter into derivative contracts for speculation purposes.

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	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

16. Derivatives (continued)

The group and company's policy is to appropriately hedge foreign purchases and sales in order to manage its foreign currency exposure. Forward foreign exchange contracts are entered into in order to manage the group and company's exposure to fluctuations in foreign currency exchange rates on specific transactions.

Group	Foreign amount 2021	Foreign amount 2020	Average rate 2021	Average rate 2020
Euro - Sell	-	13,250	-	17.36
US Dollar - Sell	379	850	14.42	19.16
Euro - Buy	13,375	4,936	18.18	18.00
US Dollar - Buy	4,139	3,005	14.63	18.00

Namibia Dollar amount

Euro - Sell	-	230,011	-	-
US Dollar - Sell	5,471	16,286	-	-
Euro - Buy	242,041	88,843	-	-
US Dollar - Buy	63,629	54,090	-	-

Maturities of derivatives

The liquidity analysis is determined based on the maturity profile of the underlying instrument. Refer to Note 52 for maturity profiles of derivatives.

17. Property units for sale

Carrying value

Property units for sale	8,597	9,052	-	-
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The carrying value above relates to completed residential units on Erf 282 known as '77 on Independence' which are held for the purpose of sale.

18. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	12,910	10,447	-	-
Bank balances	136,124	152,161	4,379	12,530
Short-term deposits (note 19)	849,235	955,708	303,861	752,130
Other cash and cash equivalents	1,292	113,412	431	110,926
Bank overdraft	(183,700)	(164,853)	-	-
	815,861	1,066,875	308,671	875,586
Current assets	999,561	1,231,728	308,671	875,586
Current liabilities	(183,700)	(164,853)	-	-
	815,861	1,066,875	308,671	875,586

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Group		Company	
2021	2020	2021	2020
N\$ '000	N\$ '000	N\$ '000	N\$ '000

18. Cash and cash equivalents (continued)

The carrying amount of these assets approximates their fair value. The overdrafts are unsecured, except for those listed below:

Company

Bank overdraft facilities have been provided by Bank Windhoek Limited and Nedbank Namibia Limited. The total facility is N\$ 36,755,000 (2020: N\$36,755,000) of which N\$ 36,755,000 (2020: N\$36,755,000) was unutilised at year end.

The Nedbank Namibia Limited overdraft facility carries interest at 7.5% (2020: 7.75%) and is unsecured.

The Bank Windhoek Limited overdraft facility carries interest at 7.5% (2020: 7.75%) and is secured as follows:

1. Unlimited Suretyship by WUM Properties (Proprietary) Limited - supported by security in own name
2. Unlimited Suretyship by Consortium Fisheries Limited - supported by security in own name
3. Cession of 49% of shares in Ohlthaver & List Beverage Company (Proprietary) Limited
4. Cession of shareholders loan to the value of N\$ 99,953,736 made to Ohlthaver & List Beverage Company (Proprietary) Limited
5. Unlimited Suretyship by Sven Thieme Holdings (Proprietary) Limited
6. Unlimited Suretyship by Bon Quelle (Proprietary) Limited - supported by security in own name
7. Unlimited Suretyship by Ohlthaver & List Holdings (Proprietary) Limited

Consortium Fisheries Limited Group:

The total overdraft facility available for the year is N\$ 77,500,000 (2020: N\$ 52,500,000). The undrawn facility available for future operating activities is N\$ 41,280,850 (2020: N\$ 30,041,579).

The overdraft facility is secured as follows:

1. Unlimited surety by Olfitra (supported by security in own name).
2. Unlimited surety by Consortium Fisheries Ltd (supported by security in own name).
3. Unlimited surety by WUM Properties (Proprietary) Limited (supported by security in own name).
4. 1st Covering Mortgage Bond for N\$ 1,665,000 (2020: N\$ 1,665,000) over Erf 1239, Tsumeb.
5. Cession over Fire Policy for N\$ 7,437,991 (2020: N\$ 2,238,500) at OMSIC dated 10/02/2021.
6. 1st Covering Mortgage Bond over Erf 1 Lafrenz Town, Windhoek.
7. Cession over Fire Policy for N\$ 9,298,616 at OMSIC dated 28/05/2021.
8. Unlimited surety by Domi Metal Industries (Proprietary) Limited (supported by security in own name).
- 8.1 1st & 2nd Covering Mortgage Bonds for N\$ 6,400,000 and N\$ 9,000,000 respectively over Erf 4895, Walvis Bay.
- 8.2 Cession over Fire Policy for N\$ 43,977,149 at OMSTIC dated 02/02/2021.

NBL Investment Holdings (Proprietary) Limited Group

Various facilities have been provided by First National Bank of Namibia Limited. The list of facilities are set out below:

1. Overdraft facility of N\$ 100 000 000 (unutilised & unsecured);
2. Business credit card facility of N\$ 300 000;
3. Fleet cards facility of N\$ 3 000 000;
4. Guarantees of N\$ 6 000 000;
5. Wesbank rental facility of N\$ 700 000;
6. Short term pre-settlement on derivatives of N\$ 10 000 000;
7. Pre-settlement facility on fuel hedges of N\$ 5 000 000; and
8. Pre-settlement facility on interest rates of N\$ 21 000 000.

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2021	2020	2021	2020
N\$ '000	N\$ '000	N\$ '000	N\$ '000

18. Cash and cash equivalents (continued)

WUM Properties (Proprietary) Limited

Bank overdraft facilities have been provided by Standard Bank of Namibia Limited. Trade and other receivables were pledged as security for overdraft facilities of N\$ 41,500,000 (2020: N\$41,500,000) of the group. The unutilised facilities at year end are N\$ 27,842,241 (2020: N\$ 26,769,126). The overdraft bears interest at prime interest rate.

Bank overdraft facilities have been provided by Bank Windhoek Limited. The total facility is N\$ 87 600 000 (2020: N\$ 87 600 000) of which N\$ 4 592 882 (2020: N\$ 1 470 095) was unutilised at year end.

The overdraft facility is secured as follows:

1. Unlimited surety by Olfitra (supported by security in WUM Properties (Pty) Ltd.
2. Unlimited surety by Consortium Fisheries Ltd (supported by security in own name).
3. 1st Covering Mortgage Bond for N\$ 3,000,000 (2020: N\$ 3,000,000) over Erf 1239, Tsumeb.
4. Cession over Fire Policy for N\$ 27,051,450 (2020: N\$ 27,051,450) at OMSIC.
5. Covering Mortgage Bond for N\$ 592,000 over Erf No 482 Swakopmund, Namibia.
6. 1st and 2nd Covering Mortgage Bond for N\$ 2,470,000 (2020: N\$ 2,470,000) and N\$ 13,000,000 (2020: N\$ 13,000,000) over Erf 4895, Walvis Bay.
7. Cession over Comprehensive insurance policy for N\$ 3,130,900 (2020: N\$ 3 130 900) at OMSIC over the above property.
8. 1st Bond N\$ 6,000,000 over Erf No 18 Okahandja, Bond B5464.

Bank overdraft facilities have been provided by ABSA Bank Limited. The total facility is N\$ 10 million (2020: N\$ 10 million) of which N\$ 218 195 (2020: N\$ 84 804) was unutilised at year end.

The ABSA Bank Limited overdraft facility carries interest at 7.00% (2020: 7.25%) and is secured as follows:

1. Khan Construction (Proprietary) Limited has subordinated N\$ 10 million (2020: N\$ 10 million) of its loan in favour of ABSA Bank Limited.
2. Khan Construction (Proprietary) Limited has provided security in the form of a suretyship of N\$ 10 million (2020: N\$ 10 million) in favour of ABSA Bank Limited.
3. WUM Properties (Proprietary) Limited has subordinated N\$ 10 million (2020: N\$ 10 million) of its loan in favour of ABSA Bank Limited.
4. WUM Properties (Proprietary) Limited has provided security in the form of a suretyship of N\$ 10 million (2020: N\$ 10 million) in favour of ABSA Bank Limited.
5. Ohlthaver and List Finance and Trading Corporation Limited has subordinated N\$ 10 million (2020: N\$ 10 million) of its loan in favour of ABSA Bank Limited.
6. Ohlthaver and List Finance and Trading Corporation Limited has provided security in the form of a suretyship of N\$ 10 million (2020: N\$ 10 million) in favour of ABSA Bank Limited.
7. Portion 2 of the Farm Kleinbegin No 941 - Third Mortgage Bond at ABSA Bank for N\$ 10 million (2020: N\$ 10 million).

Weathermen & Co Advertising Company (Proprietary) Limited

Credit card facilities are provided by First National Bank Namibia. The total facility is N\$20 000.

Overdraft facilities are provided by First National Bank Namibia. The total facility is N\$500 000

Hartlief Corporation Limited

The First National Bank of Namibia Limited overdraft facility carries interest at 7.5% (2020: 5%) and is unsecured.

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
18. Cash and cash equivalents (continued)				
Cash and cash equivalents pledged as collateral				
Cash and cash equivalents pledged to FirstRand Bank Limited as per note 26.	602,219	-	-	-
Cash and cash equivalents pledged to Development Bank of Namibia as per note 26.	2,792	-	-	-
	605,011	-	-	-
Exposure to currency risk				
Namibia Dollar amount				
Namibia Dollar	815,861	1,066,875	308,671	875,586

19. Short term deposit

Company and Group:

The short term deposit at Rand Merchant Bank relates to the termination in respect of the option agreement between Ohlthaver & List Finance and Trading Corporation Limited (OLFITRA) and Heineken International BV (Heineken), concluded in May 2019, whereby € 97 million was paid by Heineken to OLFITRA for the waiver and release by each party's right and obligations under the agreement. The option agreement was concluded in 2015, as part of the South African operations, and gave rise to contingent rights for OLFITRA to call for additional shares in Heineken South Africa (RF) Proprietary Limited if certain requirements were met.

The short term deposit is held in Rand Merchant Bank (United Kingdom) of € 17,0 million (2020: 31,6 million) and accrues interest of -0.07% (70 basis points negative) on a 7 day contract expiring on 7 July 2021 (2020: - 0.055% (55 basis points negative) on a 14 day contract expiring on 12 July 2020).

€ 20,5 million (2020: € 30 million) was disinvested and transferred to a short term deposit in First National Bank (Namibia) at an average exchange rate of N\$ 18.03 (2020: 19.45) and is included in cash and cash equivalents (refer to note 18).

Group:

NBL Investment Holdings (Proprietary) Limited has a short term deposit at First National Bank of Namibia of N\$ 535,649,848 (2020: N\$ 168,894,737) and earns interest at 4.25%.

Wernhil Park (Proprietary) Limited has a short term deposit at Pointbreak Wealth Management of N\$ 7,706,714 (2020: N\$ 34,683,401) that earned interest at an average rate of 4.40% (2020: 6.74%).

O&L Nexentury Development & Construction Services Namibia (Proprietary) Limited has a short term deposit at Standard Bank Namibia Limited of N\$ 2,017,810 (2020: N\$ nil) and earns interest at 1.5% per annum.

The impact of the short term deposits are as follows:

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	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
19. Short term deposit (continued)				
Statement of Financial Position:				
Short term deposits - First National Bank Namibia	550,553	306,279	14,904	137,384
Short term deposit - Rand Merchant Bank United Kingdom	288,957	614,746	288,957	614,746
Short term deposit - Pointbreak Wealth Management	7,707	34,683	-	-
Short term deposit - Standard Bank Namibia Limited	2,018	-	-	-
	849,235	955,708	303,861	752,130

Statement of Comprehensive Income:

Net foreign exchange (losses) / gains	(63,377)	156,960	(63,377)	156,960
Interest (paid)	(4,417)	(5,713)	(4,417)	(5,713)
Interest received	20,951	29,905	-	19,286
	(46,843)	181,152	(67,794)	170,533

Exposure to currency risk

The company is exposed to currency risk related to the short term deposit because certain of the transactions are denominated in Euro.

The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

As at 30 June 2021, if the currency had weakened/strengthened by 5% against the Euro with all other variables held constant, post tax profit/(loss) for the year would have been N\$ 9.8 million (2020: N\$ 20.9 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro denominated other financial assets.

Foreign currency exposure at the end of the reporting period

Euro - denominated other financial assets is N\$ 288,957,531 (2020: N\$ 614,746,094) for group and company.

Exchange rate used for the conversion of foreign items was

Exchange rate for Euro was 16.98 (2020: 19.45) for group and company.

Exposure to credit risk

The maximum exposure to credit risk is presented in Note 52.

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
20. Share capital				
Authorised				
12,000,000 (2020: 12,000,000) Ordinary shares of N\$ 0.50 each	6,000	6,000	6,000	6,000
Issued				
5,492,917 (2020: 5,492,917) Ordinary shares of N\$ 0.50 each	2,746	2,746	2,746	2,746
Share premium	645	645	645	645
	3,391	3,391	3,391	3,391

The unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

21. Equity settled share based payment reserve

The equity-settled share-based payment reserve arose from a share-based payment that was made in the 2010 financial year as a result of a broad-based community economic empowerment transaction between the group and company and Epia Investment Holdings (Proprietary) Limited.

Balance at the end of the year	54,949	54,949	54,949	54,949
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22. Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the group and company's foreign subsidiaries from their functional currencies to the group and company's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign subsidiary.

Balance at the beginning of the year	(163)	(31)	-	-
Exchange differences arising on translating foreign subsidiaries	4,060	(445)	-	-
Exchange differences attributable to non-controlling interest	163	313	-	-
	4,060	(163)	-	-

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

23. Revaluation reserve

The Revaluation reserve arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the revaluation reserve that relates to the asset is transferred directly to retained earnings. Items of other comprehensive income included in the revaluation reserve will not be reclassified subsequently to profit or loss. The revaluation reserve is transferred to retained earnings over the remaining useful life of the assets that were revalued. In terms of the articles of association the revaluation reserve is not distributable.

Balance at the beginning of the year	910,262	824,690	-	-
Increase arising on revaluation of properties	-	41,633	-	-
Deferred tax liability arising on revaluation	720	17,187	-	-
Revaluation attributable to non-controlling interest	(12)	27,507	-	-
Transferred (to) / from retained earnings	392	(755)	-	-
	911,362	910,262	-	-

24. Loans from group companies

Loans from group companies	Basis of accounting				
Wernhil Park (Proprietary) Limited	Amortised cost	-	-	78,607	78,579
This loan is unsecured and bears no interest.					

Current liabilities

Wernhil Park (Proprietary) Limited	-	-	78,607	78,579
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Split between non-current and current portions

Current liabilities	-	-	78,607	78,579
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Exposure to currency risk

Loans from subsidiaries

The net carrying amounts, in Namibia Dollar, of loans from subsidiaries, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Namibia Dollar amount

Namibia Dollar	-	-	78,607	78,579
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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
25. Loans from related parties				
OLC Arandis Solar Energy (Proprietary) Ltd	-	2,191	-	-
SIP Project Managers (Namibia) (Proprietary) Ltd	4,051	4,051	-	-
Ohlthaver & List Holdings (Proprietary) Limited Loan bears no interest, is unsecured and is repaid with future dividends.	2,362	2,237	2,362	2,237
Broll South Africa Proprietary Limited	114	10	-	-
Contrarians Holdings Proprietary Limited	445	-	-	-
Dimension Data Namibia (Proprietary) Limited	9,146	7,537	-	-
Cape Advanced Engineering Proprietary Limited	1,588	1,433	-	-
O&L Nexentury GmbH (previously Cronimet Mining Solutions GMBH)	-	3,666	-	-
The Jupiter Drawing Room (Cape Town) Proprietary Limited	-	753	-	-
Ohlthaver & List Employee Catastrophe Fund Trust Loan bears interest at prime less 2% (2020: prime less 2%) and no repayment terms have been set.	1,381	1,417	-	-
Brandtribe Proprietary Limited	-	269	-	-
	19,087	23,564	2,362	2,237

All other amounts refer to normal loans payable with normal credit terms.

For detailed related party information refer to Note 50.

Non-current liabilities

Cape Advanced Engineering Proprietary Limited	1,588	1,433	-	-
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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
25. Loans from related parties (continued)				
Current liabilities				
OLC Arandis Solar Energy (Proprietary) Ltd	-	2,191	-	-
SIP Project Managers (Namibia) (Proprietary) Ltd	4,051	4,051	-	-
Ohlthaver & List Holdings (Proprietary) Limited	2,362	2,237	2,362	2,237
Broll South Africa Proprietary Limited	114	10	-	-
Contrarians Holdings Proprietary Limited	445	-	-	-
Dimension Data Namibia (Proprietary) Limited	9,146	7,537	-	-
O&L Nexentury GmbH (previously Cronimet Mining Solutions GMBH)	-	3,666	-	-
The Jupiter Drawing Room (Cape Town) Proprietary Limited	-	753	-	-
Ohlthaver & List Employee Catastrophe Fund Trust	1,381	1,417	-	-
Brandtribe Proprietary Limited	-	269	-	-
	17,499	22,131	2,362	2,237

Split between non-current and current portions

Non-current liabilities	1,588	1,433	-	-
Current liabilities	17,499	22,131	2,362	2,237
	19,087	23,564	2,362	2,237

Exposure to currency risk

Refer to note 52 Financial instruments and financial risk management for details of currency risk management for loans to related parties.

Fair value of loans to related parties

The fair value of loans to related parties approximates their carrying amounts.

26. Borrowings

Held at amortised cost

Secured

Medium Term Loans	617,016	749,586	-	92,026
Asset Financing loan	261,177	152,463	-	-
Preference share capital	85,398	125,680	-	-
Mortgage bond	1,097,297	1,067,826	-	-
Promissory notes	221,266	200,854	221,266	200,854
Instalment sale creditors	144,284	173,398	-	-
	2,426,438	2,469,807	221,266	292,880

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

26. Borrowings (continued)

Split between non-current and current portions

Non-current liabilities	1,217,655	1,893,916	220,000	100,000
Current liabilities	1,208,783	575,891	1,266	192,880
	2,426,438	2,469,807	221,266	292,880

Group - 2021

	Non-current portion N\$ '000	Current portion N\$ '000	Total N\$ '000
Medium Term Loans	480,207	136,809	617,016
Asset Financing loan	225,689	35,488	261,177
Preference share capital	52,500	32,898	85,398
Mortgage bond	145,459	951,838	1,097,297
Promissory notes	220,000	1,266	221,266
Instalment sale creditors	93,800	50,484	144,284
	1,217,655	1,208,783	2,426,438

Group - 2020

	Non-current portion N\$ '000	Current portion N\$ '000	Total N\$ '000
Medium Term Loans	514,826	234,760	749,586
Asset Financing loan	152,463	-	152,463
Preference share capital	85,000	40,680	125,680
Mortgage bond	921,985	145,841	1,067,826
Promissory notes	100,000	100,854	200,854
Instalment sale creditors	119,642	53,756	173,398
	1,893,916	575,891	2,469,807

Company - 2021

	Non-current portion N\$ '000	Current portion N\$ '000	Total N\$ '000
Promissory notes	220,000	1,266	221,266
	220,000	1,266	221,266

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26. Borrowings (continued)

Company - 2020

	Non-current portion N\$ '000	Current portion N\$ '000	Total N\$ '000
Medium Term Loans	-	92,026	92,026
Promissory notes	100,000	100,854	200,854
	100,000	192,880	292,880

The liabilities above are secured by encumbered assets as per Note 2 Property, plant and equipment, Note 4 Investment property, Note 14 Inventories, Note 15 Trade and other receivables and Note 18 Cash and cash equivalents.

Exposure to currency risk

	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Namibia Dollar amount				
Namibia Dollar	2,426,438	2,469,807	221,266	292,880

26.1 Medium term loans

Group and company	Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
Standard Bank of Namibia Limited				
N\$ 3,3 million (2020: N\$ 3,3 million) quarterly	JIBAR+3.80 %	JIBAR+3.80 %	-	92,026
			-	92,026

A term facility loan was provided by Standard Bank Limited and bore interest at 3 month JBAR+3.80%.

The loan expired on 11 December 2020 and was secured as follows:

- N\$ 40,000,000 Guarantee by WUM Properties (Proprietary) Limited.
- Suretyship for N\$ 10,000,000 signed for and on behalf of Central Properties (Proprietary) Limited.
- Suretyship for N\$ 10,000,000 signed for and on behalf of WUM Properties (Proprietary) Limited.
- Suretyship for N\$ 10,000,000 signed for and on behalf of Hangana Seafood (Proprietary) Limited.
- N\$ 125,000,000 Guarantee by SPV Duiker Investments (Proprietary) Limited P/L, supported by a portion of the N\$ 140,000,000 2nd CCMB over property known as "Town Square" (Erf A/282 Windhoek), registered by FNB and ceded to Duiker Investments (Proprietary) Limited.
- N\$ 125,000,000 Guarantee by Central Properties (Proprietary) Limited, supported by a portion of the N\$ 20,000,000 3rd CCMB over property known as "Town Square" (Erf A/282 Windhoek), registered by FNB and ceded to Duiker Investments (Proprietary) Limited.
- Indemnity by Central Properties (Proprietary) Limited P/L in favour of SPV Duiker Investments (Proprietary) Limited P/L.

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26. Borrowings (continued)

Group	Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
Bank Windhoek Limited				
N\$ 1,079,756 (2020: N\$ 1,430,342) monthly Loan of N\$ 8,010,955 (2020: N\$ 19,866,825) million, secured by encumbered property, plant and equipment and investment property.	Prime	Prime	8,011	19,867
N\$ 335,360 (2020: N\$ 632,560) monthly Loan of N\$ 1,194,243 (2020: N\$ 4,977,286) million, secured by encumbered property, plant and equipment and investment property.	Prime+0.5%	Prime+0.5%	1,194	4,977
N\$ 84,338 (2020: N\$ 85,177) monthly Loan of N\$ 84,337 secured by a limited suretyship of N\$ 2,000,000 from Ohlthaver & List Finance and Trading Corporation Limited. Last payment was due in July 2020.	-	Prime	-	84
N\$ 48,498 (2020: N\$ nil) monthly Principal amount of N\$ 2,353,300 repayable in 60 equal monthly instalments. Collateral stated in note 18 Cash and cash equivalents under Consortium Fisheries Limited.	Prime+1%	-	2,364	-
			11,569	24,928
First National Bank of Namibia Limited				
Revolving Facility - N\$ 100 million secured by a cession of trade and other receivables and a general notarial bond. The loan has no fixed repayment terms.	-	Prime-1.65%	-	100,000
N\$ 204,392 (2020: N\$ 205,493) monthly In prior years N\$17.2 million was borrowed from this facility for capital projects.	Prime-1.5%	Prime-1.5%	8,585	10,469
			8,585	110,469
Standard Bank of Namibia Limited				
N\$ 12,500,000 (2020: N\$ 12,500,000) quarterly N\$ 200 million repayable in 5 years. The first payment commenced December 2016. The loan is unsecured.	JIBAR+2.2%	JIBAR+2.2%	-	25,000
			-	25,000

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26. Borrowings (continued)

FirstRand Bank Limited

	Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
Term loan A - N\$ 380 million The total facility is N\$ 600 million and is reduced annually by N\$ 120 million. The excess between the loan and the facility is repayable annually. Secured by a general notarial bond.	JIBAR+2.55 %	JIBAR+2.55 %	380,000	380,000
Term loan B - N\$ 100 million Repayable in full by the end of June 2025. Secured by a general notarial bond over movable assets (including inventory).	JIBAR+2.80 %	JIBAR+2.80 %	200,000	100,000
			580,000	480,000

Cash and cash equivalents have been pledged as security for these loans, refer to note 18 Cash and equivalents.

Industrial Development Corporation

	Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
Loan with no fixed repayment terms of N\$ 16,862,259. The loan bears interest at the South African prime rate less 2%. Secured by a cession of project agreements; cession and pledge by shareholders of their interest in the borrower; cession of insurance proceeds; cession of loan accounts by shareholders of the borrower; joint and several guarantees by the shareholders and General Notarial Bond over all moveable assets of the borrower (excluding assets accredited to the land).	SA Prime- 2%	SA Prime- 2%	16,862	17,163
			16,862	17,163

Group and company

Standard Bank of Namibia Limited

Group

	2021 N\$ '000	2020 N\$ '000
Standard Bank of Namibia Limited	-	92,026
First National Bank of Namibia Limited	-	92,026
Bank Windhoek Limited	11,569	24,928
Standard Bank of Namibia Limited	8,585	110,469
FirstRand Bank Limited	-	25,000
Industrial Development Corporation	580,000	480,000
	16,862	17,163
	617,016	749,586

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26. Borrowings (continued)

26.2 Preference share capital

Authorised

2,000 (2020: 2,000) variable rate, redeemable, cumulative preference shares of N\$ 1.00 each

Issued

850 (2020: 1,000) variable rate, redeemable, cumulative preference shares of N\$ 1.00 each

Share premium

Accrued preference share dividend

Group		Company	
2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
2	2	-	-
1	1	-	-
85,000	125,184	-	-
397	495	-	-
85,398	125,680	-	-

The preference shares (including accrued interest) are allocated as follows:

Bank Windhoek Limited

Standard Bank of Namibia Limited

Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
73-76% of prime	73-76% of prime	85,398	100,495
73% of JIBAR	73% of JIBAR	-	25,185
		85,398	125,680

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26. Borrowings (continued)

Bank Windhoek Limited:

O&L Beverage Company (Proprietary) Limited

The Bank Windhoek Limited preference shares are redeemable over the next 2 years in biannual redemptions.

The company has provided unlimited suretyship in favour of Bank Windhoek Limited as security for the above-mentioned borrowings.

Details of unissued shares

The unissued 1,150 (2020: 1,000) variable rate, redeemable, cumulative preference shares of N\$1.00 each are under control of the directors of O&L Beverage Company (Proprietary) Limited.

26.3 Mortgage bond

Agribank of Namibia

	Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
N\$ 13,020,664 (2020: N\$ 11,871,975) annually Secured as follows: Avis property Erf 3469, Klein Windhoek, Farm Hardap No.607 and Plant and Machinery at Superfarm.	4% - 8.25%	4% - 8.25%	33,965	35,346
Subtotal			33,965	35,346

Bank Windhoek Limited

	Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
N\$ 233,806 (2020: N\$ 190,861) monthly	Prime+1%	Prime+1%	16,095	11,143
N\$ 171,339 (2020: N\$ 174,185) monthly	Prime	Prime	10,828	12,034
Encumbered assets as per Note 2 (WUM Properties (Proprietary Limited). First and Second Mortgage bond at Bank Windhoek for N\$ 35,000,000 and N\$ 10,000,000 (2020: N\$ 35,000,000 and N\$ 10,000,000) respectively.				
N\$ 250,728 (2020: N\$ 252,173) monthly	Prime	Prime	10,805	12,934
O&L Leisure (Proprietary) Limited has registered a mortgage bond of N\$ 20,000,000 over Farm Kleinbegin, No. 941 in favour of Bank Windhoek Limited and has provided limited suretyship in favour of Bank Windhoek for N\$ 20,000,000 (2020: N\$ 20,000,000).				
Subtotal			37,728	36,111

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26. Borrowings (continued)

First National Bank of Namibia Limited	Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
1st Mortgage Bond No: B7095/2012 The initial loan of N\$ 475 million received from FNB Namibia was to be repaid over a 10 year term at fluctuating installments which commenced December 2011 with a N\$ 140 million bullet payment as a final installment. For the period 1 March 2019 till 30 November 2021 interest was hedged at a fixed rate of 12.49% per annum.	12.49%	12.49%	168,768	231,855
The initial capital of the loan was N\$ 685 million and will grow by N\$ 332.5 million (the residual amount) and is repayable up to the residual amount of 332.5 million by 10/10/2029.	Prime	Prime	748,298	707,519
Secured by mortgage bonds over properties as listed under Wernhil Park (Proprietary) Limited in Note 3 investment properties.				
Subtotal			917,066	939,374

In 2021, there were material breaches of covenants by Wernhil Park (Proprietary) Limited in respect of the long-term facility agreement entered into with First National Bank of Namibia, details above. First National Bank did not condone the breaches and the loan of N\$ 917,065,695 was reclassified to currently payable at 30 June 2021. The breaches were however condoned after year-end as discussed in note 54 Events after the reporting period and note 55 Going concern.

Standard Bank of Namibia Limited	Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
N\$ 1,430,793 (2020: N\$ 1,430,793) monthly Secured as follows: Unlimited suretyship by OLFITRA. Cession of debtors to the value of N\$ 14,693,514. Limited suretyship by WUM Properties N\$ 30,000,000. Cession dated 21/12/2011 restricted to N\$ 60,000,000 of shareholders loan from OLFITRA. Limited suretyship by Central Properties (Proprietary) Limited, registration number 024/67 in the amount of N\$ 30 000 000 in favour of the Bank and supported by a 1st CCMB for N\$ 30,000,000 over the property known as "Town Square" ceded to SBN. Subordination Agreement dated 12/04/2018 between Namibia Dairies and Ohlthaver & List Finance and Trading Corporation Ltd and Standard Bank Namibia. 1st CCMB for N\$55,000,000 over portion 419 of Erf 209, Prosperita, Windhoek, with cession of fire insurance policy.	Prime- 1.25%	Prime- 1.25%	33,333	41,911
Subtotal			33,333	41,911

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26. Borrowings (continued)

Development Bank of Namibia	Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
N\$ 323,050 (2020: N\$ 384,671) monthly Secured as follows: Unlimited suretyship by OLFITRA. 1st continuing covering mortgage bond for N\$25,000,000 over Erf 3469, Klein Windhoek. Valuation by Gert Hamman Property Valuers dated 16 March 2020 for N\$86,240,000. Negative Pledge of Assets by Namibia Dairies dated 9 April 2008.	Prime-2%	Prime-2%	10,049	15,084
N\$ 745,404 (2020: N\$ nil) monthly Term loan repayable in 180 monthly instalments inclusive of a 12 month grace period. Details of collateral set out below.	Prime	-	65,156	-
Subtotal			75,205	15,084

Development Bank of Namibia

N\$ 65 156 076 secured as follows:

- General Notarial Bond for N\$ 85 million over Machinery and Equipment
- Registered cession of receivables in the name of OLC Arandis Solar Energy Corporation (Proprietary) Limited
- Registered cession of the bank account into which proceeds under the Power Purchase Agreement are made, refer note 18, Cash and Cash equivalents pledged as collateral
 - Limited suretyship by O&L Nexentury GmbH
- Limited suretyship by Ohlthaver & List Finance and Trading Corporation Limited
- Limited suretyship by Women of Destiny
- Registered cession of the Solar Power Purchase Agreement between OLC Arandis Solar Energy (Proprietary) Limited and the Erongo Regional Electricity Distributor
- Registered cession of the Notarial Deed of Lease between OLC Arandis Solar Energy (Proprietary) Limited and Arandis Town Council
- Registered cession by all shareholders, including O&L Nexentury Green Infrastructure Solutions (Proprietary) Limited (Previously O&L Energy) & O&L Nexentury GmbH over the shares in OLC Arandis Solar Energy (Proprietary) Limited
- The All Risk Insurance Policy over 3.8 MWp Solar PCV Plant situated south west of Arandis, Erongo region, Namibia

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26. Borrowings (continued)

26.4 Domestic medium term notes and promissory notes

	Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
Promissory notes Nr 4	3m JIBAR + 3% 3%	3m JIBAR + 3% 3%	-	100,342
Promissory notes Nr 6	3m JIBAR + 3.2% 3.2%	3m JIBAR + 3.2% 3.2%	100,479	100,512
Promissory notes Nr 7	3m JIBAR + 3.2% 3.2%		120,787	-
			221,266	200,854

The Promissory Notes Nr 4 (unlisted) was repaid on 7 December 2020.

The Promissory Notes Nr 6 (unlisted) were issued on 7 December 2018 at a nominal amount of N\$100 000 000. The Notes carry interest at a floating rate of SA JIBAR 3 month plus 320 basis points, payable three monthly in arrears on 12 March, 12 June, 12 September and 12 December each year until maturity date of 7 December 2023. The capital is repayable at maturity. The holder of the Notes is Old Mutual Investment Group.

The Promissory Notes Nr 7 (unlisted) were issued on 26 February 2021 at a nominal amount of N\$120 000 000. The Notes carry interest at a floating rate of SA JIBAR 3 month plus 320 basis points, payable three monthly in arrears on 26 May, 26 Aug, 26 November and 26 February each year until maturity date of 26 February 2026. The capital is repayable at maturity. The holder of the Notes is Old Mutual Investment Group.

Security and guarantee by the Guarantor (O&L Leisure (Proprietary) Limited)

- As security for the obligations under the Promissory Note Facility Agreement and the Promissory Notes issued pursuant thereto, the Guarantor shall register a mortgage bond over Erf No 4743 Swakopmund, held by Deed of Transfer T903/2008 for a principal amount of N\$ 1,000,000.
- The Fund Manager and/or Buyer shall be entitled to require the Guarantor to register one or more additional mortgage bonds over Erf No 4743 Swakopmund, held by Deed of Transfer T903/2008 limited to a maximum sum of N\$ 249,000,000.
- The Guarantor irrevocably and unconditionally guarantees the due and punctual observance and performance by the Issuer of the Guaranteed Obligations.

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26. Borrowings (continued)

26.5 Instalment sale creditors

Bank Windhoek Limited

	Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
N\$ 22,011 (2020: N\$ 83,065) monthly	Prime+0.5%	Prime+0.5%	567	1,316
N\$ 589,301 (2020: N\$ 429,271) monthly	Prime	Prime	45,628	28,564
N\$ 117,607 (2020: N\$ 148,610) monthly	Prime+0.5%	Prime+0.5%	7,477	8,597
N\$ 43,010 (2020: N\$ 43,010) monthly	Prime	Prime	955	1,516
N\$ 22,995 (2020: N\$ 23,463) monthly	Prime+1%	Prime+1%	68	326
			54,695	40,319

Nedbank Namibia Limited

	Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
N\$ 1,980,328 (2020: N\$ 1,980,328) monthly	Prime-1%	Prime-1%	-	37,581
N\$ 23,491 (2020: N\$ 23,491) monthly	Prime-1.25%	Prime-1.25%	-	137
N\$ 158,392 (2020: N\$ 160,092) monthly	Prime-2%	Prime-2%	-	158
N\$ 3,720,832 (2020: N\$1,762,255) monthly	Prime	Prime	55,735	57,469
			55,735	95,345

First National Bank of Namibia Limited

	Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
N\$ 174,879 (2020: N\$ 218,242) monthly	Prime-0.85%	Prime-0.85%	5,555	9,519
This relates to trucks that were bought on hire purchase as disclosed in note 2, secured by the underlying assets.				
N\$ 88,905 (2020: N\$ nil) monthly	Prime		-	-
			8,742	9,519

Standard Bank of Namibia Limited

	Interest rate 2021 %	Interest rate 2020 %	2021 N\$ '000	2020 N\$ '000
N\$ 602,860 (2020: N\$ 642,686) monthly	Prime	Prime	15,184	21,258
N\$ 150,419 (2020: N\$ 150,419) monthly	Prime	Prime	9,928	6,957
			25,112	28,215

Total

Instalment sale creditors			144,284	173,398
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26. Borrowings (continued)

26.6 Asset Financing Loan

The Commercial Annuity Loan (CML) from Nedbank Namibia Limited bears interest at prime (2020: prime) and consists of the following:

Group	2021 N\$'000	2020 N\$'000
Factory construction:	176,156	110,643
Factory equipment:	66,470	26,209
VAT facility of the project:	18,551	15,514
Total	261,177	152,366

The CML facility will be drawn over a 24 month construction period and thereafter will be repayable over 120 months with initial capital and interest repayments of N\$ 2,209,805 per month, escalating with 4% annually.

27. Lease liabilities

Finance lease liabilities

The maturity analysis of lease liabilities is as follows:

	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Within one year	105,592	118,564	-	-
Two to five years	313,544	276,996	-	-
More than five years	457,699	426,431	-	-
	876,835	821,991	-	-
Less finance charges component	(572,066)	(477,776)	-	-
	304,769	344,215	-	-
Non-current liabilities	241,082	264,898	-	-
Current liabilities	63,675	79,317	-	-
	304,757	344,215	-	-

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27. Lease liabilities (continued)

Group: Lease creditors

	Interest rate 2021%	Interest rate 2020%	2021 N\$ '000	2020 N\$ '000
Avis Fleet Services	Prime	Prime	81,889	80,367
N\$ 2,929,650 (2020: N\$ 2,963,124) monthly				
Forklift & Allied	Prime	Prime	611	1,944
N\$ 143,072 (2020: N\$ 145,041) monthly				
Freddy Hirsch	11.25%	11.25%	188	878
N\$ 67,344 (2020: N\$ 67,344) monthly				
Omatemba Fleet Services	Prime	Prime	4,713	7,738
N\$ 379,037 (2020: N\$ 394,254) monthly				
First National Bank Ltd	10.50%	10.50%	374	528
N\$ 18,838 (2020: N\$ 18,838) monthly				
Bank Windhoek Limited	Prime	Prime	1,409	166
N\$ 46,100 (2020: N\$ 12,216) monthly				
Polyoak machines	10.25%	10.25%	4,323	4,075
N\$ 106,938 (2020: N\$ 106,938) monthly				
Omnitel services	13.35	13.35%	261	382
N\$ 27,664 (2020: N\$ 62,824) monthly				
Kasika Conservancy	10.50%	10.50%	4,154	4,081
N\$ 91,249 (2020: N\$ 87,739) monthly				
RBE Kruger	10.25%	10.25%	223	344
N\$ 12,826 (2020: N\$ 12,100) monthly				
Jordaan Oosthuisen Nangolo	Prime	Prime	-	113
N\$ 33,078 (2020: N\$ 33,078) monthly				
Property leases				
Trans Union Cargo	Prime	-	679	-
N\$ 15,000 (2020: N\$ nil) monthly				
Namport	Prime	-	1,465	-
N\$ 32,038 (2020: N\$ nil) monthly				
EPIC Holdings	Prime	-	1,361	-
N\$ 80,500 (2020: N\$ nil) monthly				
Leased land and buildings	10.50%	10.50%	203,107	243,599
N\$ 6,893,612 (2020: N\$ 6,114,396) monthly				
Total lease creditors			304,757	344,215

These lease liabilities are secured by the right-of-use assets reflected in note 3.

Exposure to liquidity risk

Refer to note 52 Financial instruments and risk management for the details of liquidity risk exposure and management.

Exposure to currency risk

Refer to note 52 Financial instruments and financial risk management for details of currency risk management for lease liabilities.

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28. Provisions

Reconciliation of provisions - Group - 2021

	Opening balance N\$'000	Amounts charged to profit or loss N\$'000	Employer benefit payments N\$'000	Amounts charged to other comprehensive income N\$'000	Total N\$'000
Provision for post-retirement medical aid costs	11,627	987	(1,461)	1,320	12,473
Provision for severance pay	47,237	16,651	(9,532)	1,031	55,387
Other provisions	187	18	-	-	205
	59,051	17,656	(10,993)	2,351	68,065

Reconciliation of provisions - Group - 2020

	Opening balance N\$'000	Amounts charged to profit or loss N\$'000	Employer benefit payments N\$'000	Amounts charged to other comprehensive income N\$'000	Total N\$'000
Provision for post-retirement medical aid costs	13,223	1,412	(1,562)	(1,446)	11,627
Provision for severance pay	48,525	9,374	(5,411)	(5,251)	47,237
Other provisions	-	187	-	-	187
	61,748	10,973	(6,973)	(6,697)	59,051

Amounts charged to profit or loss consist of:

Group - 2021

	Provision for leasehold improvements N\$'000	Provision for post- retirement medical aid costs N\$ '000	Provision for severance pay N\$ '000	Total N\$ '000
Interest cost	-	987	5,521	6,508
Service costs	-	-	11,130	11,130
Current year movement	18	-	-	18
	18	987	16,651	17,656

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28. Provisions (continued)

Group - 2020	Provision for leasehold improvements N\$'000	Provision for post- retirement medical aid costs N\$ '000	Provision for severance pay N\$ '000	Total N\$ '000
Interest cost	-	1,141	4,682	5,823
Service costs	-	271	4,692	4,963
Current year movement	187	-	-	187
	187	1,412	9,374	10,973

Amounts charged to other comprehensive income consist of:

Group - 2021	Provision for post- retirement medical aid costs N\$ '000	Provision for severance pay N\$ '000	Total N\$ '000
Actuarial loss / (gain)	1,320	1,031	2,351

Group - 2020	Provision for post- retirement medical aid costs N\$ '000	Provision for severance pay N\$ '000	Total N\$ '000
Actuarial loss / (gain)	(1,446)	(5,251)	(6,697)

An independent actuarial valuation of the provision for post-retirement medical aid costs and the provision for severance pay was performed by Strategic Actuarial Partners Namibia (Proprietary) Limited at 30 June 2021.

Provision for post-retirement medical aid costs

The group and company subsidises 50% of the medical aid contribution in respect of certain retired employees on an ad-hoc basis based on past negotiations. Provisions are made for these costs.

Valuation method and assumptions

The actuarial valuation method used to value the liabilities is the projected unit credit method prescribed by IAS 19 Employee Benefits. Future benefits valued are projected using specific actuarial assumptions and the liability for in-service members is accrued over the expected working lifetime.

The most significant assumptions used are a discount rate of 9.40% (2020: 9.10%) and a health care cost inflation rate of 7.20% (2020: 5.60%). The assumed rates of mortality are per PA (90) ultimate table rated down 2 years plus 1% improvement p.a. from a base year of 2006. No explicit assumption was made about additional mortality or health care costs due to HIV and AIDS.

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28. Provisions (continued)

Sensitivity analysis of health care cost inflation

A one percentage point decrease or increase in the rate of health care cost inflation will have the following effect:

The accrued liability as at 30 June 2021 will decrease by N\$ 0.701 million (2020: N\$ 0.630 million) or increase by N\$ 0.789 million (2020: N\$ 0.704 million) respectively; and

The current service cost and interest cost will decrease by N\$ 0.050 million (2020: N\$ 0.053 million) or increase by N\$ 0.046 million (2020: N\$ 0.077 million) respectively.

Provision for severance pay

In accordance with section 35(1) of the Namibia Labour Act, 2007, severance benefits are payable to an employee, if the employee is unfairly dismissed, dies while employed or resigns/retires on reaching the age of 65 years. The statutory termination benefits provided are classified as defined benefits and are determined based on one weeks' salary/wages for each completed year of service.

Valuation method and assumptions

The actuarial valuation method used to value the liabilities is the projected unit credit method prescribed by IAS 19 Employee Benefits. Future benefits valued are projected using specific actuarial assumptions and the liability for in-service members is accrued over the expected working lifetime.

The most significant assumptions used are a discount rate of 11.30% (2020: 12.00%), an inflation rate of 6.60% (2020: 6.80%) and a salary increase rate of 6.60% (2020: 6.80%).

Sensitivity analysis of inflation and discount rates

A one percentage point decrease or increase in the discount and inflation rates will have the following effects, which will impact the actuarial gains or losses:

Inflation rate

The accrued liability as at 30 June 2021 will decrease by N\$ 5.037 million (2020: N\$ 4.158 million) or increase by N\$ 5.851 million (2020: N\$ 4.836 million) respectively; and

Discount rate

The accrued liability as at 30 June 2021 will decrease by N\$ 5.037 million (2020: N\$ 4.158 million) or increase by N\$ 5.851 million (2020: N\$ 4.836 million) respectively.

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	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

29. Non-current payables

Consists of:

Tenant deposits	6,757	8,300	-	-
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30. Trade and other payables

Financial instruments:

Trade payables	558,925	429,116	-	-
Crates control account	11,527	9,911	-	-
Accrued audit fees	9,993	9,755	1,424	2,220
Fuel rebate	8,106	8,095	-	-
Other accrued expenses	129,929	134,437	-	49
Refund liability	163	-	-	-
Deposits received	32,717	49,651	-	-
Other payables	54,665	65,731	37	37

Non-financial instruments:

Amounts received in advance	10,381	10,283	-	-
Value-added taxation	8,228	6,692	-	-
Accrued leave pay	55,559	43,110	-	-
Accrued bonus	68,127	4,225	-	-
Legal fees accrual	4,631	7,149	-	-
Excise duties	59,287	61,831	-	-
Quota levies	5,158	3,424	-	-
Deposits received	54	179	-	-
	1,017,450	843,589	1,461	2,306

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	806,025	706,696	1,461	2,306
Non-financial instruments	211,425	136,893	-	-
	1,017,450	843,589	1,461	2,306

Exposure to currency risk

The net carrying amounts, in Namibia Dollar, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Namibia Dollar Amount

Namibia Dollar	1,017,450	843,589	1,461	2,306
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	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

30. Trade and other payables (continued)

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade and other payables approximates their fair value.

The average credit period on the purchase of certain goods from major creditors is 30 to 90 days. No interest is charged on trade payables for the first 30 to 90 days from the date of the invoice. Thereafter, interest is charged at varying rates ranging from 0% to 30% per annum on the outstanding balance. The group and company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

31. Deferred income

Non-current liabilities	821	-	-	-
Current liabilities	4,324	1,400	-	-
	5,145	1,400	-	-

O&L Nexentury Green Infrastructure Solutions (Proprietary) Ltd received a grant of N\$ 820,925 (2020: N\$ 1,400,402) from the Energy and Environmental Partnership programme with Southern and East Africa, Phase II, through the Ministry for Foreign Affairs of Finland. The two parties entered into a 2 year contract on 02 March 2015, thus the contract was in force until 02 March 2017. As per the contract, a total grant of € 300,000 was awarded to O&L Energy for the sole purpose of the "Invader Bush to Energy" project. The grant was received in three phases, namely 25% received in March 2015, 50% received in May 2015 and final payment of 25% received in February 2016. The deferred income is realised over the useful life of the assets purchased, as per the agreement, to match the depreciation expense compensated for by the grant.

O&L Nexentury Development and Construction Services Namibia (Proprietary) Limited received EPC milestone payments by/from the customer (OLC Mokuti Solar Energy (Pty) Ltd) for services not yet delivered. The balance relates to the first milestone payments upon signature date and before any service is rendered. Revenue on these EPC contracts is determined based on stage of completion in line with IFRS 15 and the balance of the milestone payments are recognised as deferred income. The deferred income is realised as service is rendered to customers, based on stage of completion at reporting date.

Below is the break-down of the deferred income:

- OLC Mokuti - Hangana Lüderitz project:	N\$ 2,159,742
- OLC Mokuti - Midgard extension project:	<u>N\$ 2,164,194</u>
	<u>N\$ 4,323,937</u>

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	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
32. Revenue				
Revenue from contracts with customers				
Sale of goods	6,799,979	6,822,728	-	-
Rendering of services	105,429	130,616	-	-
Royalty income	109,322	103,375	-	-
Excise duties	(757,534)	(746,644)	-	-
Other revenue	4,487	985	-	-
	6,261,683	6,311,060	-	-
Revenue from contracts with customers				
Rental Income	144,396	165,415	-	-
Dividends received	-	-	62,472	152,732
	144,396	165,415	62,472	152,732
	6,406,079	6,476,475	62,472	152,732
Disaggregation of revenue from contracts with customers				
The group and company disaggregates revenue from customers as follows:				
Timing of revenue recognition				
At a point in time				
Sale of goods	6,893,957	6,891,971	-	-
Rendering of services	53,976	111,914	-	-
Royalty income	109,322	103,375	-	-
Discounts allowed	(111,534)	(107,979)	-	-
Other revenue	4,487	985	-	-
Excise duties	(757,534)	(746,644)	-	-
	6,192,674	6,253,622	-	-
Over time				
Sale of goods	17,556	38,736	-	-
Rendering of services	51,453	18,702	-	-
	69,009	57,438	-	-
Total revenue from contracts with customers	6,261,683	6,311,060	-	-
The amount included in revenue arising from exchanges of goods or services included in revenue are as follows:				
Export sales	1,030,791	1,233,847	-	-
Revenue from related parties	628,964	936,216	-	-
	1,659,755	2,170,063	-	-

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	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
33. Cost of sales				
Sale of goods	3,901,845	4,308,016	-	-
Rendering of services	29,542	32,161	-	-
	3,931,387	4,340,177	-	-
34. Other operating income				
Administration and management fees received	1,004	23	-	-
Profit on joint venture	1,815	3,878	-	-
Insurance claims	54,859	28,641	-	-
Other rental income	3,867	3,330	-	-
Other recoveries	1,359	307	-	-
Gain on bargain purchase in a business combination	-	40,740	-	-
Quota usage and berthing	47,095	5,633	-	-
Discounts received	1,308	6,352	-	-
Farming income	9,547	14,719	-	-
Launching services	1,119	1,309	-	-
Sundry income	51,569	18,050	-	-
Government grants	-	579	-	-
	173,542	123,561	-	-

Sundry income contains the following:

	N\$
- Treber sales	8,142,677
- Amount receivable from Heineken South Africa (RF) Proprietary Limited under the Variation Agreement signed between NBL and Heineken South Africa	15,969,376
- Other income	<u>27,457,435</u>
	<u>51,569,488</u>

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		Group		Company	
		2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
35. Other operating (losses) gains					
Gains (losses) on disposals, scrappings and settlements					
Investment property	4	-	(155)	-	-
Property, plant and equipment	2	7,662	(11,597)	-	-
Right-of-use assets	3	(297)	-	-	-
		7,365	(11,752)	-	-
Reversal of impairment losses					
Property, plant and equipment	2	489	-	-	-
Loans receivable	17	2,766	-	-	-
		3,255	-	-	-
Foreign exchange (losses) gains					
Arising on other financial assets		(58,404)	168,047	(67,153)	156,960
Trade receivables	15	(15,497)	16,639	-	-
		(73,901)	184,686	(67,153)	156,960
Fair value gains (losses)					
Biological assets	5	(2,163)	(9,535)	-	-
Investment property	4	10,061	(301,159)	-	-
Non-hedging derivatives		28,474	(83,306)	-	-
		36,372	(394,000)	-	-
Total other operating (losses) gains		(26,909)	(221,066)	(67,153)	156,960

36. Operating profit (loss)

Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:

Income from related parties

Rent received	887	-	-	-
Management fees received	1,895	2,678	-	-
Royalties	101,529	95,102	-	-
Sales	628,964	936,252	-	-
Know-how payments	7,759	8,273	-	-
Sundry Income	15,969	-	-	-
	757,003	1,042,305	-	-

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
36. Operating profit (loss) (continued)				
Expenses to related parties				
Directors' remuneration	637	527	-	-
Management fees	5,299	5,309	-	-
Purchases	73,362	25,888	-	-
Royalties	-	929	-	-
Sundry expenses	2,896	-	-	-
	82,194	32,653	-	-
Auditor's remuneration - external				
Audit fees	13,862	12,298	1,715	1,665
Adjustment for previous year	2,127	-	-	-
Other consultation services	837	1,590	-	-
	16,826	13,888	1,715	1,665
Remuneration, other than to employees				
Consulting and professional services	19,076	37,683	1,808	3,914
Secretarial services	535	-	535	-
	19,611	37,683	2,343	3,914
Leases				
Operating lease charges				
Premises	8,510	9,717	-	-
Motor vehicles	285	3,210	-	-
Equipment	2,838	1,642	-	-
Operating lease other	1	682	-	-
	11,634	15,251	-	-
Contingent rentals on operating leases				
Motor vehicles	22	147	-	-
Equipment	1,235	500	-	-
	1,257	647	-	-
Total operating lease charges	12,891	15,898	-	-
Refer to note 47 commitments for additional details of operating leases.				
Impairment losses				
Investments in subsidiaries	-	-	174,364	194,122

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
36. Operating profit (loss) (continued)				
Other material items				
Employee costs	1,188,056	1,170,188	-	-
(Decrease)/Increase in provision for impairment of inventories	(21,979)	19,506	-	-
Amortisation of tenant allowances	4,207	4,335	-	-
Increase/(decrease) in credit loss allowance	7,147	13,887	-	-
Amortisation on intangible assets	11,119	7,827	-	-
Depreciation on property, plant and equipment	258,719	277,367	-	-
Depreciation on right-of-use assets	74,380	68,604	-	-
37. Investment income				
Dividend income				
Equity instruments at fair value through profit or loss:				
Unlisted investments - Local	-	7	-	-
Interest income				
Related parties	5,122	7,408	-	-
Investments in financial assets:				
Bank and other cash	26,874	43,168	3,443	27,892
Other financial assets	1,917	1,377	-	-
Loans to group companies:				
Loans and receivables - Group companies	-	-	7,698	6,952
Total interest income	33,913	51,953	11,141	34,844
Total investment income	33,913	51,960	11,141	34,844
38. Finance costs				
Group	-	9	-	-
Related parties	202	672	-	-
Preference dividends	5,726	9,889	-	-
Trade and other payables	698	2,737	-	-
Finance leases	46,404	46,080	-	-
Bank and other	199,530	206,310	4,630	10,796
Promissory notes	13,918	25,763	13,918	25,763
Other financial asset	4,515	5,870	3,527	5,713
Total finance costs	270,993	297,330	22,075	42,272

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

39. Taxation

Major components of the tax expense

Current

Local income tax - current period	145,199	79,046	-	-
Local income tax - recognised in current tax for prior periods	-	372	-	-
Foreign income tax or withholding tax - current period	11,373	10,817	-	-
Foreign income tax or withholding tax - recognised in current tax for prior periods	-	(8,292)	-	-
	156,572	81,943	-	-

Deferred

Originating and reversing temporary differences	469	(38,708)	-	-
Deferred tax losses utilised	854	(22)	-	-
Benefit of unrecognised tax loss used	-	(13,968)	-	-
	1,323	(52,698)	-	-
	157,895	29,245	-	-

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	32.00 %	32.00 %	32.00 %	32.00 %
Exempt income	(2.15)%	44.18 %	10.16 %	(48.93)%
Incentive allowances	(9.18)%	16.58 %	- %	- %
Timing differences not provided for	7.51 %	(94.12)%	- %	- %
Tax rate differential between tax jurisdictions	(9.80)%	14.65 %	- %	- %
Disallowable charges	18.10 %	(19.66)%	(45.21)%	24.01 %
Adjustments relating to prior periods	(0.25)%	(14.34)%	- %	- %
Current year's tax losses available for use against taxable income	17.96 %	1.30 %	- %	(7.08)%
Use of tax losses relating to prior periods	(2.86)%	0.53 %	3.05 %	- %
Equity accounted losses	8.83 %	- %	- %	- %
Other	- %	0.04 %	- %	- %
	60.16 %	(18.84)%	- %	- %

Reconciliation of estimated tax loss available for set off against future taxable income

Total tax losses available	2,395,206	1,903,074	27,050	45,794
Tax losses set off in deferred tax liability	(483,887)	(495,505)	-	-
Tax losses included in deferred tax asset	(42,101)	(43,318)	-	-
	1,869,218	1,364,251	27,050	45,794

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40. Other comprehensive income

Components of other comprehensive income - Group - 2021

	Gross	Tax	Share of other comprehensive income of equity accounted investments	Net before non-controlling interest	Non-controlling interest	Net
Items that will not be reclassified to profit (loss)						
Remeasurements on net defined benefit liability/asset						
Remeasurements on net defined benefit liability/asset	(2,351)	601	4,953	3,203	(2,947)	256
Movements on revaluation						
Gains (losses) on property revaluation	-	720	-	720	(12)	708
Total items that will not be reclassified to profit (loss)	(2,351)	1,321	4,953	3,923	(2,959)	964
Items that may be reclassified to profit (loss)						
Exchange differences on translating foreign operations						
Exchange differences arising during the year	4,060	-	-	4,060	163	4,223
Total	1,709	1,321	4,953	7,983	(2,796)	5,187

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40. Other comprehensive income (continued)

Components of other comprehensive income - Group - 2020

	Gross	Tax	Net before non-controlling interest	Non-controlling interest	Net
Items that will not be reclassified to profit (loss)					
Remeasurements on net defined benefit liability/asset					
Remeasurements on net defined benefit liability/asset	6,697	(1,765)	4,932	-	4,932
Movements on revaluation					
Gains (losses) on property revaluation	41,633	17,187	58,820	27,507	86,327
Total items that will not be reclassified to profit (loss)	48,330	15,422	63,752	27,507	91,259
Items that may be reclassified to profit (loss)					
Exchange differences on translating foreign operations					
Exchange differences arising during the year	(445)	-	(445)	313	(132)
Total	47,885	15,422	63,307	27,820	91,127

41. Retirement benefits costs

Retirement fund

Total value of contributions to the Ohlthaver & List Retirement Fund during the year amounted to:

	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Members' contributions	41,508	49,085	-	-
Employer contributions	68,472	75,675	-	-
	109,980	124,760	-	-

This is a defined contribution plan fund and is regulated by the Pension Fund Act. The fund is valued at intervals of not more than three years. The fund was valued by an independent consulting actuary at 31 January 2020 and its assets were found to exceed its actuarially calculated liabilities. The next statutory actuarial valuation will be performed at 31 January 2023.

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	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
41. Retirement benefits costs (continued)				
Medical aid fund				
Total value of company contributions during the year:	71,548	58,451	-	-
42. Cash generated from/(used in) operations				
Profit (loss) before taxation	262,481	(155,274)	(196,809)	101,320
Adjustments for:				
Depreciation and amortisation	344,218	353,800	-	-
Loss / (profit) on disposal of Property, plant and equipment	(7,662)	11,597	-	-
Losses on foreign exchange	4,983	-	-	-
Loss from equity accounted investments	70,200	73,556	-	-
Interest income	(33,913)	(51,960)	(11,141)	(34,844)
Finance costs	270,993	297,330	22,075	42,272
Fair value losses (gains) on Investment property	(10,061)	301,159	-	-
Gain on bargain purchase in a business combination	-	(40,740)	-	-
Net impairment (profits)/losses	7,278	27,274	174,364	194,122
Movements in operating lease assets and accruals	(146)	50	-	-
Movements in provisions	17,657	10,973	-	-
Unrealised losses/(profits) on financial asset at fair value	96,775	(110,245)	96,775	(110,245)
Acquisition of tenant allowance and commission	(7,552)	(9,116)	-	-
Movement in tenant allowances	4,207	4,335	-	-
Movement on deferred rental	(627)	(335)	-	-
Loss on livestock due to deaths	8,719	18,056	-	-
Abalone moved to ranching	-	9,730	-	-
Fair value adjustment on biological assets	(9,659)	(12,099)	-	-
Other non-cash movement	354	-	-	-
Provision for obsolete stock	(21,979)	-	-	-
Provision for loss allowance on trade receivables	7,147	-	-	-
Fair value (gains) / losses -Non-hedging derivatives	(28,474)	83,306	-	-
Changes in working capital:				
Inventories	67,803	(24,717)	-	-
Trade and other receivables	(64,256)	31,608	(2,117)	183
Derivatives	(25,682)	25,832	-	-
Trade and other payables	165,494	(307,561)	(845)	452
Deferred income	3,745	(580)	-	-
	1,122,043	535,979	82,302	193,260

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43. Changes in assets and liabilities arising from adjustments to the cash flows

Reconciliation of assets and liabilities arising from adjustments in the cash flows - Group 2021 (N\$'000)

	Opening balance	Business combinations	Movement in provisions	Cash inflows	Non-cash movements	Cash outflows	Closing balance
Inventories	633,551	4,842	21,979	(67,803)	-	-	592,569
Trade and other receivables	800,241	2,401	(7,147)	-	(42,171)	64,256	817,580
Loans to related parties	44,977	-	-	(494)	-	42,911	87,394
Borrowings	2,469,807	68,749	-	262,530	-	(374,648)	2,426,438
Non-current payables	8,300	-	-	-	-	(1,543)	6,757
Loans from related parties	23,564	445	-	1,993	-	(6,915)	19,087
Finance lease liabilities	344,215	-	-	-	36,795	(76,253)	304,757
Trade and other payables	843,589	8,367	-	165,494	-	-	1,017,450

Reconciliation of assets and liabilities arising from adjustments in the cash flows - Group 2020 (N\$'000)

	Opening balance	Business combinations	Disposal of subsidiary	Cash inflows	Non-cash movements	Cash outflows	Closing balance
Inventories	589,213	19,621	-	-	-	24,717	633,551
Trade and other receivables	806,154	20,889	(396)	(31,608)	5,202	-	800,241
Loans to related parties	170,512	-	-	(125,562)	-	27	44,977
Borrowings	2,242,004	25,317	-	-	(2)	202,488	2,469,807
Non-current liability	7,372	-	-	-	-	928	8,300
Loans from related parties	21,241	-	-	6,504	-	(4,181)	23,564
Finance lease liabilities	94,674	-	-	-	320,904	(71,363)	344,215
Trade and other payables	1,131,191	20,341	(380)	-	(2)	(307,561)	843,589

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43. Changes in assets and liabilities arising from adjustments to the cash flows (continued)

Reconciliation of assets and liabilities arising from adjustments in the cash flows - Company 2021 (N\$'000)

	Opening balance	Business combinations	Movement in provisions	Cash outflows	Closing balance
Loans to group companies	1,046,204	28,494	(174,364)	428,851	1,329,185
Borrowings	292,880	-	-	(71,614)	221,266
Loans from directors, managers and employees	37	-	-	-	37
Loans from related parties	2,237	-	-	125	2,362
Loans from group companies	78,579	-	-	28	78,607

Reconciliation of assets and liabilities arising from adjustments in the cash flows - Company 2020 (N\$'000)

	Opening balance	Movement in provisions	Cash inflows	Non-cash movements	Cash outflows	Closing balance
Loans to group companies	1,262,446	(194,122)	(14)	(398,520)	376,414	1,046,204
Borrowings	407,250	-	-	-	(114,370)	292,880
Loans from directors, managers and employees	37	-	-	-	-	37
Loans from related parties	1,322	-	-	-	915	2,237
Loans from group companies	477,126	-	-	(398,518)	(29)	78,579

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
44. Dividends paid				
Balance at beginning of the year	(4,897)	(1,229)	(4,897)	(1,229)
Dividends declared on ordinary shares	(10,000)	(456,756)	(10,000)	(456,756)
Dividends paid to outside shareholders	(156,811)	(324,577)	-	-
Balance at end of the year	11,900	4,897	4,839	4,897
	(159,808)	(777,665)	(10,058)	(453,088)

45. Tax paid

Balance receivable at the beginning of the year	5,813	56,043	-	-
Balance owing at the beginning of the year	(244)	(19,304)	-	-
Current tax for the year recognised in profit or loss	(156,572)	(81,943)	-	-
Adjustment in respect of businesses sold and acquired during the year including exchange rate movements	456	1,154	-	-
Balance owing at the end of the year	13,933	244	-	-
Balance receivable at the end of the year	(2,383)	(5,813)	-	-
	(138,997)	(49,619)	-	-

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
46. Business combinations				
Aggregated business combinations				
Property, plant and equipment	91,545	297,253	-	-
Investment property	-	5,835	-	-
Biological assets	-	1,688	-	-
Leasehold property	-	6,735	-	-
Intangible assets	-	28,357	-	-
Investments in associates	7,002	-	-	-
Operating lease asset	-	39	-	-
Deferred tax	849	-	-	-
Loans to group companies	9,500	-	-	-
Other financial assets	259	-	-	-
Inventories	4,842	19,621	-	-
Trade and other receivables	2,142	20,889	-	-
Current tax receivable	456	1,198	-	-
Cash and cash equivalents	10,797	8,801	-	-
Borrowings	(68,749)	(25,317)	-	-
Finance lease liabilities	-	(7,492)	-	-
Deferred tax	-	(81,709)	-	-
Trade and other payables	(8,367)	(20,341)	-	-
Bank overdraft	-	(4,347)	-	-
Loans from group companies	(31,061)	-	-	-
Loans from related parties	(445)	-	-	-
Total identifiable net assets	18,770	251,210	-	-
Non-controlling interest	(3,052)	(77,295)	-	-
Fair value of equity interest held before the business combination	(10,571)	(3,328)	-	-
Goodwill	6,664	1,979	-	-
Gain on a bargain purchase in a business combination	-	(40,740)	-	-
	11,811	131,826	-	-
Net cash outflow on acquisition				
Cash consideration paid	(40,305)	(131,826)	(28,494)	(129,177)
Cash acquired	10,797	4,454	-	-
	(29,508)	(127,372)	(28,494)	(129,177)

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	Group		Company	
	2021	2020	2021	2020
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

46. Business combinations (continued)

O&L Nexentury GmbH previously Cronimet Mining Power Solutions GmbH

On Friday, 31 July 2020 the group acquired 51% of the voting equity interest of O&L Nexentury GmbH which resulted in the group obtaining control over O&L Nexentury GmbH. As a result of the acquisition of O&L Nexentury GmbH and the interest that they already held in OLC Arandis Solar Energy (Proprietary) Limited of 35% in addition to an existing interest of 35% of O&L Nexentury Green Infrastructure Solutions (Proprietary) Limited, a subsidiary of OLFITRA), it resulted in the group's effective interest increasing from 35% to 53% in OLC Arandis Solar Energy (Proprietary) Limited. O&L Nexentury GmbH is principally involved in the solar energy industry. As a result of the acquisition, the group is expecting to be the leading provider of solar energy products and services in those markets. It is also expecting to reduce costs through economies of scale.

Goodwill of N\$ 6,664,212 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the entities, as well as from intangible assets which did not qualify for separate recognition. Goodwill is not deductible for income tax purposes.

Fair value of assets acquired and liabilities assumed

Property, plant and equipment	82,663	-	-	-
Investments in associates	7,002	-	-	-
Deferred tax	849	-	-	-
Loans to group companies	9,500	-	-	-
Other financial assets	259	-	-	-
Inventories	1,913	-	-	-
Trade and other receivables	2,142	-	-	-
Current tax receivable	456	-	-	-
Cash and cash equivalents	10,797	-	-	-
Borrowings	(68,749)	-	-	-
Trade and other payables	(8,367)	-	-	-
Loans from group companies	(31,061)	-	-	-
Loans from related parties	(445)	-	-	-
Total identifiable net assets	6,959	-	-	-
Non-controlling interest	(3,052)	-	-	-
Fair value of equity interest held before the business combination	(10,571)	-	-	-
Goodwill	6,664	-	-	-
	-	-	-	-

Non-controlling interest

Non-controlling interest, which is a present ownership interest, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, is measured at the present ownership interests proportionate share of the acquiree's identifiable net assets. There are no other components of non-controlling interests.

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

46. Business combinations (continued)

Acquisition date fair value of consideration paid

Loans from group companies	(28,494)	-	(28,494)	-
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The 51% of the shares of O&L Nexentury GmbH were purchased for 1 Euro (N\$ 20.35) and the transaction for a loan settlement of the previous shareholders to value of 1,399,999 Euro (N\$ 28,494,040).

Revenue and profit or loss of O&L Nexentury GmbH previously Cronimet Mining Power Solutions GmbH

Revenue of N\$ 34,016,406 and losses of N\$ 3,030,203 of O&L Nexentury GmbH have been included in the group's results since the date of acquisition.

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

46. Business combinations (continued)

Andrico Investments Number Eighty Three t/a Farm to Folk

On Friday, 1 January 2021 the group, through O and L Fresh Produce (Proprietary) Limited acquired 100% of the operating business of Andrico Investments Number Eighty Three t/a Farm to Folk (Farm to Folk) which resulted in the group obtaining control over Farm to Folk.

Farm to Folk is principally involved in the fruit and vegetable industry, consisting of sourcing, warehousing and logistics. The business sources and distributes fresh produce to retailers in Namibia.

As a result of the acquisition, the group is expecting to be the leading provider of fresh fruit and vegetable products and services in those markets. It is also expecting to reduce costs through economies of scale.

Fair value of assets acquired and liabilities assumed

Property, plant and equipment	8,882	-	-	-
Inventories	2,929	-	-	-
	11,811	-	-	-

Acquisition date fair value of consideration paid

Cash	(11,811)	-	-	-
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Acquisition related costs

The acquisition related costs amounted to N\$ 9,492,226. These costs have been expensed in the year of acquisition and are included in management fees (N\$ 5,000,000), improvements written off (N\$ 2,200,000), intellectual property written off (N\$ 2,133,472) and legal fees (N\$ 158,754) in the statement of profit or loss and other comprehensive income in comprehensive income.

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

46. Business combinations (continued)

Hartlief Corporation Limited

On Monday, 11 November 2019 the group acquired 68.73% of the voting equity interest of Hartlief Corporation Limited which resulted in the group obtaining control over Hartlief Corporation Limited. Hartlief Corporation Limited is principally involved in the livestock slaughtering, meat processing and distribution industry. As a result of the acquisition, the group is expecting to be the leading provider of meat products and services in those markets. It is also expecting to reduce costs through economies of scale.

Fair value of assets acquired and liabilities assumed

Property, plant and equipment	-	290,851	-	-
Investment property	-	5,835	-	-
Leasehold property	-	6,735	-	-
Intangible assets	-	28,357	-	-
Operating lease asset	-	39	-	-
Inventories	-	18,763	-	-
Trade and other receivables	-	19,382	-	-
Current tax receivable	-	1,139	-	-
Cash and cash equivalents	-	6,930	-	-
Borrowings	-	(21,860)	-	-
Finance lease liabilities	-	(6,894)	-	-
Deferred tax	-	(80,191)	-	-
Trade and other payables	-	(17,527)	-	-
Bank overdraft	-	(4,347)	-	-
Total identifiable net assets	-	247,212	-	-
Non-controlling interest	-	(77,295)	-	-
Gain on a bargain purchase in a business combination	-	(40,740)	-	-
	-	129,177	-	129,177

Non-controlling interest

Non-controlling interest, which is a present ownership interest, and entitles their holders to a proportionate share of the entity's net assets in the event of liquidation, is measured at the present ownership interests proportionate share of the acquiree's identifiable net assets. There are no other components of non-controlling interests.

Acquisition date fair value of consideration paid

Cash	-	(129,177)	-	(129,177)
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Acquisition related costs

The acquisition related costs amounted to N\$ 528,172. These costs have been expensed in the year of acquisition and are included in other operating expenses in comprehensive income.

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Group		Company	
2021	2020	2021	2020
N\$ '000	N\$ '000	N\$ '000	N\$ '000

46. Business combinations (continued)

Gain on acquisition

A gain of N\$ 40,740,213 was recognised on acquisition. The gain resulted from the fair value of the assets less liabilities exceeding the purchase price of N\$ 2 per share. The gain has been included in other operating income in comprehensive income.

Revenue and profit or loss of Hartlief Corporation Limited

Revenue of N\$ 164,177,194 and a loss of N\$ 8,171,286 of Hartlief Corporation Limited have been included in the group's results since the date of acquisition in the prior year.

Revenue of N\$ 257,055,046 and a loss of N\$ 10,497,811 of Hartlief Corporation Limited would have been included in the group's results if the acquisition date was at the beginning of the prior annual reporting period.

O and L Fresh Produce (Proprietary) Limited previously Natural Value Foods Namibia (Proprietary) Limited

On 20 February 2020 WUM Properties (Proprietary) Limited acquired 50% of the voting equity interest of O and L Fresh Produce (Proprietary) Limited which resulted in the group obtaining control over O and L Fresh Produce (Proprietary) Limited. This was in addition to an existing interest of 50%. O and L Fresh Produce (Proprietary) Limited is principally involved in the fruit and vegetable industry. As a result of the acquisition, the group is expecting to be the leading provider of fresh fruit and vegetables products and services in those markets. It is also expecting to reduce costs through economies of scale.

Goodwill of N\$ 1,978,784 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the entities. Goodwill is not deductible for income tax purposes.

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
46. Business combinations (continued)				
Fair value of assets acquired and liabilities assumed				
Property, plant and equipment	-	6,402	-	-
Biological assets	-	1,688	-	-
Inventories	-	858	-	-
Trade and other receivables	-	1,507	-	-
Current tax receivable	-	59	-	-
Cash and cash equivalents	-	1,871	-	-
Borrowings	-	(3,457)	-	-
Finance lease liabilities	-	(598)	-	-
Deferred tax	-	(1,518)	-	-
Trade and other payables	-	(2,814)	-	-
Total identifiable net assets	-	3,998	-	-
Fair value of equity interest held before the business combination	-	(3,328)	-	-
Goodwill	-	1,979	-	-
	-	2,649	-	-
Acquisition date fair value of consideration paid				
Cash	-	(2,649)	-	-

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	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

47. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	57,771	149,838	-	-
• Intangible assets	221	-	-	-
• Investments in subsidiaries	-	27,230	-	-
• Other financial assets	-	19,100	-	-
	57,992	196,168	-	-
Not yet contracted for and authorised by directors	164,679	268,226	-	-
	222,671	464,394	-	-

This committed expenditure will be financed as follows:

Working capital	182,746	164,679	-	-
Long term credit facilities	39,925	253,385	-	-
Own funding	-	46,330	-	-
	222,671	464,394	-	-

Detail of foreign currency commitments - Group 2020

	USD '000	EUR '000	Exchange rate	N\$'000
Investment in subsidiary	-	1,400	19.45	27,230
Other financial assets	1,106	-	17.27	19,100
	1,106	1,400	-	46,330

Operating leases – as lessee (expense)

Operating lease commitments

Land and buildings	7,738	1,953	-	-
Other	2,531	-	-	-
	10,269	1,953	-	-

Minimum lease payments due

- within one year	3,362	767	-	-
- in second to fifth year inclusive	6,329	1,186	-	-
- later than five years	578	-	-	-
	10,269	1,953	-	-

Operating lease payments represent rentals payable by the group for certain of its office properties. Leases are negotiated for an average term of 10 years. No contingent rent is payable.

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	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

47. Commitments (continued)

Barley project

In 2015, the Group concluded a tripartite agreement with the Ministry of Agriculture, Water and Forestry, as well as the Agricultural Business Development Agency (AgriBusDev). The barley project started with about 370 hectares under irrigation, predominantly in the Kavango region. NBL has committed to buy all the barley harvested, with a 10 year target of 12 000 hectares.

48. Contingent liabilities

Performance guarantees	7,205	6,688	-	-
O&L Centre (Proprietary) Limited shareholder's deficit	-	-	16,164	-
Guarantees of loans, overdrafts and other banking facilities of certain subsidiaries and associates	-	-	1,650,908	1,621,416
Less: Provision for losses already provided for	-	-	(980,650)	(806,286)
	7,205	6,688	686,422	815,130

Performance guarantees

A performance guarantee of N\$ 6,000 000 is issued by First Rand Bank Limited in favour of the South African Revenue Services for Namibia Breweries Limited.

Included in the performance guarantees is a performance guarantee of N\$ 687,500 issued in favour the South African Revenue Service for Hartlief Corporation Limited. No uncertainty exists, as the Hartlief Group is in good standing with the South African Revenue Service.

O&L Centre (Proprietary) Limited shareholder's deficit

O&L Centre (Proprietary) Limited's shareholder's deficit exceeds the subordinated loan by Ohlthaver & List Finance and Trading Corporation Limited by N\$ 16,164,337 at 30 June 2021.

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48. Contingent liabilities (continued)

Other contingent liabilities

O&L Centre (Proprietary) Limited

A bank overdraft facility of N\$145,000 is in place with Bank Windhoek for Credit Cards. A contingent facility of N\$1,435,000 and credit card facility of N\$80,000 is in place with First National Bank of Namibia Limited

Kraatz Marine (Pty) Ltd

Hydroweld Walvis Bay CC: Litigation is in process against the company since July 2020 relating to a dispute with a client who alleges that the company should be held liable for losses they incurred on a project caused by employees that were on labour hire and is seeking damages of N\$ 1,381,501. The company's lawyers and management consider the likelihood of the action against the company being successful as unlikely, and the case should be resolved within the next two years.

O&L Leisure (Proprietary) Limited

Claims for amounts of N\$ 668,961 and N\$ 590,722 respectively were lodged against O&L Leisure (Proprietary) Limited as second defendant in August 2018 and September 2018 in relation to alleged unpaid subcontractor fees relating to construction work done on the Strand Hotel Swakopmund. Legal advice indicates that the subcontractors are seeking relief from the main contractor, Stefanutti Stocks Construction (Namibia) and that as there was no contractual relationship between the plaintiffs and O&L Leisure (Proprietary) Limited, the litigation does not involve O&L Leisure (Proprietary) Limited directly. Therefore no liability was raised in this regard.

Namibia Dairies (Proprietary) Limited

On 3 February 2019, a technical failure occurred at the Avis Plant of Namibia Dairies, resulting in the release of heavy furnace oil (HFO) from the boiler feeding system on site. Whilst the majority of the spill was contained on the site, some HFO released ended up in the Windhoek wastewater / sewerage system. City of Windhoek allege that Namibia Dairies is (solely) liable for secondary / downstream pollution caused following the spill, but management denied liability.

In November 2021, Namibia Dairies received a request for an environmental audit with regards to the oil spill that occurred in February 2019. The audit has not yet taken place..

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48. Contingent liabilities (continued)

Suretyship

Unlimited and limited suretyships have been given to the following subsidiaries, associates and others which could result in an additional liability for the company. All outstanding exposures at 30 June 2021 have been included in the above amounts and all deficits between the assets and liabilities of the subsidiaries at 30 June 2021 have been provided for.

In favour of:	For subsidiary / associate / other	Suretyship N\$'000
Agribank of Namibia	Namibia Dairies (Proprietary) Limited	Unlimited
	WUM Properties (Proprietary) Limited	N\$ 26,400
Bank Windhoek Limited	Hangana Seafood (Proprietary) Limited	N\$ 53,000
	Kraatz Marine (Proprietary) Limited	Unlimited
	Ohlthaver & List Beverage Company (Proprietary) Limited	Unlimited
	WUM Properties (Proprietary) Limited	Unlimited
	O&L Nexentury Green Infrastructure Solutions Namibia (Proprietary) Limited	Unlimited
	O and L Fresh Produce (previously) Natural Value Foods Namibia (Proprietary) Limited	N\$ 2,000
First National Bank of Namibia	Dimension Data (Proprietary) Limited	N\$ 2,000
	O&L Property Security (Proprietary) Limited Company specifically holding the guarantees for the Wernhil Park (Pty) Ltd loan	N\$ 925,698
Nedbank Namibia Limited	Hangana Seafood (Proprietary) Limited	Unlimited
	Consortium Fisheries (Proprietary) Limited	Unlimited
Standard Bank of Namibia Limited	ICT Holdings (Proprietary) Limited	N\$ 30,000
	Namibia Dairies (Proprietary) Limited	Unlimited
	WUM Properties (Proprietary) Limited	N\$ 11,000
ABSA Bank Limited	WUM Properties (Proprietary) Limited	N\$ 25,000
	O&L Leisure (Proprietary) Limited	N\$ 10,000
Development Bank of Namibia	Namibia Dairies (Proprietary) Limited	Unlimited

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49. Contingent assets

Broll & List Property Management (Namibia) (Proprietary) Limited

The company has made an insurance claim of N\$ 1,078,169 in respect of a COVID-19 Business Disruption Claim for loss of rental income following the government mandated lockdowns during the Covid-19 pandemic. As at 30 June 2021, Management has not received feedback whether this claim will be honoured in the near future but Management remains confident that part of the claim will be paid out.

Central Properties (Proprietary) Limited

The Company has made an insurance claim of N\$ 2,199,988 in respect of a COVID-19 Business Disruption Claim for loss of rental income following the government mandated lockdowns during the Covid-19 pandemic. As at 30 June 2021, management has not received feedback whether this claim will be honoured in the near future but Management remains confident that all or part of the claim will be paid out.

Hangana Seafood (Proprietary) Limited

Puma tank

Hangana Seafood entered into a contract with Puma Energy during the 2021 financial year (26 April 2021) whereby Puma installed a fuel tank at Hangana Seafood's premises to supply fuel to Hangana Seafood on consignment stock basis.

The risk and rewards of the fuel will lie with Puma and only pass onto Hangana once it has been dispensed to Hangana. Furthermore the agreement states that the tank will remain the property of Puma Energy for the duration of the contract and only transferred to Hangana upon consumption of 30 million liters by Hangana or third parties (supplied via Hangana's services).

Puma is not recovering any additional costs of the tank from Hangana Seafood (no extra cost per liter) and they are funding the tank from their margins and the tank will be transferred to Hangana Seafood upon completion of the 30 million liters at no additional costs.

The current forecast is that it will take Hangana 5 years to consume the 30 million liters. Puma spent approximately N\$8 million to build the tank and the general useful life of a tank in Walvis Bay is at least 20 years with the right maintenance and external painting (which Hangana intends to maintain in order to maximize the use of the asset for the 15 years after the forecasted volumes are delivered).

Hangana consumed 1,507,376 liters during the 2021 financial year (26 Apr'21 to 30 Jun'21) and the forecasted consumption is to consume 5,000,000 during each subsequent financial year until the 30 million liters is consumed in the 2027 financial year.

No benefits associated with the Puma tank were recognized during the 2021 financial year as the ownership of the tank is not certain as it is dependent on the 30 million diesel consumption. Current indications are that the contract will be completed during the 2027 financial year whereby the benefit of the ownership will be accounted for and the use of the asset will then be accounted for over the remaining useful life of the asset taken over.

Business interruption claim

At 30 June 2021, Hangana Seafood was still busy completing their Business Interruption Claim. A claim amounting to N\$32.03 million (incl. VAT) was submitted to the assessors. Even though Hangana Seafood attempted to mitigate the impact of Covid19 as far as possible by implementing all possible safeguards available, we were still adversely affected by Covid19 which contributed to significant financial losses due to our business being interrupted. The business interruption claim was submitted on the grounds of the severe impact Covid-19 and the accompanying restrictions had on Hangana's profits and cashflow.

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49. Contingent assets (continued)

The real opportunity loss related to the 3 months (June 2020 to Aug 2020) in which we were not able to be fully operational & extract the most value out of the available quota which was worsened by the fact that quota cannot be carried over to the next quota year.

No benefits associated with the Business Interruption claim were recognised during the 2021 financial year as the claim was submitted after year-end and the outcome (success of the claim & value to be settled) after year-end is still uncertain due to the claim still being pending. The benefits associated with the Business Interruption claim will be accounted for upon the completion of the assessors assessment as well as payment received from Old Mutual Namibia (insurer).

Wernhil Park (Proprietary) Limited

The Company has made an insurance claim of N\$ 18,373,562 in respect of a COVID-19 Business Disruption Claim for loss of rental income following the government mandated lockdowns during the Covid-19 pandemic. As at 30 June 2021, Management has not received feedback whether this claim will be met in the near future but Management remains confident that part of the claim will be met.

WUM Properties (Proprietary) Limited

O&L Leisure (Proprietary) Limited has business interruption insurance cover, which covered the outbreak of COVID-19. The insurance company has offered an amount of N\$ 12,045,262 for the losses suffered by Strand Hotel Swakopmund. This amount is included in Insurance claim other income in note 34, but O&L Leisure (Proprietary) Limited is of the opinion that the amount should be significantly higher. No agreement or offer has been made for the Kaiserkrone property.

Claims for both Mokuti Etosha Lodge and Midgard Country Estate have been declined. Negotiations are ongoing with the insurance company.

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50. Related parties

Relationships

Ultimate holding company

Sven Thieme Holdings (Proprietary) Limited
previously List Trust Company (Proprietary)
Limited

Holding company

O&L Holdings (Proprietary) Limited

Subsidiaries

Refer to note 7

Associates

Refer to note 8

Significant influence on Namibia Breweries Limited

Heineken Namibia B.V.

Significant influence on Heineken Namibia B.V.

Heineken International B.V.

Heineken South Africa Export Company

Proprietary Limited

Heineken South Africa (RF) Proprietary Limited

Significant influence on O&L Holdings (Proprietary) Limited

EPIA Investment Holdings (Proprietary) Limited

Directors/shareholders of EPIA Investment Holdings (Proprietary)
Limited

GC Uushona

TZM Hjarunguru

Hon. Governor LV Mcleod-Katjirua

EP Shiimi

Members of key management

Sven Thieme

Hendrik van der Westhuizen

Gunther Hanke

Berthold Mukuahima

Gideon Shilongo

Roux-che Locke

Eike Krafft

Wynand Oosthuizen

Sonja Thieme

Martin Theron

Eugene Louw

Marco Wenk

Graeme Mouton

Herman Theron

Leonie Prinsloo

Gunther Ling

Terence Makari

Norbert Wurm

Annalize van der Merwe

Patricia Hoeksema

Jacky Jacobs

Bernd Walbaum

Gero von der Wense

Henry Feris

Mike Reilly

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
50. Related parties (continued)				
Related party balances				
For balances owing (to)/from related parties refer to Notes 9 and 10.				
Related party transactions				
Interest paid to (received from) related parties				
ICT Holdings (Proprietary) Limited	-	-	-	(2)
Heineken South Africa (RF) Proprietary Limited	(4,443)	(6,370)	-	-
Hangana Seafood (Proprietary) Limited	-	-	(957)	-
Token Fisheries (Proprietary) Limited	(679)	(1,039)	-	-
Namibia Dairies (Proprietary) Limited	-	-	(5,659)	(5,971)
Kraatz Marine (Proprietary) Limited	-	-	(1,082)	(979)
	(5,122)	(7,409)	(7,698)	(6,952)
Dimension Data Namibia (Proprietary) Limited	202	371	-	-
The Werner List Trust	-	1	-	-
O&L Nexentury Development & Construction	-	300	-	-
Services Namibia (Proprietary) Limited (previously				
Cronimet Mining Power Solutions Namibia				
(Proprietary) Limited)				
	202	672	-	-
Purchases from/(sales to) related parties				
Heineken South Africa (RF) Proprietary Limited	(625,758)	(936,002)	-	-
Heineken South Africa Export Company	(2,845)	-	-	-
Proprietary Limited				
Dimension Data Namibia (Proprietary) Limited	(361)	(214)	-	-
	(628,964)	(936,216)	-	-
ICT Holdings (Proprietary) Limited	-	-	-	257
Dimension Data Namibia (Proprietary) Limited	34,169	25,888	-	-
Heineken South Africa (RF) Proprietary Limited	39,193	-	-	-
Weathermen and Company Advertising	-	-	184	156
(Proprietary) Limited				
	73,362	25,888	184	413
Rent paid to (received from) related parties				
Exgrade Feeds (Proprietary) Limited	(823)	(624)	-	-
Dimension Data Namibia (Proprietary) Limited	(64)	-	-	-
Subtotal	(887)	(624)	-	-

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
50. Related parties (continued)				
Management fees paid to/(received from) related parties				
Dimension Data Namibia (Proprietary) Limited	(1,623)	(1,583)	-	-
The Werner List Trust	-	(78)	-	-
Brandtribe Proprietary Limited	(272)	(850)	-	-
SIP Project Managers (Namibia) (Proprietary) Limited	-	(74)	-	-
OLC Arandis Solar Energy (Proprietary) Limited	-	(93)	-	-
	(1,895)	(2,678)	-	-
Jupiter Drawing Room (Cape Town) Proprietary Limited	-	403	-	-
Heineken International B.V.	5,299	4,906	-	-
	3,404	5,309	-	-
Dividends received from related parties				
ICT Holdings (Proprietary) Limited	-	-	1,683	2,118
Namibia Breweries Limited	-	-	293	603
Ohlthaver & List Beverage Company (Proprietary) Limited	-	-	60,496	150,012
	-	-	62,472	152,733
Royalties paid to/(received from) related parties				
Heineken South Africa (RF) Proprietary Limited	(98,092)	(91,311)	-	-
Heineken International B.V.	-	929	-	-
Heineken South Africa Exports Company Proprietary Limited	(3,437)	(3,791)	-	-
	(101,529)	(94,173)	-	-
Know-how payments to/(from) related parties				
Heineken South Africa (RF) Proprietary Limited	(7,759)	(8,273)	-	-
Technical fees paid to related parties				
Dimension Data Namibia (Proprietary) Limited	-	2,678	-	-
Sundry expenses accrued to/(income accrued from) related parties				
Heineken South Africa (RF) Proprietary Limited	2,896	-	-	-
Heineken International BV	(15,969)	-	-	-

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

50. Related parties (continued)

During the year the company, in the ordinary course of business, entered into various sale and purchase transactions with its Holding Company and all other related parties.

Terms and conditions of transactions with related parties

Terms and conditions with related parties are at those set out below, with the exception of Heineken South Africa (RF) Proprietary Limited, which has contractually agreed upon terms as disclosed in note 8.

Retirement benefit information and post-employment medical aid benefit plan

Details of the above are disclosed in note 41.

Compensation to key management

Short-term employee benefits	68,906	69,270	-	-
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51. Directors' emoluments

Executive - for managerial services

Company - 2021

	Basic remuneration and allowances N\$	Other benefits*	Compensation for loss of office and restraint of trade N\$	Directors' fees for services as directors of subsidiaries	Total
Executive directors - paid by subsidiaries	27,376	5,331	500	486	33,693

Company - 2020

	Basic remuneration and allowances N\$	Other benefits*	Compensation for loss of office and restraint of trade N\$	Directors' fees for services as directors of subsidiaries	Total
Executive directors - paid by subsidiaries	38,385	5,468	500	400	44,753

* Other benefits comprise travel allowance and medical benefits

Non-executive - for services as directors

Company - 2021

	Directors' fees	Total
Non-executive directors	1,681	1,681

Company - 2020

	Directors' fees	Total
Non-executive directors	1,351	1,351

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52. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2021

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Loans to related parties	10	-	87,394	87,394	87,394
Loans receivable	11	-	16,751	16,751	16,751
Derivatives - hedging	16	6,386	-	6,386	6,386
Trade and other receivables	15	-	520,410	520,410	520,410
Cash and cash equivalents	18	-	999,561	999,561	999,561
		6,386	1,624,116	1,630,502	1,630,502

Group - 2020

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Loans to related parties	10	-	44,977	44,977	44,977
Loans receivable	11	-	13,306	13,306	13,306
Derivatives - hedging	16	9,588	-	9,588	9,588
Trade and other receivables	15	-	505,895	505,895	505,895
Cash and cash equivalents	18	-	1,231,728	1,231,728	1,231,728
		9,588	1,795,906	1,805,494	1,805,494

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52. Financial instruments and risk management (continued)

Company - 2021

	Note(s)	Amortised cost	Total	Fair value
Loans to group companies	9	1,329,185	1,329,185	1,329,185
Trade and other receivables	15	1,683	1,683	1,683
Cash and cash equivalents	18	308,671	308,671	308,671
		1,639,539	1,639,539	1,639,539

Company - 2020

	Note(s)	Amortised cost	Total	Fair value
Loans to group companies	9	1,046,204	1,046,204	1,046,204
Cash and cash equivalents	18	875,586	875,586	875,586
		1,921,790	1,921,790	1,921,790

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52. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2021

	Note(s)	Fair value through profit or loss - Held for trading	Amortised cost	Leases	Total	Fair value
Trade and other payables	30	-	806,025	-	806,025	806,025
Loans from related parties	25	-	19,087	-	19,087	19,087
Borrowings	26	-	2,426,438	-	2,426,438	2,426,438
Derivatives - non-hedging	16	54,832	-	-	54,832	54,832
Derivatives - hedging	16	3,511	-	-	3,511	3,511
Finance lease obligations	27	-	-	304,757	304,757	304,757
Dividend payable		-	11,900	-	11,900	11,900
Bank overdraft	18	-	183,700	-	183,700	183,700
Non-current payables		-	6,757	-	6,757	6,757
		58,343	3,453,907	304,757	3,817,007	3,817,007

Group - 2020

	Note(s)	Fair value through profit or loss - Held for trading	Amortised cost	Leases	Total	Fair value
Trade and other payables	30	-	706,696	7,149	713,845	713,845
Loans from related parties	25	-	23,564	-	23,564	23,564
Borrowings	26	-	2,469,807	-	2,469,807	2,469,807
Derivatives - non-hedging	16	83,306	-	-	83,306	83,306
Derivatives - hedging	16	32,395	-	-	32,395	32,395
Finance lease obligations	27	-	-	344,215	344,215	344,215
Dividend payable		-	4,897	-	4,897	4,897
Bank overdraft	18	-	164,853	-	164,853	164,853
Non-current payables		-	8,300	-	8,300	8,300
		115,701	3,378,117	351,364	3,845,182	3,845,182

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52. Financial instruments and risk management (continued)

Company - 2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	30	1,461	1,461	1,461
Loans from group companies	24	78,607	78,607	78,607
Loans from related parties	10	2,362	2,362	2,362
Borrowings	26	221,266	221,266	221,266
Dividend payable		4,839	4,839	4,839
		308,535	308,535	308,535

Company - 2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	30	2,305	2,305	2,305
Loans from group companies	24	78,579	78,579	78,579
Loans from related parties	10	2,237	2,237	2,237
Borrowings	26	292,880	292,880	292,880
Dividend payable		4,897	4,897	4,897
		380,898	380,898	380,898

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52. Financial instruments and risk management (continued)

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

Group - 2021

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	37	33,913	33,913
Gains (losses) on foreign exchange	35	(15,497)	(15,497)
Net gains (losses)		18,416	18,416

Group - 2020

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Total
Recognised in profit or loss:				
Interest income	37	-	51,953	51,953
Dividend income	37	7	-	7
Gains (losses) on foreign exchange	35	-	16,639	16,639
Net gains (losses)		7	68,592	68,599

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52. Financial instruments and risk management (continued)

Company - 2021

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	37	11,141	11,141

Company - 2020

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	37	34,844	34,844

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52. Financial instruments and risk management (continued)

Gains and losses on financial liabilities

Group - 2021

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Leases	Total
Recognised in profit or loss:					
Finance costs	38	-	(224,589)	(46,404)	(270,993)
Gains (losses) on valuation adjustments	35	28,474	-	-	28,474
Net gains (losses)		28,474	(224,589)	(46,404)	(242,519)

Group - 2020

	Note(s)	Fair value through profit or loss - Mandatory	Amortised cost	Leases	Total
Recognised in profit or loss:					
Finance costs	38	-	(251,250)	(46,080)	(297,330)
Gains (losses) on valuation adjustments	35	(83,306)	-	-	(83,306)
Net gains (losses)		(83,306)	(251,250)	(46,080)	(380,636)

Company - 2021

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	38	(22,075)	(22,075)

Company - 2020

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	38	(42,272)	(42,272)

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52. Financial instruments and risk management (continued)

Capital risk management

The group and company's objectives when managing capital are to safeguard the group and company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group and company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 25, 26, 29 & 30 and cash and cash equivalents disclosed in note 18, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt (excluding loans from group companies).

The group and company has entered into various financing agreements with Bank Windhoek Limited, First National Bank of Namibia Limited, Standard Bank of Namibia Limited, Agribank of Namibia, Firststrand Bank Limited, Nedbank Namibia Limited, Development Bank of Namibia, ABSA Bank Limited and Domestic Medium Term note holders. These agreements require the group to meet certain terms and conditions, which include specified gearing ratios.

These requirements were not all met during the current and prior year.

In 2020, there were material breaches on both the Old Mutual Promissory notes as well as the Standard Bank term loan. Old Mutual accepted the breach and waived their right to call on the promissary notes affected.

Standard Bank accepted the breach in covenants for the year ended 30 June 2020 subject to a remeasure of the affected covenants at 30 September 2020. It was subsequently confirmed by the bank that they accept the breach as at 30 September 2020 and waived their right to call on the term loan affected.

In 2021, there were material breaches of covenants by the company with Old Mutual promissory notes, by Wernhil Park (Proprietary) Limited in respect of the long-term facility agreement entered into with First National Bank of Namibia and by Namibia Dairies (Proprietary) Limited in respect of the facility agreement with Standard Bank of Namibia.

Old Mutual accepted the breach as at 30 June 2021 and waived their right to call on the promissary notes affected for 15 months after the financial year ending of 30 June 2021.

First National Bank did not accept the breaches and the loan of N\$ 917,065,695 was reclassified to currently payable at 30 June 2021. The breaches were however accepted after year-end as discussed in note 54 Subsequent events and note 55 Going concern.

Standard Bank of Namibia condoned all the breaches of Namibia Dairies (Proprietary) Limited by 30 June 2021.

There have been no changes to what the group and company manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

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52. Financial instruments and risk management (continued)

The capital structure and gearing ratio of the group and company at the reporting date was as follows:

		Group		Company	
		2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000
Loans from group companies	24	-	-	78,607	78,579
Loans from related parties	25	19,087	23,564	2,362	2,237
Borrowings	26	2,426,438	2,469,807	221,266	292,880
Finance lease liabilities		304,757	344,215	-	-
Total borrowings		2,750,282	2,837,586	302,235	373,696
Cash and cash equivalents	18	(815,861)	(1,066,875)	(308,671)	(875,586)
Net borrowings		1,934,421	1,770,711	(6,436)	(501,890)
Equity		5,528,970	5,582,391	1,574,534	1,781,343
Gearing ratio		35 %	32 %	- %	- %

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52. Financial instruments and risk management (continued)

Financial risk management

Overview

The group and company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The group and company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The group and company uses derivative financial instruments to hedge certain risk exposures.

The group and company's objective in using derivative financial instruments is to reduce the uncertainty over future cash flows arising from movements in currency, commodity prices and interest rates. Currency and interest exposure is managed within board approved policies and guidelines. As a matter of principle, the group and company does not enter into derivative contracts for speculative purposes.

The fair value of foreign exchange forward contracts represents the estimated amounts that the group and company would receive, should the contracts be terminated at the reporting date, thereby taking into account the unrealised gains or losses.

Credit risk

Credit risk is the risk of financial loss to the group and company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors.

Trade receivables comprise a widely spread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

The granting of credit is made on application and is approved by management of the individual entities. At year end, the group and company did not consider there to be any significant concentration of credit risk or significant exposure to any individual customer or counter party which has not been adequately provided for.

The group and company's cash equivalents and funds on call are placed with high credit quality financial institutions.

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52. Financial instruments and risk management (continued)

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

Group		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to related parties	10	88,897	(1,503)	87,394	44,977	-	44,977
Loans receivable	11	20,067	(3,316)	16,751	19,388	(6,082)	13,306
Trade and other receivables	15	560,921	(40,511)	520,410	539,259	(33,364)	505,895
Cash and cash equivalents	18	999,561	-	999,561	1,231,728	-	1,231,728
Non-current receivables	12	37,091	-	37,091	32,949	-	32,949
Derivatives - hedging	16	6,386	-	6,386	9,588	-	9,588
		1,712,923	(45,330)	1,667,593	1,877,889	(39,446)	1,838,443

Company		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	9	2,309,835	(980,650)	1,329,185	1,852,490	(806,286)	1,046,204
Trade and other receivables	15	1,683	-	1,683	-	-	-
Cash and cash equivalents	18	308,671	-	308,671	875,586	-	875,586
		2,620,189	(980,650)	1,639,539	2,728,076	(806,286)	1,921,790

Major concentrations of credit risk that arise from the group and company's receivables in relation to the customer's industry category as a percentage of the total receivables from the customers are:

Fishing industry	- 19% (2020: 26%)
Trading industry	- 12% (2020: 11%)
Manufacturing industry	- 72% (2020: 55%)

Liquidity risk

The group and company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Negotiations for and usage of overdraft facilities are approved at head office level.

The table below analyses the group and company's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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52. Financial instruments and risk management (continued)

Group - 2021

		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Less: Finance charges	Total	Carrying amount
Non-current liabilities								
Loans from related parties	25	-	1,588	-	-	-	1,588	1,588
Borrowings	26	-	174,950	1,031,010	274,797	(263,102)	1,217,655	1,217,655
Finance lease liabilities		-	39,150	564,846	173,021	(535,935)	241,082	241,082
Non-current payables	29	-	6,757	-	-	-	6,757	6,757
Derivatives		-	54,832	-	-	-	54,832	54,832
Current liabilities								
Trade and other payables	30	806,025	-	-	-	-	806,025	806,025
Loans from related parties	25	17,499	-	-	-	-	17,499	17,499
Borrowings	26	1,723,991	-	-	-	(515,207)	1,208,784	1,208,783
Finance lease liabilities		99,888	-	-	-	(36,213)	63,675	63,675
Dividend payable		11,900	-	-	-	-	11,900	11,900
Bank overdraft	18	183,700	-	-	-	-	183,700	183,700
Derivatives		3,511	-	-	-	-	3,511	3,511
		2,846,514	277,277	1,595,856	447,818	(1,350,457)	3,817,008	3,817,007

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52. Financial instruments and risk management (continued)

Group - 2020

		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Less: Finance charges	Total	Carrying amount
Non-current liabilities								
Loans from related parties	25	-	1,433	-	-	-	1,433	1,433
Borrowings	26	-	165,132	1,574,079	891,974	(737,269)	1,893,916	1,893,916
Finance lease liabilities		-	11,239	260,623	443,667	(450,631)	264,898	264,898
Non-current payables	29	-	8,300	-	-	-	8,300	8,300
Derivatives - hedging	16	-	-	83,306	-	-	83,306	83,306
Current liabilities								
Trade and other payables		706,696	-	-	-	-	706,696	706,696
Loans from related parties	25	22,131	-	-	-	-	22,131	22,131
Borrowings	26	647,937	-	-	-	(72,046)	575,891	575,891
Finance lease liabilities		130,382	-	-	-	(51,065)	79,317	79,317
Dividend payable		4,897	-	-	-	-	4,897	4,897
Bank overdraft	18	164,853	-	-	-	-	164,853	164,853
Derivatives	16	32,395	-	-	-	-	32,395	32,395
		1,709,291	186,104	1,918,008	1,335,641	(1,311,011)	3,838,033	3,838,033

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52. Financial instruments and risk management (continued)

Company - 2021

		Less than 1 year	1 to 2 years	2 to 5 years	Less: Finance charges	Total	Carrying amount
Non-current liabilities							
Borrowings	26	-	15,347	245,594	(40,941)	220,000	220,000
Current liabilities							
Trade and other payables	30	1,460	-	-	-	1,460	1,461
Loans from group companies	24	78,607	-	-	-	78,607	59,316
Loans from related parties	25	2,362	-	-	-	2,362	2,362
Borrowings	26	16,050	-	-	(14,784)	1,266	1,266
Dividend payable		4,839	-	-	-	4,839	4,839
		103,318	15,347	245,594	(55,725)	308,534	289,244

Company - 2020

		Less than 1 year	1 to 2 years	2 to 5 years	Less: Finance charges	Total	Carrying amount
Non-current liabilities							
Borrowings	26	-	6,870	109,877	(16,747)	100,000	100,000
Current liabilities							
Trade and other payables	30	2,306	-	-	-	2,306	2,306
Loans from group companies	24	78,579	-	-	-	78,579	78,579
Loans from related parties	25	2,237	-	-	-	2,237	2,237
Borrowings	26	207,178	-	-	(14,299)	192,879	192,880
Dividend payable		4,897	-	-	-	4,897	4,897
		295,197	6,870	109,877	(31,046)	380,898	380,899

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	Group		Company	
	2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

52. Financial instruments and risk management (continued)

Foreign currency risk

At 30 June 2021, if the currency had weakened/strengthened by 5% against the US dollar with all other variables held constant, group post-tax profit for the year would have been N\$ 522,086 (2020: N\$ 3,059,305) higher/lower, mainly as a result of foreign exchange gains or losses on translation of US dollar denominated receivables, US Dollar denominated payables and foreign exchange options.

At 30 June 2021, if the currency had weakened/strengthened by 5% against the Euro with all other variables held constant, post-tax profit for the year would have been N\$ 16,783,986 (2020: N\$ 27,109,007) higher/lower, mainly as a result of foreign exchange gains or losses on translation of Euro denominated receivables, Euro denominated cash and cash equivalents, payables and foreign exchange contracts.

At 30 June 2021, if the currency had weakened/strengthened by 5% against the Pound Sterling with all other variables held constant, post-tax profit for the year would have been N\$ 9,348 (2020: N\$ nil) higher/lower, mainly as a result of foreign exchange gains or losses on translation of Pound Sterling denominated receivables, Pound Sterling denominated payables and foreign exchange contracts.

At 30 June 2021, if the currency had weakened/strengthened by 5% against the Botswana Pula with all other variables held constant, post-tax profit for the year would have been N\$ nil (2020: N\$ 11,589) higher/lower, mainly as a result of foreign exchange gains or losses on translation of Botswana Pula denominated receivables, Botswana Pula denominated payables and foreign exchange contracts.

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

Assets:

Euro-denominated receivables	204,689	239,162	-	-
US Dollar-denominated receivables	27,492	93,041	-	-
Pound Sterling-denominated receivables	275	-	-	-
Euro - denominated short-term deposits	288,957	614,746	-	-

Liabilities:

Euro-denominated payables	-	56,614	-	-
Botswana Pula-denominated payables	-	341	-	-
US Dollar-denominated payables	12,137	3,062	-	-

Exchange rates used for conversion of foreign items were:

Namibia Dollar per unit of foreign currency:

USD	14.290	17.271	-	-
Euro	16.980	19.425	-	-
GBP	19.820	21.282	-	-
Pula	-	1.450	-	-

Group review

The group and company reviews its foreign currency exposure, including commitments, on an ongoing basis. The group and company expects its forward foreign exchange contracts and foreign exchange options to hedge foreign exchange exposure.

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52. Financial instruments and risk management (continued)

Interest rate risk

Interest rate profile

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

	Note	Average effective interest rate		Carrying amount	
Group		2021	2020	2021	2020
Variable rate instruments:					
Assets					
Trade and other receivables	15	0% - Prime+2%	0% - Prime+2%	380,357	396,331
Loans receivable	11	Prime-4%	Prime-4%	16,751	13,306
Cash and cash equivalents	18	-0.68% - 4.40%	-0.68% - 6.74%	313,204	789,266
				710,312	1,198,903
Liabilities					
Borrowings	26	4% - 8.25% Prime-2% - Prime+1% JIBAR+2.55% - JIBAR+3.2% SA Prime-2% 73%-76% of prime	4% - 8.25% Prime-2% - Prime+1% JIBAR+2.2% - JIBAR+3.8% SA Prime-2% 73%-76% of prime	2,257,670	2,237,856
Finance lease liabilities		Prime-2% - Prime	Prime-2% - Prime	92,126	90,328
Trade and other payables	30	Prime	Prime	5,273	2,485
Bank overdraft	18	Prime - Prime+1%SA Prime	Prime - Prime+1%SA Prime	181,782	164,853
Loans from related parties		Prime - Prime+2%	Prime - Prime+2%	3,951	3,644
				2,540,802	2,499,166
Fixed rate instruments:					
Assets					
Cash and cash equivalents	18	1.5% - 4.25%	1.5% - 4.25%	537,668	168,895
Liabilities					
Borrowings	26	12.49% 10.25% to 13.35%	12.49% 10.25% to 13.35%	168,768	231,855
Finance lease liabilities				212,631	253,887
Trade and other payables	30	0% to 30%	0% to 30%	2,222	1,621
Derivatives		10.69%	10.69%	54,832	83,306
				438,453	570,669

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52. Financial instruments and risk management (continued)

	Note	Average effective interest rate		Carrying amount	
Company		2021	2020	2021	2020
Variable rate instruments:					
Assets					
Loans to group companies	9	JIBAR +3.8% or Prime	JIBAR +3.8% or Prime	1,329,185	1,046,204
Cash and cash equivalents	18	Prme	Prime	4,810	123,456
Short term deposit		-0.68%	-0.68%	303,861	752,130
				1,637,856	1,921,790
Liabilities					
Borrowings	26	JIBAR+3.2% to JIBAR+3.8%	JIBAR+3% to JIBAR+3.8%	221,266	292,880

Fixed rate instruments:

Interest rate swaps

Certain interest rate swaps have been entered into in order to mitigate against the effect of changes in interest rates.

Group - 2021

	Note	Nominal amount	Fair value of contract
Pay fixed rate of 10.69% and receive variable rate of prime + 5%	16	625,900	(54,832)

Group - 2020

	Note	Nominal amount	Fair value of contract
Pay fixed rate of 10.69% and receive variable rate of prime + 5%	16	625,900	(83,306)

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

Group

At 30 June 2021, if interest rates on variable rate borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been N\$ 17,312,779 (2020: N\$ 11,037,460) lower/higher for the group mainly as a result of higher/lower interest expense on floating rate borrowings.

Company

At 30 June 2021, if interest rates on variable rate borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been N\$ 2,212,660 (2020: N\$ 1,991,582) lower/higher for the group mainly as a result of higher/lower interest expense on floating rate borrowings.

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52. Financial instruments and risk management (continued)

Fuel price risk

The group and company is exposed to fuel price risk arising from its use of fuel (HFO and ADO) for energy or transport purposes.

At year-end there were no outstanding instruments linked to the fuel price.

The group and company has not entered into any electives to manage re-exposure to fluctuating fuel prices.

Risk from biological assets

Milk Cows

The group and company is exposed to financial risks arising from changes in milk prices. The group and company does not anticipate that milk prices will decline significantly in the foreseeable future. The group and company has not entered into derivative contracts to manage the risk of a decline in milk prices. The group and company reviews its outlook for milk prices regularly in considering the need for active financial risk management.

Abalone

Although the group and company is exposed to risks arising from changes in the price of abalone, it does not anticipate that abalone prices will decline significantly in the foreseeable future. The group and company reviews its outlook for the price of abalone regularly in considering the need for active risk management.

Risk management strategy related to aquacultural activities.

The group and company is exposed to the following risks related to aquacultural activities:

(i) Exchange rate risks

The group and company is subject to changes in the exchange rate as abalone sales prices are denominated in US.

Dollar and biological assets are measured at fair value which is also based on the US Dollar market price.

(ii) Mechanical risks

Reliance on plant and equipment to sustain a living environment for the abalone exposes the company to certain risks. This risk is managed by allowing for redundancy of key equipment and generators, and shortage of electricity supply.

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53. Fair value information

Fair value hierarchy

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

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group and company can access at measurement date.

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

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 2

Group		Company	
2021 N\$ '000	2020 N\$ '000	2021 N\$ '000	2020 N\$ '000

Recurring fair value measurements

Assets

Note(s)

Hedging derivatives

16

Foreign exchange contracts

6,386	9,588	-	-
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Liabilities

Note(s)

Non-hedging derivatives

16

Interest rate swaps

54,832	83,306	-	-
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Hedging derivatives

16

Foreign exchange contracts

3,511	32,395	-	-
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Total

(51,957)	(106,113)	-	-
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53. Fair value information (continued)

Level 3

Group		Company	
2021	2020	2021	2020
N\$ '000	N\$ '000	N\$ '000	N\$ '000

Recurring fair value measurements

Assets

Note(s)

Biological assets

5

Work in progress – Agronomy

5,614 94 - -

Abalone

18,207 16,273 - -

Game

2,437 2,278 - -

Milk cows

23,145 27,608 - -

Total biological assets

49,403 46,253 - -

Investment property

4

Investment property

2,392,905 2,312,341 - -

Property, plant and equipment

2

Freehold land and buildings

2,251,656 2,312,516 - -

Total

4,693,964 4,671,110 - -

Transfers of assets and liabilities within levels of the fair value hierarchy

There were no transfers between level 1 and level 2 for the year ended 30 June 2021 and for the year ended 30 June 2020.

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53. Fair value information (continued)

Reconciliation of assets and liabilities measured at level 3

	Note(s)	Opening balance N\$ '000	Gains / losses recognised in profit loss * N\$ '000	Gains / losses recognised in other comprehensive income # N\$ '000	Purchases / Seeds & fertiliser / additions N\$ '000	Sales / herd population changes N\$ '000	Transfers N\$ '000	Additions through business combination N\$ '000	Other movements N\$ '000	Depreciation N\$ '000	Closing balance N\$ '000
Group - 2021											
Assets											
Biological assets	5										
Work in progress – Agronomy		94	-	-	2,305	(94)	-	-	3,309	-	5,614
Abalone		16,273	1,935	-	-	(1)	-	-	-	-	18,207
Game		2,278	159	-	-	-	-	-	-	-	2,437
Milk cows		27,608	4,256	-	-	-	(8,719)	-	-	-	23,145
Total biological assets		46,253	6,350	-	2,305	(95)	(8,719)	-	3,309	-	49,403
Investment property											
Investment property		2,312,341	10,061	-	2,845	-	67,658	-	-	-	2,392,905
Property, plant and equipment	2										
Freehold land and buildings		2,312,516	-	-	16,299	-	(66,488)	651	-	(11,322)	2,251,656
Total		4,671,110	16,411	-	21,449	(95)	(7,549)	651	3,309	(11,322)	4,693,964

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	Note(s)	Opening balance N\$ '000	Gains / losses recognised in profit loss * N\$ '000	Gains / losses recognised in other comprehensive income # N\$ '000	Purchases / Seeds & fertiliser / additions N\$ '000	Sales / herd population changes N\$ '000	Transfers N\$ '000	Additions through business combination N\$ '000	Other movements N\$ '000	Depreciation N\$ '000	Closing balance N\$ '000
53. Fair value information (continued)											
Group - 2020											
Assets											
Biological assets	5										
Work in progress – Agronomy		974	-	-	11,812	(13,406)	(974)	1,688	-	-	94
Abalone		20,315	4,536	-	5,851	(4,699)	(9,730)	-	-	-	16,273
Game		2,116	162	-	-	-	-	-	-	-	2,278
Milk cows		32,680	8,284	-	-	(13,356)	-	-	-	-	27,608
Total biological assets		56,085	12,982	-	17,663	(31,461)	(10,704)	1,688	-	-	46,253
Investment property	4										
Investment property		2,589,247	(301,159)	-	18,385	-	33	5,835	-	-	2,312,341
Property, plant and equipment	2										
Freehold land and buildings		2,065,066	(26,792)	39,132	23,753	(1,147)	757	222,043	-	(10,296)	2,312,516
Total		4,710,398	(314,969)	39,132	59,801	(32,608)	(9,914)	229,566	-	(10,296)	4,671,110

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53. Fair value information (continued)

* Gains and losses recognised in profit or loss are included in Other income on the Statement of Comprehensive Income, except for gains and losses on financial assets and liabilities which have been included in fair value adjustments.

Gains and losses recognised in other comprehensive income are included in Gains and losses on property revaluation.

** This column refers to the amount of total gains or losses included in profit or loss that is attributable to the change in unrealised gains or losses for assets and liabilities held at the end of the reporting period.

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

Sensitivity analysis of unobservable inputs of revaluations of properties

The valuations of PPE and Investment property were arrived at by reference to market evidence of transaction prices for similar properties on a discounted cash flow basis and comparative sales method basis.

Capitalisation rates of 8.00%-9.00% (2020: 8.35%-13.50%) and discount rates of 12.00%-13.00% (2020: 12.00%-13.00%) were used.

The lower the capitalisation and discount rate, the higher the fair value.

The higher the estimated costs and required margin, the lower the fair value.

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53. Fair value information (continued)

Valuations performed in 2021:

Investment properties valued at the DCF method expressing a material valuation uncertainty due to Novel Coronavirus (COVID – 19):

	Wernhil Shopping Centre		Alexander Forbes House - Carl List		Standard Bank Centre	
	Discount rate	Exit capitalization rate	Discount rate	Exit capitalization rate	Discount rate	Exit capitalization rate
Rates used in valuation	12.00%	8.00	12.50%	8.75%	13.00%	9.00%
Variation in rate results in an increase/(decrease) in valuation amount of (N\$'000)						
0.5% increase	(29,519)	(64,521)	(5,462)	(10,816)	(4,030)	(7,735)
0.5% decrease	30,276	73,124	5,601	12,127	4,132	8,645
1.0% increase	(58,303)	(121,873)	(10,790)	(20,522)	(7,962)	(14,696)
1.0% decrease	61,333	156,693	11,345	25,818	8,369	18,370

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53. Fair value information (continued)

Valuations performed in 2020:

PPE valued at capitalization of income approach by the DCF method:

Erf 1300 Seagulls, Pick n Pay Centre, Walvis Bay

	Discount rate	Exit capitalization rate
Rates used in valuation	13.00%	8.00%
Variation in rate results in an increase/(decrease) in valuation amount of (N\$'000)		
0.5% increase	(2,286)	(1,053)
0.5% decrease	2,590	1,080

Properties valued at the income capitalisation method:

	Erf 2817 Pick n Pay Swakopmund	Erf 3515 Windhoek	Erf 2667, Eight street Walvis Bay	Erf 4743 Strand Hotel Swakopmund	Erf 4895, Fifty Street Walvis Bay	Erf 5198 & 5203 Walvis Bay	Erf Re A/282 77 Independence Avenue Windhoek Investment property
Asset class	PPE	PPE	PPE	PPE	PPE	PPE	
Capitalisation rate	9.50%	9.00%	9.00%	8.35%	8.50%	9.50%	9.00%
Variation in rate results in an increase/(decrease) in valuation amount of (N\$'000)							
0.5% increase	(1,323)	(222)	(289)	(14,213)	(1,667)	(596)	(1,546)
0.5% decrease	1,470	2,483	320	15,977	1,937	674	1,732

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53. Fair value information (continued)

Investment properties valued at the DCF method expressing a material valuation uncertainty due to Novel Coronavirus (COVID – 19):

	Wernhil Shopping Centre		Alexander Forbes House - Carl List		Standard Bank Centre	
	Discount rate	Exit capitalization rate	Discount rate	Exit capitalization rate	Discount rate	Exit capitalization rate
Rates used in valuation	12.00%	7.75%	13.00%	8.75%	13.00%	9.00%
Variation in rate results in an increase/(decrease) in valuation amount of (N\$'000)						
0.5% increase	(29,818)	(67,529)	(5,366)	(10,576)	(3,271)	(6,292)
0.5% decrease	30,584	76,843	5,501	11,858	3,354	7,032
1.0% increase	(58,892)	(127,340)	(10,600)	(20,067)	(6,462)	(11,954)
1.0% decrease	61,957	165,070	11,140	25,246	6,792	14,943

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53. Fair value information (continued)

Biological assets - livestock

The fair value of livestock was determined based on market prices of livestock of similar age, breed and genetic merit.

Biological assets - abalone

The value of the abalone was determined using current market prices per size range indicated. The USD rate were converted at an exchange rate of N\$ 14.31 (2020: N\$17.27). A fair value gain of N\$ 1,934,998 (2020: N\$ 4,625,341) was recognised as a result of the strengthening of the exchange rate and increased mass of the abalone since the last valuation was done. The higher the abalone price and yield per hectare, the higher the fair value. The lower the discount rate, the higher the fair value.

Freehold land and buildings

Freehold land and buildings were valued using the discounted cash flow, comparable sales, replacement cost method. The capitalisation rate was determined by referring to the market transactions of comparable properties as derived from market analysis. Property experts are of the opinion that investors would require a return of between 9% and 11% for similar properties. Therefore a capitalisation rate of 10% was applied to determine the open market value of the properties.

Land and buildings are re-valued independently every 3 years unless management believes that their fair values differ significantly to their carrying amounts at year end.

Properties valued on the depreciated replacement cost method are valued based on estimates of the new replacement costs of buildings, depreciated for age and obsolescence, to which the value of land is added.

Valuations that are based on market evidence of recent transactions for similar properties take into account the highest and best use of the property.

The higher the capitalisation and the lower the discount rate, the higher the fair value.

Valuation processes applied by the Group

The fair value of abalone is performed by the respective company's finance department and operations team on an annual basis, except for milk cows, which was externally valued.

The fair value of derivatives is performed by the respective company's finance department on a monthly basis.

The fair value of investment properties and freehold land and buildings is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. Land and buildings are revalued at least every 3 years, while investment property is valued annually.

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53. Fair value information (continued)

Highest and best use

Erf 261/1764 W (Fruit & Veg / Cashbuild) is being used in a manner that differs from their highest and best use. The reason for this is that this property is earmarked for future development, the planned investment of which has not taken place yet.

54. Events after the reporting period

Namibia Breweries Limited and related companies

Subsequent to year end, Heineken N.V. made an offer to acquire Namibia Breweries Limited's (NBL's) 25% shareholding in Heineken South Africa (RF) Proprietary Limited (HSA). An independent committee was appointed to assist in the assessment of the offer received. On 20 December 2021, the shareholders of NBL approved the transaction as set out above in the general meeting.

Namibia Breweries Limited ('NBL') will potentially acquire Distell's business in Namibia in a parallel, but separate transaction, in order to combine both businesses in Namibia under NBL. This potential transaction will be detailed in due course and will be subject to NBL shareholder approval.

Heineken N.V. has entered into an implementation agreement with Distell Group Holdings Limited and Namibia Breweries Limited (NBL) to integrate their respective and relevant businesses in Southern Africa into one enlarged company from 15 November 2021. .

Heineken will acquire Ohlthaver & List Finance and Trading Corporation Limited's 50.01% stake in NBL Investment Holdings (Proprietary) Limited (NBL's holding company with an additional effective interest of 29.7% in NBL) for €350 million, with such stake also being contributed to the new formed group. NBL will remain listed on the Namibian Stock Exchange, with public shareholders in NBL continuing to hold the remaining 40.6%.

On 13 August 2021, NBL received confirmation that its insurers approved a claim that was submitted by NBL during the year. The claim submitted was to compensate the Group for losses incurred as a result of business interruption under the Covid-19 lockdown restrictions imposed on the Group during March 2020 to May 2020. As a result, the Group recognised income amounting to N\$42,608,695, as the event constitutes an adjusting event under IAS 10.

O&L Leisure (Proprietary) Limited

The COVID-19 outbreak has developed rapidly in 2020/21, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity and the company's business in the following material way:

- Due to the resulting low occupancies, the decision was taken to close Mokuti Etosha Lodge and Chobe Water Villas from 1 August to 30 September 2021.
- Employee salaries have been reduced by 50% at Strand Hotel Swakopmund, Mokuti Etosha Lodge and Chobe Water Villas and 25% at Midgard Country Estate and Central Office for 3 months ending 31 October 2021.

As restrictions were subsequently relaxed and tourism activities increased, O&L Leisure experienced a steady improvement in business activity and turnovers. Chobe Water Villas and Mokuti Etosha Lodge were re-opened on 1 October and all business rescue measures were relaxed as from 1 November and all O&L Leisure employees resumed their normal working hours.

A new COVID-19 variant was detected in December 2021, which is expected to have a negative impact on tourism, due to travel restrictions and resulting cancellations of bookings at the lodges and hotels. Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the group may experience further negative results, liquidity restraints and incur impairments on its assets in 2021. The exact impact on our activities in the remainder of 2021 and thereafter cannot be predicted.

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54. Events after the reporting period (continued)

Namibia Dairies (Proprietary) Limited

Namibia Dairies implemented a temporary 20% salary reduction for all employees to be implemented in line with section 12 (6) of the Labour Act, Act 11 of 2017, which was effective 1 August 2021 to 30 October 2021. An improvement in the overall business performance of the company was noted over the three month period. A decision was taken to perform an organizational and business process restructuring. The restructuring process will take place in different phases from 01 October 2021 to July/August 2022. This process will include closure of depots, restructuring of the Superfarm, Avis and Namibia Dairies Head office teams as well as the relocation of Namibia Dairies head office activities from Prosperita to the Avis plant.

On 3 February 2019, a technical failure occurred at the Avis Plant of Namibia Dairies, resulting in the release of heavy furnace oil (HFO) from the boiler feeding system on site. Whilst the majority of the spill was contained on the site, some HFO released ended up in the Windhoek wastewater / sewerage system. City of Windhoek allege that Namibia Dairies is (solely) liable for secondary / downstream pollution caused following the spill, but management denied liability.

In November 2021, Namibia Dairies received a request for an environmental audit with regards to the oil spill that occurred in February 2019. The audit has not yet taken place.

Wernhil Park (Proprietary) Limited

In 2021, there were material breaches of covenants by Wernhil Park (Proprietary) Limited in respect of the long-term facility agreement entered into with First National Bank of Namibia. First National Bank did not accept the breaches and the loan of N\$ 917,065,695 was reclassified to currently payable at 30 June 2021.

The breaches were however condoned after year-end and the loan reverted to classification as a non-current liability.

55. Going concern

We draw attention to the fact that at 30 June 2021, the group's current liabilities exceed the current assets by N\$ 10,268,000.

The deficit is a result of the breach by Wernhil Park (Proprietary) Limited in respect of the long-term facility agreement entered into with First National Bank of Namibia. First National Bank did not accept the breaches and the loan of N\$ 917,065,695 was reclassified to currently payable at 30 June 2021.

The breaches were however condoned after year-end and the loan reverted to classification as a non-current liability, resulting in the net current liability position to be subsequently resolved.

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

The ability of the group to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the group.

56. Approval of financial statements

The consolidated and separate annual financial statements have been authorised for issue by the directors on 20 December 2021.

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Notes to the Annual Financial Statements

57. New and revised standards

i) Adoption of new and revised standards– effective in current year

The following table contains effective dates of IFRS's and recently revised IAS's, which have been adopted by the Group. The impact of adopting these amendments have not had a significant impact on the results from operations or the statement of financial position.

FINAL DOCUMENT	DATE ISSUED	EFFECTIVE DATES
IFRS 7 Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform	September 2019	Annual periods beginning on or after 1 January 2020
IFRS 9 Financial Instruments – Amendments regarding pre-replacement issues in the context of the IBOR reform	September 2019	Annual periods beginning on or after 1 January 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) Clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.	September 2019	Annual periods beginning on or after 1 January 2020
Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4) - Amends IFRS 4 Insurance Contracts provide two options for entities that issue insurance contracts within the scope of IFRS 4. The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied	September 2016	Overlay approach to be applied when IFRS 9 is first applied. Deferral approach effective for annual periods beginning on or after 1 January 2018 and only available for five years after that date
IAS 1 Presentation of Financial Statements – Amendments regarding the definition of material	October 2018	Annual periods beginning on or after 1 January 2020
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of material	October 2018	Annual periods beginning on or after 1 January 2020
Amendments to References to the Conceptual Framework in IFRS Standards - Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards	March 2018	Annual periods beginning on or after 1 January 2020

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Notes to the Annual Financial Statements

57. New and revised standards (continued)

i) Adoption of new and revised standards– effective in current year (continued)

FINAL DOCUMENT	DATE ISSUED	EFFECTIVE DATES
Definition of a Business (Amendments to IFRS 3) – The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only	October 2018	The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only

ii) Standards and amendments issued but not yet effective

The following table contains effective dates of IFRS's and recently revised IAS's, which have not been early adopted by the Company and that might affect future financial periods:

FINAL DOCUMENT	DATE ISSUED	EFFECTIVE DATES
IFRS 17 Insurance Contracts – IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.	18 May 2017	Applicable to annual reporting periods beginning on or after 1 January 2023
Amendments to IFRS 17 – Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017.	25 June 2020	Annual reporting periods beginning on or after 1 January 2023
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) – The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.	23 January 2020 / 15 July 2020	Annual reporting periods beginning on or after 1 January 2023

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Notes to the Annual Financial Statements

57. New and revised standards (continued)

ii) Standards and amendments issued but not yet effective (continued)

FINAL DOCUMENT	DATE ISSUED	EFFECTIVE DATES
Reference to the Conceptual Framework (Amendments to IFRS 3) - The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.	14 May 2020	Annual reporting periods beginning on or after 1 January 2022
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) – The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	14 May 2020	Annual reporting periods beginning on or after 1 January 2022
Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) – The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’.	14 May 2020	Annual reporting periods beginning on or after 1 January 2022
Annual Improvements to IFRS Standards 2018–2020 – Amendments made to the following standards: IFRS 1, IFRS 9, IFRS 16, IAS 41	14 May 2020	Annual reporting periods beginning on or after 1 January 2022
Interest Rate Benchmark Reform — Phase 2 The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	27 August 2020	Annual reporting periods beginning on or after 1 January 2021
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.	12 February 2021	Annual reporting periods beginning on or after 1 January 2023

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Notes to the Annual Financial Statements

57. New and revised standards (continued)

ii) Standards and amendments issued but not yet effective (continued)

FINAL DOCUMENT	DATE ISSUED	EFFECTIVE DATES
Definition of Accounting Estimates (Amendments to IAS 8) - The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates.	12 February 2021	Annual reporting periods beginning on or after 1 January 2023
IFRS 16 Leases – Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	May 2020 / March 2021	Annual reporting periods beginning on or after 1 April 2021
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) - The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.	7 May 2021	Annual reporting periods beginning on or after 1 January 2023

The directors have not yet assessed the impact of adopting these standards but do not currently expect the adoption of any of these standards to have a significant impact on these accounts.