



Ohlthaver & List
GROUP

OUR WORLD
ANNUAL
FINANCIAL STATEMENTS
2014

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note(s)	Group		Company	
		2014 N\$'000	2013 N\$'000	2014 N\$'000	2013 N\$'000
Assets					
Non-Current Assets					
Property, plant and equipment	2	2 696 792	2 305 890	-	-
Investment property	3	1 429 946	1 310 316	-	-
Biological assets	4	33 998	33 952	-	-
Intangible assets	5	21 973	23 687	-	-
Investments in subsidiaries	6	-	-	775 400	744 583
Investment in associate	7	7 180	5 718	-	-
Investments in joint ventures	8	1 117	14 791	-	-
Other financial assets	9	5 214	1 756	-	-
Non-current receivables	10	47 263	47 416	-	-
Deferred tax	11	21 940	38 965	-	-
Loans to related parties	12	1 008	-	1 008	-
		4 266 431	3 782 491	776 408	744 583
Current Assets					
Inventories	13	382 948	428 352	-	-
Trade and other receivables	14	423 867	392 165	117	250
Construction contracts and receivables	15	388	115	-	-
Other financial assets	9	695	1 731	-	-
Current tax receivable	40	13 682	249	-	-
Cash and cash equivalents	16	182 433	290 407	50 877	27
Loans to related parties	12	162 246	113 568	11	688
		1 166 259	1 226 587	51 005	965
Non-current assets held for sale	17	6 375	17 479	-	-
Total Assets		5 439 065	5 026 557	827 413	745 548
Equity and Liabilities					
Equity					
Issued share capital and share premium	18	3 391	3 391	3 391	3 391
Reserves	19&20&21	700 600	587 123	54 949	54 949
Retained income		1 325 256	1 093 056	542 722	537 232
Equity Attributable to Equity Holders of Parent		2 029 247	1 683 570	601 062	595 572
Non-controlling interest		806 271	715 908	-	-
Total Equity		2 835 518	2 399 478	601 062	595 572

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014 (CONTINUED)

	Note(s)	Group		Company	
		2014 N\$'000	2013 N\$'000	2014 N\$'000	2013 N\$'000
Liabilities					
Non-Current Liabilities					
Other financial liabilities	22	978 260	965 035	109 167	125 000
Finance lease obligation	23	34 718	38 948	-	-
Deferred tax	11	385 732	294 562	-	-
Provisions	24	43 280	41 584	-	-
Non-current payables	25	3 362	3 449	-	-
Loans from related parties	12	10 636	12 506	10 636	12 506
Deferred income	26	4 900	-	-	-
		1 460 888	1 356 084	119 803	137 506
Current Liabilities					
Trade and other payables	27	755 286	793 235	1 337	1 495
Other financial liabilities	22	346 662	448 053	100 027	9 020
Finance lease obligation	23	22 618	23 632	-	-
Provisions	24	881	865	-	-
Current tax payable	40	1 347	543	-	-
Dividend payable		3 582	304	3 582	304
Loans from related parties	12	12 283	4 363	1 602	1 651
		1 142 659	1 270 995	106 548	12 470
Total Liabilities		2 603 547	2 627 079	226 351	149 976
Total Equity and Liabilities		5 439 065	5 026 557	827 413	745 548

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	Group		Company	
		2014 N\$'000	2013 N\$'000	2014 N\$'000	2013 N\$'000
Continuing operations					
Revenue	28	4 928 643	4 585 661	39 458	30 267
Cost of sales	29	(3 377 382)	(3 230 885)	-	-
Gross profit		1 551 261	1 354 776	39 458	30 267
Other income		28 363	37 953	-	-
Operating expenses	30	(948 309)	(798 780)	(19 726)	(26 413)
Operating profit	31	631 315	593 949	19 732	3 854
Investment income	32	16 809	21 609	10 930	6 109
Fair value adjustments	33	158 844	194 285	-	-
Share of loss from equity accounted investments	7&8	(116 489)	(295 174)	-	-
Finance costs	34	(144 249)	(142 985)	(21 437)	(13 031)
Profit (loss) before taxation		546 230	371 684	9 225	(3 068)
Taxation	35	(169 969)	(139 844)	-	-
Profit (loss) from continuing operations		376 261	231 840	9 225	(3 068)
Discontinued operations					
Profit from discontinued operations		-	-	-	-
Profit (loss) for the year		376 261	231 840	9 225	(3 068)
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Gains on property revaluation	20	180 029	60 883	-	-
Income tax relating to items that will not be reclassified	20	(28 734)	(1 300)	-	-
Total items that will not be reclassified to profit or loss		151 295	59 583	-	-
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		(126)	-	-	-
Other comprehensive income for the year net of taxation	36	151 169	59 583	-	-
Total comprehensive income (loss) for the year		527 430	291 423	9 225	(3 068)

STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)

	Note(s)	Group		Company	
		2014 N\$'000	2013 N\$'000	2014 N\$'000	2013 N\$'000
Profit (loss) attributable to:					
Owners of the parent		231 438	180 969	9 225	(3 068)
Non-controlling interest		144 823	50 871	-	-
		376 261	231 840	9 225	(3 068)
Total comprehensive income (loss) attributable to:					
Owners of the parent		345 209	238 640	9 225	(3 068)
Non-controlling interest		182 221	52 783	-	-
		527 430	291 423	9 225	(3 068)

STATEMENTS OF CHANGES IN EQUITY

	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Revaluation reserve	Equity settled share based payment reserve	Total non distributable reserves	Retained income	Total attributable to equity holders of the company	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
Group											
Balance at 01 July 2012	2 746	645	3 391	-	477 332	54 949	532 281	909 277	1 444 949	746 314	2 191 263
Profit for the year	-	-	-	-	-	-	-	180 969	180 969	50 871	231 840
Other comprehensive income	-	-	-	-	57 671	-	57 671	-	57 671	1 912	59 583
Total comprehensive income for the year	-	-	-	-	57 671	-	57 671	180 969	238 640	52 783	291 423
Transfer between reserves	-	-	-	-	(2 829)	-	(2 829)	2 829	-	-	-
Dividends paid by subsidiary	-	-	-	-	-	-	-	-	-	(83 208)	(83 208)
Changes in ownership interest - control not lost	-	-	-	-	-	-	-	(19)	(19)	19	-
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(2 829)	-	(2 829)	2 810	(19)	(83 189)	(83 208)
Balance at 01 July 2013	2 746	645	3 391	-	532 174	54 949	587 123	1 093 056	1 683 570	715 908	2 399 478
Profit for the year	-	-	-	-	-	-	-	231 438	231 438	144 823	376 261
Other comprehensive income	-	-	-	(37)	113 808	-	113 771	-	113 771	37 398	151 169
Total comprehensive income for the year	-	-	-	(37)	113 808	-	113 771	231 438	345 209	182 221	527 430
Changes in ownership interest - control not lost	-	-	-	-	-	-	-	4 203	4 203	1 320	5 523
Transfer between reserves	-	-	-	-	(294)	-	(294)	294	-	-	-
Dividends paid by subsidiary	-	-	-	-	-	-	-	-	-	(93 178)	(93 178)
Dividends declared on ordinary shares	-	-	-	-	-	-	-	(3 735)	(3 735)	-	(3 735)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(294)	-	(294)	762	468	(91 858)	(91 390)
Balance at 30 June 2014	2 746	645	3 391	(37)	645 688	54 949	700 600	1 325 256	2 029 247	806 271	2 835 518
Note(s)	18	18	18	19&36	20&36	21					

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Revaluation reserve	Equity settled share based payment reserve	Total non distributable reserves	Retained income	Total attributable to equity holders of the company	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
Company											
Balance at 01 July 2012	2 746	645	3 391	-	-	54 949	54 949	540 300	598 640	-	598 640
Loss for the year	-	-	-	-	-	-	-	(3 068)	(3 068)	-	(3 068)
Balance at 01 July 2013	2 746	645	3 391	-	-	54 949	54 949	537 232	595 572	-	595 572
Profit for the year	-	-	-	-	-	-	-	9 225	9 225	-	9 225
Dividends declared on ordinary shares	-	-	-	-	-	-	-	(3 735)	(3 735)	-	(3 735)
Balance at 30 June 2014	2 746	645	3 391	-	-	54 949	54 949	542 722	601 062	-	601 062
Note(s)	18	18	18	19&36	20&36	21					

STATEMENTS OF CASH FLOWS

	Note(s)	Group		Company	
		2014 N\$'000	2013 Restated N\$'000	2014 N\$'000	2013 Restated N\$'000
Cash flows from operating activities					
Cash generated from (used in) operations	38	810 323	729 538	(2 558)	(2 917)
Interest received	8&32	14 728	21 597	10 930	6 109
Dividends received	28&32	-	12	38 358	29 517
Finance costs	34	(144 249)	(142 985)	(21 437)	(13 031)
Taxation paid	40	(103 137)	(105 919)	-	-
Employer benefit payments on provisions	24	(2 153)	(1 667)	-	-
Net cash from operating activities		575 512	500 576	25 293	19 678
Cash flows from investing activities					
Payments for property, plant and equipment	2	(371 365)	(189 684)	-	-
Proceeds on disposal of property, plant and equipment	2	29 862	18 703	-	-
Acquisition of investment property	3	(4 414)	(11 001)	-	-
Proceeds on disposal of investment property	3	6 100	4 850	-	-
Acquisition of intangible assets	5	(4 788)	(3 233)	-	-
Proceeds on disposal of intangible assets	5	24	-	-	-
Acquisition of business operation	41	-	(5 250)	-	-
(Advances)/repayments of investments and loans		(2 343)	2 508	-	-
Acquisition of biological assets	4	(781)	(60)	-	-
Proceeds on disposal of assets held for sale		2 000	15 791	-	-
Equity injection into joint venture	8	(104 625)	(293 260)	-	-
Acquisition of additional shares in subsidiaries		(1)	(2)	(1)	(2)
Net cash from investing activities		(450 331)	(460 638)	(1)	(2)
Cash flows from financing activities					
Proceeds from other financial liabilities		221 277	86 389	100 000	50 000
Repayment of other financial liabilities		(302 780)	(114 282)	(24 826)	(1 718)
Dividends paid	39	(93 635)	(86 732)	(457)	(3 524)
Movement in non-current payables		(87)	624	-	-
Loans to related parties (advanced)/repaid		(49 686)	258 890	-	-
Repayment of loans from related parties		6 050	(3 142)	(2 250)	(1 501)
Finance lease payments		(14 168)	(22 272)	-	-
Repayment of loans from group companies		-	-	(46 909)	(62 920)
Net cash from financing activities		(233 029)	119 475	25 558	(19 663)
Total cash and cash equivalents movement for the year		(107 848)	159 413	50 850	13
Cash and cash equivalents at the beginning of the year		290 407	130 994	27	14
Net foreign exchange difference		(126)	-	-	-
Total cash and cash equivalents at the end of the year	16	182 433	290 407	50 877	27

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The annual financial statements have been prepared on the historical cost basis, except for the measurement of land and buildings; 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 Namibia Dollar (N\$ '000).

These accounting policies are consistent with the previous period.

1.1 Consolidation

Basis of consolidation

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

The group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries are included in the consolidated 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 intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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.

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 transaction 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

The group accounts for business combinations using the acquisition method of accounting. 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 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.

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 group) 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 and 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.

ACCOUNTING POLICIES

CONTINUED

1.1 Consolidation (continued)

Business combinations (continued)

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.

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 statements 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.

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.

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.

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

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 statements 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. Profits or losses on transactions between the company and a joint venture are eliminated to the extent of the company's interest therein.

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 annual financial statements.

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

ACCOUNTING POLICIES

CONTINUED

1.2 Investments in subsidiaries

Company annual financial statements

In the company's separate annual 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.

1.3 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 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.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current period. 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. Leasehold land and buildings are accounted for at cost and amortised on the straight-line basis over the period of the lease.

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.

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	Depreciation rates
Leasehold land and buildings	2.0–33.3%
Plant and machinery	4.0–25.0%
Vehicles	5.0–33.3%
Furniture and equipment	10.0–33.3%
Fishing vessels	10.0–15.0%
Refits	20.0–86.0%
Returnable containers	20.0%
Spare parts	4.0%

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

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

ACCOUNTING POLICIES

CONTINUED

1.3 Property, plant and equipment (continued)

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.

1.4 Investment property

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 the 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 less the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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 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.

1.5 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 pre-tax 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.

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.

ACCOUNTING POLICIES

CONTINUED

1.5 Impairment of assets (continued)

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.

1.6 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 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 and 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.

Internally generated brands, 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 of the intangible assets range between 3 and 7 years.

1.7 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.

ACCOUNTING POLICIES

CONTINUED

1.8 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 oats.

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 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 and agronomy is determined based on market prices in the local area.

The fair value of the oats fields is determined using the discounted cash flow method as at the end of the reporting period.

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 instalments over their useful lives as follows:

Item	Useful life
Oats fields	5 years
Milk cows	Indefinite
Game	12–50 years

1.9 Provisions and contingent liabilities

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. Contingent liabilities are disclosed in note 43.

1.10 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 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 while it is classified as held for sale.

1.11 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

ACCOUNTING POLICIES

CONTINUED

1.11 Revenue (continued)

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts, volume rebates and value-added tax.

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 on construction contracts is recognised on the percentage of completion method.

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.

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

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

Where the group acts as an agent and is remunerated on a commission basis, only net commission income, and not the value of the business handled, is included in revenue.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.12 Cost of sales

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

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

1.13 Construction contracts and receivables

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.14 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessor

The group recognises finance lease receivables in the statements of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the group's net investment in the finance lease.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statements of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the group's incremental borrowing rate.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability. Finance costs directly attributable to qualifying assets are capitalised in accordance with the group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the period in which they are incurred.

Operating leases – lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for operating leases is disclosed under revenue in profit or loss.

ACCOUNTING POLICIES

CONTINUED

1.14 Leases (continued)

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Any contingent rentals are expensed in the period they are incurred.

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

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollar, 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 1.19 for details of the group's accounting policies in respect of such derivative financial instruments).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are expressed in Namibian Dollar 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 Dollar 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.

1.16 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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. 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.

ACCOUNTING POLICIES

CONTINUED

1.16 Borrowing costs (continued)

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.

1.17 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. The movement for the year is recognised in profit or loss in the year in which it occurs.

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. The movement for the year is recognised in profit or loss in the year in which it occurs.

1.18 Taxation

Current taxation 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 taxation 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).

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.

ACCOUNTING POLICIES

CONTINUED

1.18 Taxation (continued)

Taxation expenses

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.

1.19 Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - held for trading
- Held-to-maturity investments
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities at fair value through profit or loss - held for trading
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is reassessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the group's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the group's right to receive payment is established.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Fair value determination

The fair value of financial instruments traded in an organised financial market is measured at the applicable quoted prices, adjusted for any transaction costs necessary to realise the assets or settle the liabilities.

The fair value of financial instruments not traded in an organised financial market, is determined using a variety of methods and assumptions that are based on market conditions and risks existing at the reporting date, including independent appraisals and discounted cash flow methods. The fair value determined is adjusted for any transaction costs necessary to realise the assets or settle the liabilities.

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values due to the short-term trading cycle of these items.

ACCOUNTING POLICIES

CONTINUED

1.19 Financial instruments (continued)

Derecognition

Financial assets (or a portion thereof) are derecognised when the group realises the rights to the benefits specified in the contract, the rights expire or the group surrenders or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and proceeds receivable and any prior adjustment to reflect fair value that had been reported in equity are included in profit or loss.

Financial liabilities (or a portion thereof) are derecognised when the obligation specified in the contract is discharged, cancelled or expires. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs and amounts paid for it, are included in profit or loss.

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write-off is made against the relevant allowance

account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial instruments designated as at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss (FVTPL) where the financial asset is either held for trading or it is designated as at FVTPL. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. The group only has financial liabilities as held for trading under this category.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated a fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets with fixed or determinable payments and fixed maturity dates that the group has the positive intention and ability to hold to maturity are classified as held to maturity.

ACCOUNTING POLICIES

CONTINUED

1.19 Financial instruments (continued)

Financial instruments designated as available-for-sale

Unlisted shares held by the group, whose fair value cannot be reliably determined are classified as being Available-for-sale and are stated at cost. These assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition of the asset, the estimated future cash flows of the investment have been impacted.

Loans to/(from) group companies

These include loans to and from holding companies, fellow subsidiaries and subsidiaries and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to/(from) related parties

Loans to related parties are classified as loans and receivables.

Loans from related parties are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

Interest-bearing debt is recognised at amortised cost, namely original debt less principal repayments and amortisations. Non-interest-bearing debt is recognised at original debt less principal repayments.

Preference shares are used by the group in order to raise cost-effective finance. These instruments are classified between equity and liabilities taking into account the specific characteristics of each preference share. Where the preference shares are classified as equity they are treated in accordance with the policy for equity instruments below (Note 1.20).

Preference shares, which are redeemable on specific dates, are classified as liabilities and are stated at proceeds received. Preference dividends are recognised as finance charges and where not paid by the year end are added to the amount outstanding in respect of the preference shares.

The dividends on these preference shares are recognised in profit or loss as interest expense.

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.

ACCOUNTING POLICIES

CONTINUED

1.19 Financial instruments (continued)

Derivatives (continued)

Derivative financial instruments are initially recorded at fair value at the date the derivative contract is entered into and are re-measured 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.

Hedging activities

Designated and effective hedging instruments are excluded from the definition of financial instruments at fair value through profit or loss.

The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge);
- hedges of a net investment in a foreign operation (net investment hedge).

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 45.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised to other comprehensive income and accumulated in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'other income'.

Amounts accumulated in equity are reclassified to other comprehensive income to profit or loss in the periods when the hedged item affects profit or loss.

However, when the forecast transaction that is hedged results in the recognition of a non-financial item, the gains and losses previously deferred in equity are transferred from equity in other comprehensive income and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in profit or loss as a reclassification adjustment through to other comprehensive income when the forecast transaction is ultimately recognised in profit or loss.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognised in profit or loss as a reclassification adjustment through to other comprehensive income.

1.20 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 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's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

ACCOUNTING POLICIES

CONTINUED

1.21 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual 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 annual 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.

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.

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.

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.

Available-for-sale financial assets

The group follows the guidance of International Accounting Standards (IAS) 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the group evaluates, among other factors, the duration of and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Allowance for slow moving, damaged and obsolete stock

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

Fair value estimation

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 50.

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.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

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 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 to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Property, plant and equipment

Group

	2014			2013		
	Cost/ Valuation N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000	Cost/ Valuation N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000
Free hold land and buildings	1 427 091	(4 700)	1 422 391	1 186 243	(29 202)	1 157 041
Lease hold land and buildings	80 398	(7 823)	72 575	84 188	(9 810)	74 378
Plant and machinery	1 210 690	(507 900)	702 790	1 075 337	(438 696)	636 641
Furniture and fixtures	229 306	(138 256)	91 050	207 596	(119 337)	88 259
Vehicles	163 485	(84 505)	78 980	160 275	(76 896)	83 379
Office equipment	27 494	(20 870)	6 624	25 373	(17 869)	7 504
Spare parts	1 869	(682)	1 187	7 091	(1 257)	5 834
Containers	222 026	(106 559)	115 467	181 759	(78 451)	103 308
Fishing vessels	179 375	(91 269)	88 106	177 588	(89 153)	88 435
Construction in progress	117 622	-	117 622	61 111	-	61 111
Total	3 659 356	(962 564)	2 696 792	3 166 561	(860 671)	2 305 890

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2014

	Opening balance N\$'000	Additions N\$'000	Disposals N\$'000	Transfers N\$'000	Revaluations N\$'000	Depreciation N\$'000	Total N\$'000
Freehold land and buildings	1 157 041	32 282	-	56 500	180 029	(3 461)	1 422 391
Leasehold land and buildings	74 378	25	-	-	-	(1 828)	72 575
Plant and machinery	636 641	61 013	(11 104)	92 456	-	(76 216)	702 790
Furniture and fixtures	88 259	29 384	(220)	292	-	(26 665)	91 050
Vehicles	83 379	27 448	(16 032)	8 829	-	(24 644)	78 980
Office equipment	7 504	953	(55)	1 247	-	(3 025)	6 624
Spare parts	5 834	-	(3 528)	(629)	-	(490)	1 187
Containers	103 308	46 113	(4 069)	2 124	-	(32 009)	115 467
Fishing vessels	88 435	13 117	(266)	25	-	(13 205)	88 106
Construction in progress	61 111	169 954	(248)	(113 195)	-	-	117 622
	2 305 890	380 289	(35 522)	47 649	180 029	(181 543)	2 696 792

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2013

	Opening balance N\$'000	Additions N\$ '000	Additions through business combinations N\$'000	Disposals N\$ '000	Transfers N\$ '000	Revaluations N\$ '000	Depreciation N\$ '000	Impairment loss N\$ '000	Total N\$ '000
Freehold land and buildings	1 134 697	11 230	-	(5 553)	(39 513)	60 883	(4 703)	-	1 157 041
Leasehold land an buildings	10 194	28	-	-	65 334	-	(1 178)	-	74 378
Plant and machinery	543 489	77 800	138	(1 017)	81 242	-	(65 011)	-	636 641
Furniture and fixtures	80 669	27 207	3 860	(176)	(1 965)	-	(21 336)	-	88 259
Vehicles	74 162	35 125	-	(4 626)	725	-	(22 007)	-	83 379
Office equipment	6 861	1 470	-	(1)	2 140	-	(2 966)	-	7 504
Spare parts	-	-	-	-	5 834	-	-	-	5 834
Containers	91 836	41 298	-	(1 255)	-	-	(28 571)	-	103 308
Fishing vessels	104 221	1 215	-	(498)	-	-	(16 503)	-	88 435
Construction in progress	169 368	24 330	-	(812)	(122 937)	-	-	(8 838)	61 111
	2 215 497	219 703	3 998	(13 938)	(9 140)	60 883	(162 275)	(8 838)	2 305 890

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
2. Property, plant and equipment (continued)				
Pledged as security				
Carrying value of assets pledged as security:				
Freehold land and buildings	862 638	705 686	-	-
Plant and machinery	57 081	136 046	-	-
Vehicles	58 332	59 840	-	-
Furniture, fixtures, equipment and spare parts	83 501	48 588	-	-
Fishing vessels	27 936	83 380	-	-
These assets are encumbered to secure liabilities as per Note 22 and Note 23.				
Transfers and reclassifications				
Included in transfers are the following transfers and reclassifications to/(from) property, plant and equipment:				
Investment property	37 519	-	-	-
Intangible assets	55	(7 961)	-	-
Non-current assets held for sale	(5 925)	(1 179)	-	-
Non-current assets held for sale	16 000	-	-	-
	47 649	(9 140)	-	-

Non-cash additions

During the year, the Group acquired property, plant and equipment with an aggregate cost of N\$ 380 288 543 (2013: N\$ 219 703 000), of which cash payments of N\$ 371 364 460 (2013: N\$ 189 684 000) were made to purchase property, plant and equipment. The remaining balance was unpaid at period end.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Property, plant and equipment (continued)

Revaluations

Freehold land and buildings were revalued during 2014 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:

- Tim Moulder (FRICS & FIV (SA)) and Steven Wolffs (MIV (SA)) of Broll Valuation and Advisory Services (Pty) Ltd
- John M Meyer (Valuer Diploma Institute of Bankers SA) of Northern Property Valuers
- Frank Löhnert (National Diploma in Property Valuation (UNISA)), A Schröder (Namibia Estate Agents Board Certificate and Sworn Appraiser) and L Schröder (Namibia Estate Agents Board Certificate and Sworn Appraiser) from Ludwig Schröder Estate Agents cc
- A Lofty-Eaton (National Diploma Property Valuations (CPUT)), Nadia Van Der Smit (National Diploma in Property Valuation (UNISA)) from Gert Hamman Property Valuers cc
- Jurie Scholtz (National Diploma Property Valuations (Technicon SA)) from Property Valuations Namibia.

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.

Capitalisation rates of 10% - 14% were used for the discounted cash flow valuations. 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.

Freehold land and buildings of Consortium Fisheries Limited and Hangana Seafood (Proprietary) Limited were revalued during the 2013 year. The valuation was performed by J S Lofty-Eaton of Valuers Trust -John S Lofty-Eaton (National Diploma in Property Valuation (S.A.I.V)).

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.

Hangana Seafood (Proprietary) Limited has a notarial bond of N\$ 20 million (2013: N\$ 20 million) and WUM Properties Limited has a notarial bond of N\$ 31 million (2013: N\$ 31 million) registered over their movable assets.

The insurance policies over certain items of property, plant and equipment have been ceded to the bond holders.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Investment property

Group	2014		2013	
	At valuation N\$'000	Carrying value N\$'000	At valuation N\$'000	Carrying value N\$'000
Investment property	1 429 946	1 429 946	1 310 316	1 310 316

Reconciliation of investment property - Group - 2014

	Opening balance N\$'000	Additions N\$'000	Disposals N\$'000	Transfers to property plant and equipment N\$'000	Fair value adjustments N\$'000	Total N\$'000
Investment property	1 310 316	4 414	(6 100)	(37 519)	158 835	1 429 946

Reconciliation of investment property - Group - 2013

	Opening balance N\$'000	Additions N\$'000	Disposals N\$'000	Fair value adjustments N\$'000	Total N\$'000
Investment property	1 109 364	11 001	(4 850)	194 801	1 310 316

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

3. Investment property (continued)

Pledged as security

Freehold land and buildings	1 397 582	1 274 347	-	-
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These assets are encumbered to secure liabilities as per Note 22.

Other disclosures

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

Details of valuation

In the current year, the Group's investment properties were revalued by the following independent professional valuers at N\$1 469 987 924:

- F A Frank-Schultz (National Diploma in Property Valuation)
- Tim Moulder (FRICS FIV (SA)) and Belinda Curtis (BSc (Hons) Property Studies) of Broll Valuation and Advisory Services (Pty) Ltd
- A Schröder (Namibia Estate Agents Board Certificate and Sworn Appraiser) and F Löhnert (National Diploma in Property Valuation (UNISA)) from Ludwig Schröder Estate Agents CC.

These valuers are members of appropriate organisations, and have appropriate qualifications and experience in the valuation of similar properties.

The valuations 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.

There has been no change in the valuation techniques compared to prior year.

Capitalisation rates of 7.75%-10.00% (2013: 7.75%-9.00%) and discount rates of 8%-14.50% (2013: 13.25%-14.50%) were used.

These assumptions are based on current market conditions.

Amounts recognised in profit and loss for the year

Rental income from investment property	125 050	119 933	-	-
Direct operating expenses from rental generating	(6 800)	(23 742)	-	-
	118 250	96 191	-	-

Adjusted valuations

The fair value of investment property has been adjusted for by adding the recognised lease liabilities to the discounted cash flow calculation as follows:

Fair value adjustment during the year

Valuation obtained from independent sworn appraisers	158 587	198 901	-	-
Recognised lease obligations	(2 265)	(4 100)	-	-
	156 322	194 801	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. Biological assets

Group	2014		2013	
	At valuation N\$'000	Carrying value N\$'000	At valuation N\$'000	Carrying value N\$'000
Oats fields	781	781	-	-
Game	492	492	237	237
Milk cows	32 725	32 725	33 715	33 715
Total	33 998	33 998	33 952	33 952

Reconciliation of biological assets - Group - 2014

	Opening balance N\$ '000	Additions N\$ '000	Disposals and deaths N\$ '000	Gains arising from changes in fair value attributable to growth N\$'000	Total N\$ '000
Oats fields	-	781	-	-	781
Game	237	-	-	255	492
Milk cows	33 715	-	(9 720)	8 730	32 725
	33 952	781	(9 720)	8 985	33 998

Reconciliation of biological assets - Group - 2013

	Opening balance N\$ '000	Additions N\$ '000	Disposals and deaths N\$ '000	Gains arising from changes in fair value attributable to growth N\$'000	Total N\$ '000
Game	237	-	-	-	237
Milk cows	33 039	60	(2 508)	3 124	33 715
	33 276	60	(2 508)	3 124	33 952

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

4. Biological assets (continued)

Non-financial information

Livestock consisted of the following number of animals:

Milk cows	2 958	3 084	-	-
Game*	216	162	-	-
	3 174	3 246	-	-

* Game consists of Impala, Bontebok, Duiker, Eland, Giraffe, Kudu, Oryx, Warthog and Crocodiles.

Methods and assumptions used in determining fair value

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

5. Intangible assets

Group	2014			2013		
	Cost N\$ '000	Accumulated amortisation N\$ '000	Carrying value N\$ '000	Cost N\$ '000	Accumulated amortisation N\$ '000	Carrying value N\$ '000
Software	37 007	(23 049)	13 958	38 440	(20 768)	17 672
Goodwill	6 015	-	6 015	6 015	-	6 015
Trademark	2 000	-	2 000	-	-	-
Total	45 022	(23 049)	21 973	44 455	(20 768)	23 687

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. Intangible assets (continued)

Reconciliation of intangible assets - Group - 2014

	Opening balance N\$ '000	Additions N\$ '000	Disposals N\$ '000	Transfers (to) property, plant and equipment N\$ '000	Amortisation N\$ '000	Total N\$ '000
Software	17 672	2 788	(24)	(55)	(6 423)	13 958
Goodwill	6 015	-	-	-	-	6 015
Trademark	-	2 000	-	-	-	2 000
	23 687	4 788	(24)	(55)	(6 423)	21 973

Reconciliation of intangible assets - Group - 2013

	Opening balance N\$ '000	Additions N\$ '000	Transfers from property, plant and equipment N\$ '000	Amortisation N\$ '000	Total N\$ '000
Software	12 824	3 233	7 961	(6 346)	17 672
Goodwill	4 763	1 252	-	-	6 015
	17 587	4 485	7 961	(6 346)	23 687

Other information

Intangible assets, other than trademarks and goodwill, 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 31. Goodwill and trademarks are assessed for impairment annually.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Investments in subsidiaries

Name of company	Held by	Nature of business	Issued capital N\$ '000	% holding 2014	% holding 2013	Carrying amount 2014 N\$'000	Carrying amount 2013 N\$'000
Weathermen and Company Advertising (Proprietary) Limited	OLFITRA*	Advertising and marketing	1	50.10 %	- %	374	-
Broll & List Property Management (Namibia) (Proprietary) Limited	OLFITRA*	Property management	1	51.00 %	51.00 %	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	97.00 %	97.00 %	113 766	113 766
- Hangana Seafood (Proprietary) Limited	COFI*	Processing of fish	90	96.70 %	97.00 %	79 109	85 109
- Kraatz Marine (Proprietary) Limited	COFI*	Ship repair	30 349	97.00 %	97.00 %	31 585	22 632
O&L Natural Energy (Proprietary) Limited	OLFITRA*	Energy solutions	-	100.00 %	100.00 %	11	-
O&L Digital (Proprietary) Limited	OLFITRA*	Digital marketing	-	100.00 %	100.00 %	-	-
Eros Air (Proprietary) Limited	OLFITRA*	Aircraft charter	60	100.00 %	100.00 %	13 799	12 271
ICT Holdings (Proprietary) Limited	OLFITRA*	Consulting service to supply electronic communication	-	100.00 %	100.00 %	4 500	-
Khan Mine (Proprietary) Limited	OLFITRA*	Dormant	-	100.00 %	100.00 %	529	529
Namibia Breweries Share Purchase Trust	n/a	Employee share incentive scheme	-	- %	- %	(179)	(164)
Organic Energy Solutions (Proprietary) Limited	OLFITRA*	Manufacturing and supply of energy, fodder and other products/services sourced from bush and wood	-	100.00 %	- %	3	-
O&L Beverage Company (Proprietary) Limited	OLFITRA*	Investment holding	123	100.00 %	100.00 %	52 779	132 650
- NBL Investment Holdings (Proprietary) Limited	BEV*	Investment holding	-	55.79%	55.79%	107	-
- Namibia Breweries Limited	NBLIH*	Manufacturing and distribution of beer and soft drinks	1 024	29.50%	29.50%	25	25
O&L Centre (Proprietary) Limited	OLFITRA*	Corporate head office	-	100.00 %	100.00 %	250 887	223 541
O&L Energy (Proprietary) Limited	OLFITRA*	Manufacturing and distribution of all forms of energy	-	100.00 %	100.00 %	3 870	651

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Investments in subsidiaries (continued)

Name of company	Held by	Nature of business	Issued capital N\$ '000	% holding 2014	% holding 2013	Carrying amount 2014 N\$'000	Carrying amount 2013 N\$'000
O&L South Africa (Proprietary) Limited	OLFITRA*	South Africa head office	-	100.00 %	100.00 %	-	-
Wernhil Park (Proprietary) Limited	OLFITRA*	Letting of property	1	100.00 %	100.00 %	16 521	16 521
Windhoek Parking (Proprietary) Limited	OLFITRA*	Dormant	-	100.00 %	100.00 %	483	483
Windhoek Schlachtereier (Proprietary) Limited	OLFITRA*	Earning royalty income	31 580	90.00 %	90.00 %	68 455	68 457
WUM Properties Limited	WUM*	Retail, tourism and property	-	98.00 %	98.00 %	199 772	225 836
- Khan Construction Company (Proprietary) Limited	WUM*	Investment holding	-	98.00 %	98.00 %	17 975	17 975
- Namibia Dairies (Proprietary) Limited	WUM*	Manufacturing and distribution of dairy products	2	98.00 %	98.00 %	93 977	91 096
- O&L Leisure (Proprietary) Limited	WUM*	Hospitality industry	-	98.00 %	98.00 %	153 036	43 104
Kalahari Can Company (Proprietary) Limited	OLFITRA*	Dormant	-	100.00 %	-	7	-
						1 101 400	1 054 491
Impairment of investment in subsidiaries						(326 000)	(309 908)
						775 400	744 583

The carrying amounts of subsidiaries consist of shares at cost and loans to/from subsidiaries and are shown net of impairment losses.

The principal place of business and of incorporation for all subsidiaries except for O&L South Africa, is Namibia. O&L South Africa's place of business and incorporation is South Africa.

In the current and prior year the investments in COFI*, Windhoek Schlachtereier (Proprietary) Limited, O&L Centre (Proprietary) Limited, ICT Holdings (Proprietary) Limited, Eros Air (Proprietary) Limited, Windhoek Parking (Proprietary) Limited, Khan Mine (Proprietary) Limited, O&L Digital (Proprietary) Limited, O&L Natural Energy (Proprietary) Limited, Organic Energy Solutions (Proprietary) Limited, O&L South Africa (Proprietary) Limited and O&L Energy (Proprietary) Limited were deemed to not be fully recoverable due to 'at acquisition reserves' having been reduced by subsequent accumulated operating losses.

***OLFITRA** - Ohlthaver & List Finance and Trading Corporation Limited

***COFI** - Consortium Fisheries Limited (only includes significant subsidiaries)

***NBLIH** - NBL Investment Holdings (Proprietary) Limited (only includes significant subsidiaries)

***WUM** - WUM Properties Limited (only includes significant subsidiaries)

***BEV** - O&L Beverage Company (Proprietary) Limited

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

6. Investments in subsidiaries (continued)

Subsidiaries pledged as security

N\$ 100.0 million (2013: N\$ 100.0 million) of the shareholder's loan to O&L Beverage Company (Proprietary) Limited has been ceded/pledged to Bank Windhoek as security for the preference shares they hold. Refer to Note 22.

The company has deferred its right to claim repayment of debt owing to it of N\$ 382.3 million (2013: N\$ 353.1 million) by certain subsidiaries until the assets of these subsidiaries, fairly valued, exceeded their liabilities. At 30 June 2014 these subsidiaries' liabilities exceed their assets, fairly valued, by N\$ 270.4 million (2013: N\$ 286.9 million).

Aggregate profits/(losses) of subsidiaries

Aggregate profits	-	-	419 997	275 734
Aggregate losses	-	-	(31 114)	(31 330)
	-	-	388 883	244 404

Investments in subsidiaries comprises of:

Investments in subsidiaries at cost	-	-	88 724	88 723
Loans to group companies	-	-	1 375 315	1 214 020
Impairment of investments in subsidiaries	-	-	(326 000)	(309 908)
Loans from group companies	-	-	(362 639)	(248 252)
	-	-	775 400	744 583

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:

Sale of 4 000 shares in Hangan Seafood (Proprietary) Limited to non-controlling interest, reducing effective ownership interest from 97% to 96.7%	1 320	-	-	-
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The proceeds of N\$ 5 522 521 less the change of N\$ 1 320 017 of equity attributable to owners of the group resulted in a surplus on change of ownership of N\$ 4 202 504 which is included in retained income.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Investments in subsidiaries (continued)

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

	Place of incorporation and principal place of business	Proportion of ownership interest held by non-controlling interest 2014	Proportion of ownership interest held by non- controlling interest 2013	Profit (loss) allocated to non-controlling interest 2014 N\$'000	Profit (loss) allocated to non-controlling interest 2013 N\$'000	Accumulated non-controlling interest 2014 N\$'000	Accumulated non-controlling interest 2013 N\$'000
NBL Investment Holdings Group	Namibia	44.21 %	44.21 %	96 918	34 099	531 417	474 405

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra group eliminations.

NBL Investment Holdings Group

	Group 2014 N\$'000	Group 2013 N\$'000
Current assets	653 237	865 339
Non-current assets	1 394 353	1 303 931
Non-current assets held for sale	5 925	-
Current liabilities	402 205	677 873
Non-current liabilities	334 938	295 048
Equity attributable to owners of the Company	784 955	721 944
Non-controlling interests	531 417	474 405

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Investments in subsidiaries (continued)

NBL Investment Holdings Group

	Group 2014 N\$'000	Group 2013 N\$'000
Revenue	2 316 933	2 383 385
Expenses	(2 116 449)	(2 315 427)
Profit for the year	200 484	67 958
Profit attributable to owners of the parent	103 565	33 859
Profit attributable to non-controlling interest	96 917	34 099
Profit for the year	200 482	67 958
Other comprehensive income attributable to owners of the parent	129 887	35 771
Other comprehensive income attributable to non-controlling interest	120 625	34 099
Total comprehensive income for the year	250 512	69 870
Dividends paid to non-controlling interest	(63 613)	(56 763)
Net cash flows from operating activities	391 524	448 787
Net cash flows from investing activities	(269 086)	(407 960)
Net cash flows from financing activities	(334 319)	134 652

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

7. Investment in associate

Group

Name of company

	Nature of business	% holding 2014	% holding 2013	Carrying amount 2014 N\$ '000	Carrying amount 2013 N\$ '000
Dimension Data Namibia (Proprietary) Limited	Consulting services to supply electronic communication	49.00 %	49.00 %	7 180	5 718

Aggregated individually immaterial associates accounted for using the equity method

Total assets	44 038	35 034
Total liabilities	(24 745)	(18 724)
Revenue	72 574	90 545
Profit or loss	6 982	3 696
Group's share of associate's net assets	9 454	7 992
Group's share of profit for the year	3 421	1 811
Dividend income from associate	1 959	3 960

Associates with different reporting dates

The reporting date of Dimension Data Namibia (Proprietary) Limited is 30 September. The reporting date of the associate is different from the group because it is controlled by Dimension Data (South Africa) (Proprietary) Limited which has a 30 September reporting date

Fair value

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

Carrying value

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

Cost of investment	135	135	-	-
Share of associate's reserves				
Beginning of the year	5 583	7 732	-	-
Profit for the year	3 421	1 811	-	-
Dividends received	(1 959)	(3 960)	-	-
	7 180	5 718	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

8. Investments in joint ventures

Group

Name of company	Nature of business	% holding 2014	% holding 2013	Carrying amount 2014 N\$'000	Carrying amount 2013 N\$'000
SIP Project Management Namibia (Proprietary) Limited	Project management	25.50 %	25.50 %	-	-
DHN Drinks (Proprietary) Limited	Distribution and marketing	15.50 %	15.50 %	-	13 635
Brandtribe (Proprietary) Limited	Digital marketing	50.00 %	50.00 %	-	-
Natural Value Foods Namibia (Proprietary) Limited	Supply of fresh produce	48.90 %	48.90 %	1 117	1 156
				1 117	14 791

The carrying amounts of joint ventures are shown net of impairment losses.

The loan to DHN Drinks (Proprietary) Limited is unsecured and bears interest at JIBAR+2% and has no fixed repayment terms.

The full equity injection in the current year into DHN Drinks (Proprietary) Limited was in the form of loan funding of N\$ 104.6 million (2013: N\$ 192.6 million) of which N\$ 46.5 million (2013: N\$ 293.2 million) was capitalised during the year.

The unaudited loss as per SIP Project Management Namibia (Proprietary) Limited financial statements amounts to N\$ 1 098 907 for the year ended 30 June 2014 (2013: N\$ 719 385). The unrecognised share of losses of SIP Project Management Namibia (Proprietary) Limited for the group for 2014 amounts to N\$ 280 221, while the cumulative unrecognised share of losses amounts to N\$ 463 664 as at 30 June 2014.

The unaudited loss as per Brandtribe (Proprietary) Limited financial statements amounts to N\$ 1 076 210 for the year ended 30 June 2014 (2013: N\$ 959 719). The unrecognised share of losses of Brandtribe (Proprietary) Limited for the group for 2014 amounts to N\$ 538 105, while the cumulative unrecognised share of losses amounts to N\$ 1 017 965 as at 30 June 2014.

Material joint ventures

	Country of incorporation	Method	% Ownership interest	
			2014	2013
DHN Drinks (Proprietary) Limited	South Africa	Equity	15.5 %	15.5 %

The country of incorporation is the same as the principle place of business. The percentage voting rights is equal to the percentage ownership.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

8. Investments in joint ventures (continued)

Summarised financial information of material joint ventures

Summarised Statement of Comprehensive Income

	DHN Drinks (Proprietary) Limited	
	2014 N\$'000	2013 N\$'000
Revenue	4 552 411	4 222 042
Interest income	133	262
Other income and expenses	(5 297 681)	(5 098 564)
Interest expense	(53 171)	(100 505)
Profit before tax	(798 308)	(976 765)
Tax expense	-	(473 570)
Loss from continuing operations	(798 308)	(1 450 335)
Total comprehensive income	(798 308)	(1 450 335)
Royalties received from joint venture	72 508	70 456

Summarised Statement of Financial Position

	DHN Drinks (Proprietary) Limited	
	2014 N\$'000	2013 N\$'000
Assets		
Non current	356 000	344 000
Cash and cash equivalents	118	170
Current assets	1 023 882	890 830
Total assets	1 380 000	1 235 000
Liabilities		
Current financial liabilities	1 428 000	800 600
Total current liabilities	1 428 000	800 600
Total net assets	(48 000)	434 400

The summarised information presented above reflects the financial statements of the joint ventures after adjusting for differences in accounting policies between the group and the joint venture.

	2014 N\$'000	2013 N\$'000
Aggregated share of individually immaterial joint ventures accounted for using the equity method		
Profit from continuing operations	645	279
Post tax profit	432	184
Total comprehensive income	432	184

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
8. Investments in joint ventures (continued)				
Fair value				
Carrying value				
Cost of investment				
Beginning of the year	599 185	305 925	-	-
Equity injection into joint venture: equity	46 500	293 260	-	-
Equity injection into joint venture: loan	58 125	-	-	-
Share of joint venture reserves				
Beginning of the year	(584 394)	(287 409)	-	-
Loss for the year from ongoing operations	(119 910)	(108 896)	-	-
Loss for the year from deferred tax asset write down	-	(188 089)	-	-
Accrued interest on loan	2 081	-	-	-
Loan repayment	(470)	-	-	-
	1 117	14 791	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
9. Other financial assets				
At fair value through profit or loss - held for trading				
Foreign exchange contracts	470	201	-	-
Fuel options	-	391	-	-
	470	592	-	-
Available-for-sale				
Unlisted investments	14	14	-	-
Loans and receivables				
HW Freyer	225	2 388	-	-
The loan to HW Freyer represents the present value of future amounts receivable from the sale of lucerne fields of Farm Otavifontein. The loan is repayable at N\$ 129 359 (2013: N\$ 124 384) per month and bears interest at a fixed rate of 10.5% (2013: 10.5%). The remaining period of the loan was renegotiated and is 2 months (2013: 21 months).				
L Heydenrich	493	493	-	-
The loan to L Heydenrich bears interest at 0% (2013: 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.				
Token Fisheries (Proprietary) Limited	4 707	-	-	-
The loan to Token Fisheries (Proprietary) Limited bears interest at Nedbank Prime and has a term of not more than 10 years starting from September 2013.				
	5 425	2 881	-	-
Total other financial assets	5 909	3 487	-	-
Non-current assets				
Available-for-sale	14	14	-	-
Loans and receivables	5 200	1 742	-	-
	5 214	1 756	-	-
Current assets				
At fair value through profit or loss - held for trading	470	592	-	-
Loans and receivables	225	1 139	-	-
	695	1 731	-	-
	5 909	3 487	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

9. Other financial assets (continued)

Fair value information

Financial assets at fair value through profit or loss are recognised at fair value, which is therefore equal to their carrying amounts.

The fair value of financial assets with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

The fair value of other financial assets (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives.

Foreign currency forward contracts and options are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps and collars are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Holdings in unlisted shares are measured at cost.

Fair value hierarchy of financial assets at fair value through profit or loss

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies to inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies to inputs which are not based on observable market data.

Level 2

Foreign exchange contracts	470	201	-	-
Fuel options	-	391	-	-
	470	592	-	-

The group has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

Refer to Note 45 for derivative financial instruments information.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

9. Other financial assets (continued)

Fair values of loans and receivables

HW Freyer	225	2 995	-	-
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The fair value was determined using the discounted cash flow method. The interest rate used to discount the cash flows was the weighted average rate of interest of 9.3% at 30 June 2014 (2013: 9.3%)

This fair value would be categorised within level 3 in the fair value hierarchy.

Except as detailed in the table above, the Directors consider that the carrying amounts of financial assets recorded at amortised cost in the financial statements approximate their fair values. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Credit quality of other financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

10. Non-current receivables

Consist of:

Tenant commission	2 349	3 190	-	-
Tenant allowances	7 860	10 170	-	-
Deferred rental	37 054	34 056	-	-
	47 263	47 416	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
11. Deferred tax				
Deferred taxation liability				
Analysis for financial reporting purposes				
Deferred taxation assets	21 940	38 965	-	-
Deferred taxation liabilities	(385 732)	(294 562)	-	-
	(363 792)	(255 597)	-	-
Deferred taxation liability arises from:				
Fixed asset allowances	(554 097)	(455 401)	-	-
Provisions	4 629	10 381	-	-
Retirement benefit obligations	11 597	11 390	-	-
Tax losses available for set off against future taxable income	203 078	208 071	-	-
Customer deposits	15 273	11 118	-	-
Prepayments	(22 148)	(7 379)	-	-
Deferred rentals	(9 767)	(11 806)	-	-
Other deferred taxation	(12 357)	(21 971)	-	-
	(363 792)	(255 597)	-	-
Reconciliation of deferred taxation liability				
At beginning of the year	(255 597)	(215 546)	-	-
Charge to profit or loss for the year	(79 461)	(38 751)	-	-
Charge to other comprehensive income for the year	(28 734)	(1 300)	-	-
	(363 792)	(255 597)	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
12. Loans to/(from) related parties				
Non-current assets	1 008	-	1 008	-
Current assets	162 246	113 568	11	688
Non-current liabilities	(10 636)	(12 506)	(10 636)	(12 506)
Current liabilities	(12 283)	(4 363)	(1 602)	(1 651)
	140 335	96 699	(11 219)	(13 469)
Directors and past directors	(12 217)	(13 856)	(12 238)	(13 876)
DHN Drinks (Proprietary) Limited	147 079	90 587	-	-
Dimension Data Namibia (Proprietary) Limited	(4 446)	(1 317)	-	-
Natural Value Foods Namibia (Proprietary) Limited	(3 977)	(26)	-	-
Heineken South Africa Export Company (Proprietary) Limited	11 138	3 682	-	-
List Trust Company (Proprietary) Limited	1 008	688	1 008	688
Ohlthaver & List Holdings (Proprietary) Limited	27	(265)	11	(281)
The Werner List Trust	3 605	1 022	-	-
The Jupiter Drawing Room (Cape Town) (Proprietary) Limited	(372)	-	-	-
Ohlthaver & List Employee Catastrophe Fund Trust	(1 308)	(1 294)	-	-
Diageo South Africa (Proprietary) Limited	-	14 803	-	-
Diageo Great Britain Limited	-	1 938	-	-
SIP South Africa (Proprietary) Limited	107	-	-	-
Broll South Africa (Proprietary) Limited	(577)	-	-	-
Brandtribe (Proprietary) Limited	268	737	-	-
	140 335	96 699	(11 219)	(13 469)

Loans from directors represent facilities obtained at First National Bank Limited in the names of two of the Directors. These facilities were advanced to Ohlthaver & List Finance and Trading Corporation Limited. Any costs incurred by the Directors on those facilities are recovered from Ohlthaver & List Finance and Trading Corporation Limited.

The Directors' loans bear interest at an average rate of prime less 1% (2013: prime less 1%) and are repayable in monthly instalments of N\$ 226 260 (2013: N\$ 226 260) over an average remaining period of 119 months (2013: 131 months).

The DHN Drinks (Proprietary) Limited loan bears no interest and has 30 days (2013 : 30 days) from statement repayment terms.

The loan from the Ohlthaver & List Employee Catastrophe Fund Trust bears interest at prime less 2% (2013: prime less 2%) and no repayment terms have been set.

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

For detailed related party information refer to Note 46.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
12. Loans to/(from) related parties (continued)				
Loans to/(from) related parties are analysed as:				
Non-current assets				
List Trust Company (Proprietary) Limited	1 008	-	1 008	-
Current assets				
Directors and past directors	21	20	-	-
DHN Drinks (Proprietary) Limited	147 079	90 587	-	-
Dimension Data Namibia (Proprietary) Limited	1	91	-	-
Heineken South Africa Export Company (Proprietary) Limited	11 138	3 682	-	-
List Trust Company (Proprietary) Limited	-	688	-	688
Ohlthaver & List Holdings (Proprietary) Limited	27	-	11	-
The Werner List Trust	3 605	1 022	-	-
Diageo South Africa (Proprietary) Limited	-	14 803	-	-
Diageo Great Britain Limited	-	1 938	-	-
Brandtribe (Proprietary) Limited	268	737	-	-
SIP Project Managers (Namibia) (Proprietary) Limited	107	-	-	-
	162 246	113 568	11	688
Non-current liabilities				
Directors and past directors	10 636	12 506	10 636	12 506
Current liabilities				
Directors and past directors	1 602	1 370	1 602	1 370
Dimension Data Namibia (Proprietary) Limited	4 447	1 408	-	-
Natural Value Foods Namibia (Proprietary) Limited	3 977	26	-	-
Broll South Africa (Proprietary) Limited	577	-	-	-
Ohlthaver & List Employee Catastrophe Fund Trust	1 308	1 294	-	-
Ohlthaver & List Holdings (Proprietary) Limited	-	265	-	281
The Jupiter Drawing Room (Capetown) (Proprietary) Limited	372	-	-	-
	12 283	4 363	1 602	1 651

Fair value of loans to/(from) related parties

The Directors consider that the carrying amounts of loans with related parties approximate their fair value.

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above.

Loans to related parties pledged as collateral

Total financial assets pledged as collateral	158 239	111 046	-	-
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These assets are encumbered to secure liabilities as per Note 22.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

13. Inventories

Raw materials	75 722	96 445	-	-
Work in progress	28 589	23 703	-	-
Finished goods	85 720	138 327	-	-
Merchandise	97 997	81 725	-	-
Consumable stores	101 514	93 586	-	-
	389 542	433 786	-	-
Provision for obsolete stock	(6 594)	(5 434)	-	-
	382 948	428 352	-	-

Included in the amount above are the following inventories carried at net realisable value:

Carrying value of inventories carried at fair value less costs to sell	436	4	-	-
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The inventories carried at net realisable value consisted of finished goods of N\$ 436 138 (2013: N\$ 3 837).

14. Trade and other receivables

Trade receivables (net of allowance for doubtful debts)	324 248	285 228	-	-
Prepayments	19 648	10 502	-	-
Deposits	10 692	13 915	-	-
Value-added taxation	37 226	43 266	117	250
Deferred rental	72	2 380	-	-
Promotional and buying incentives	8 931	6 614	-	-
Fuel rebate	2 820	2 261	-	-
Tenant allowances and commissions	3 172	3 476	-	-
Other receivables	17 058	24 523	-	-
	423 867	392 165	117	250

Trade and other receivables pledged as security

N\$ 214 246 738 (2013: N\$ 191 942 827) of these assets are encumbered to secure liabilities as per Note 22.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to past default experience.

Fair value of trade and other receivables

The Directors consider that the carrying amount of trade and other receivables approximate their fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

14. Trade and other receivables (continued)

Trade and other receivables past due but not impaired

The average credit period on sales of goods of the group is 42.73 days (2013: 43.12 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. At 30 June 2014, N\$ 192 294 026 (2013: N\$ 80 651 678) were past due but not impaired. The group has not provided for these as there has not been a significant change in credit quality.

The group does not hold any collateral over these balances.

The ageing of amounts past due but not impaired is as follows:

30 – 60 days	104 641	38 391	-	-
60 – 90 days	50 914	15 475	-	-
> 90 days	36 739	26 786	-	-
	192 294	80 652	-	-

Trade and other receivables impaired

As of 30 June 2014, trade and other receivables of N\$ 6 866 593 (2013: N\$ 6 823 061) were impaired and provided for.

Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds.

The ageing of these impaired receivables is as follows:

10–90days	421	305	-	-
90–120days	330	272	-	-
120+days	6 116	6 246	-	-
	6 867	6 823	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

14. Trade and other receivables (continued)

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(6 823)	(7 883)	-	-
Impairment losses recognised	(3 401)	(5 134)	-	-
Amounts written off as uncollectable	2 082	5 017	-	-
Amounts recovered during the year	1 275	1 177	-	-
	(6 867)	(6 823)	-	-

The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

15. Construction contracts and receivables

Contracts in progress at the end of the reporting period

Construction contract receivables	388	115	-	-
Consisting of:				
Construction costs incurred plus recognised profits less recognised losses to date	505	425	-	-
Less: Progress billing	(117)	(310)	-	-
	388	115	-	-

16. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	812	801	-	-
Bank balances	178 865	59 441	50 877	27
Short-term deposits	2 756	230 165	-	-
	182 433	290 407	50 877	27

The carrying amount of these assets approximates their fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

17. Non-current assets held for sale

The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:

Net assets of disposal group

Non-current assets held for sale

Property, plant and equipment	5 925	1 179	-	-
Investment property	450	16 300	-	-
	6 375	17 479	-	-

Non-current assets classified as held for sale consist of:

Property, plant and equipment	5 925	-	-	-
ERF 331 L - Lüderitz	450	300	-	-
ERF 282A - Windhoek	-	16 000	-	-
Keetmanshoop depot	-	1 179	-	-
	6 375	17 479	-	-

The net carrying amount of Held-for-sale includes the following property held under mortgage bonds:

ERF 282A Cross-bonded at Bank Windhoek for 1st and 2nd bond (B757/2006) of N\$ 6.18 million	-	16 000	-	-
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2014

Erf 331 Lüderitz was revalued by P J Schultz, an independent, professional valuator, based on the comparative sales method, to reflect the fair value less costs to sell.

The transfer of Erf 282 to Guinea Fowl Investments Twelve (Proprietary) Limited is expected to be concluded by 30 September 2014, which will simultaneously become a new subsidiary of the Group, for the purchase price of N\$ 16 000 000, payable by creation of a loan account which will rank before other unsecured creditors. The property will be sold subject to WUM Properties Limited obtaining the required municipal clearance certificates. WUM Properties Limited gives no warranty in regard to the building and any improvements upon the property. As a result the property is classified as property, plant & equipment at Group level.

Included in non-current assets held for sale is a vacant erf in Lüderitz.

Also included are Camelthorn Brewing assets. The brewing assets were classified as held for sale on 30 April 2014 as the Group intends to sell the assets within the next 12 months.

2013

The intention remained to sell Erf 282A during the 2014 financial year to Guinea Fowl Investments Twelve (Pty) Ltd for the purchase price of N\$ 16 000 000 payable by the creation of a loan account which will be payable on demand to WUM Properties Ltd. The property is to be sold "voetstoots" and WUM Properties gives no warranty in regard to the building and any improvements upon the property. The sale was expected to be finalised before June 2014.

Also included in non-current assets classified as held for sale is a vacant erf in Lüderitz.

Freehold land and buildings comprise vacant unused land in Keetmanshoop which was sold in July 2013.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
18. Issued share capital and share premium				
Authorised				
12 000 000 (2013: 12 000 000) Ordinary shares of N\$ 0.50 each	6 000	6 000	6 000	6 000
Issued				
5 492 917 (2013: 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

6 507 083 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.

19. Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign subsidiaries from their functional currencies to the Group'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	-	-	-	-
Exchange differences arising on translating foreign subsidiaries	(66)	-	-	-
Exchange differences attributable to non-controlling interest	29	-	-	-
	(37)	-	-	-

20. 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	532 174	477 332	-	-
Increase arising on revaluation of properties	180 029	60 883	-	-
Deferred tax liability arising on revaluation	(28 734)	(1 300)	-	-
Revaluation attributable to non-controlling interest	(37 487)	(1 912)	-	-
Transferred to retained earnings	(294)	(2 829)	-	-
	645 688	532 174	-	-

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 Epia Investment Holdings (Proprietary) Limited.

Balance at the end of the year	54 949	54 949	54 949	54 949
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
22. Other financial liabilities				
At fair value through profit or loss				
Foreign exchange contracts	3 308	7 126	-	-
Interest rate swaps	-	2 845	-	-
	3 308	9 971	-	-
Held at amortised cost				
Bank overdrafts	30 263	65 976	-	8 007
Instalment sale creditors	108 704	114 739	-	-
Promissory loans	50 255	50 237	50 255	50 237
Preference share capital	304 013	229 762	-	-
Mortgage bond	669 440	866 627	-	-
Unsecured Domestic Medium Term notes	158 939	75 776	158 939	75 776
	1 321 614	1 403 117	209 194	134 020
	1 324 922	1 413 088	209 194	134 020

Bank overdraft facilities have been provided by Standard Bank of Namibia Limited, Bank Windhoek Limited, Nedbank Namibia Limited, First National Bank of Namibia Limited and ABSA Bank Limited and bear interest at between prime and prime + 1% (2013: between prime and prime + 1%) and are renegotiated every year.

The liabilities above are secured by encumbered assets as per Note 2, Note 3, Note 6, Note 12 and Note 14.

Non-current liabilities

At amortised cost	978 260	965 035	109 167	125 000
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Current liabilities

Fair value through profit or loss	3 308	9 971	-	-
At amortised cost	343 354	438 082	100 027	9 020
	346 662	448 053	100 027	9 020
	1 324 922	1 413 088	209 194	134 020

Fair value of the financial liabilities carried at amortised cost

Mortgage bond - First National Bank of Namibia Limited	409 302	505 404	-	-
Unsecured Domestic Medium Term Notes - DMT Notes OL001	25 466	26 585	25 466	26 585

These fair values would be categorised within level 3 in the fair value hierarchy.

Except as detailed in the table above, the Directors consider that the carrying amounts of financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

The fair values of these financial instruments were determined using the discounted cash flow method. The interest rate used to discount the cash flows was prime rate at 30 June 2014 (2013: prime rate).

The total amount of undrawn facilities available for future operating activities and commitments	81 340	51 583	11 725	3 785
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

22. Other financial liabilities (continued)

The carrying amounts of financial liabilities at fair value through profit or loss are denominated in the following currencies:

Namibia Dollar	680	3 223	-	-
US Dollar	2 150	5 369	-	-
EURO	478	1 379	-	-
	3 308	9 971	-	-

The carrying amounts of financial liabilities at amortised cost are denominated in the following currencies:

Namibia Dollar	1 071 566	1 073 449	75 722	83 710
South Africa Rand	250 048	329 668	133 472	50 310
	1 321 614	1 403 117	209 194	134 020

Other financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are recognised at fair value, which is therefore equal to their carrying amounts.

The fair value of financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

The fair value of other liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives.

Foreign currency forward contracts and options are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps and collars are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Refer to Note 45 for derivative financial instruments information.

Fair value hierarchy of financial liabilities at fair value through profit or loss

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 represents those liabilities which are measured using unadjusted quoted prices for identical liabilities.

Level 2 applies to inputs other than quoted prices that are observable for the liabilities either directly (as prices) or indirectly (derived from prices).

Level 3 applies to inputs which are not based on observable market data.

Level 2				
Foreign exchange contracts	3 308	7 126	-	-
Interest rate swaps	-	2 845	-	-
	3 308	9 971	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

22. Other financial liabilities (continued)

Preference share capital

Authorised

200 (2013: 200) variable rate, redeemable, cumulative preference shares of N\$ 0.0002 each	-	-	-	-
2 000 (2013: 2 000) variable rate, redeemable, cumulative preference shares of N\$ 1.00 each	2	2	-	-
10 000 (2013: 10 000) variable rate, redeemable, cumulative preference shares of N\$ 0.01 each	-	-	-	-
	2	2	-	-

Issued

89 (2013: 94) variable rate, redeemable, cumulative preference shares of N\$ 0.0002 each	-	-	-	-
1 675 (2013: 675) variable rate, redeemable, cumulative preference shares of N\$ 1.00 each	2	1	-	-
510 (2013: 510) variable rate, redeemable, cumulative preference shares of N\$ 0.01 each	-	-	-	-
Share premium	302 298	228 499	-	-
Accrued preference share dividend	1 713	1 262	-	-
	304 013	229 762	-	-

The preference shares (including accrued interest) can be allocated as follows:

	Interest rate 2014 %	Interest rate 2013 %	Group 2014 N\$'000	Group 2013 N\$'000
Bank Windhoek Limited	69-72% of prime	68-71% of prime	148 319	67 859
Standard Bank of Namibia Limited	73% of JIBAR	73% of JIBAR	104 421	110 622
Bank Windhoek Limited	73.5% of prime	72.5% of prime	51 273	51 281

N\$ 105 million (2013: N\$ 111 million) of the preference shares are redeemable over a ten-year period in equal quarterly redemptions, which escalate annually.

N\$ 23.5 million (2013: N\$ 23.5 million), N\$ 11 million (2013: N\$ 11 million) N\$ 13 million (2013: N\$ 13 million), N\$ 26.5 million (2013: N\$ NIL), N\$ 29 million (2013: N\$ NIL) and N\$ 44.5 million (2013: N\$ NIL) of the Bank Windhoek preference shares are redeemable over a 12 month (2013: 24 month), 24 month (2013: 36 month), 36 month (2013: 48 month), 48 month (2013: 0 month), 60 months (2013: 0 month) and 72 month (2013: 0 month) period respectively in six-monthly redemptions, which escalate annually.

The company has provided unlimited suretyship in favour of Bank Windhoek Limited as security for the abovementioned borrowings.

During 2012, by a special resolution NBL Investment Holdings (Proprietary) Limited created 10 000 cumulative, variable rate, redeemable preference shares of N\$ 0.01 each and subsequently issued 510 shares at a premium of N\$ 99 999.99.

The variable rate, redeemable, cumulative preference shares of N\$ 0.01 each are redeemable in three instalments as follows: N\$ 15 million on 31 May 2017, N\$ 15 million on 31 May 2018 and N\$ 21 million on 31 May 2019.

The unissued 111 variable rate, redeemable, cumulative preference shares of N\$ 0.0002 each are under the control of the Directors. This authority expires at the next Annual General Meeting of WUM Properties Limited. Members will accordingly be asked to extend this said authority until the Annual General Meeting to be held in 2015.

The unissued 325 variable rate, redeemable, cumulative preference shares of N\$ 1.00 each are under the control of the Directors of O&L Beverages (Proprietary) Limited.

The unissued 9 490 variable rate, redeemable, cumulative preference shares of N\$ 0.01 each are under the control of the Directors of NBL Investment Holdings (Proprietary) Limited.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22. Other financial liabilities (continued)

Mortgage bond

Group

	Interest rate 2014 %	Interest rate 2013 %	Group 2014 N\$ '000	Group 2013 N\$ '000
Agribank of Namibia				
N\$ 865 646 (2013: N\$ 865 646) half-yearly	Prime - 0.5%	Prime - 0.5%	2 482	3 087
N\$ 3 303 748 (2013: N\$ 3 303 748) annually	Prime - 0.75%	Prime - 0.75%	21 690	25 380
			24 172	28 467
Bank Windhoek Limited				
N\$ 99 417 (2013: N\$ 145 532) monthly	Prime - 1%	Prime - 1%	1 541	2 618
N\$ 133 881 (2013: N\$ 136 389) monthly	Prime + 1%	Prime + 1%	9 447	9 369
N\$ 430 017 (2013: N\$ 427 862) monthly	Prime - 2%	Prime - 2%	16 923	20 711
N\$ 129 859 (2013: N\$ 129 058) monthly	Prime	Prime	6 149	7 093
			34 060	39 791
First National Bank of Namibia Limited				
N\$ 4 503 (2013: N\$ NIL) monthly	Prime	-	177	-
Variable instalments monthly	11.62%	11.30%	434 674	451 381
			434 851	451 381
Firststrand Bank Limited				
Repayment due by 30 June 2015 in Rand	JIBAR + 1.85%	JIBAR + 1.85%	100 000	180 000
Standard Bank of Namibia Limited				
N\$ 621 412 (2013: N\$ 717 151) monthly	Prime - 1%	Prime - 1%	31 263	35 963
Development Bank of Namibia				
N\$ 556 433 (2013: N\$ 692 993) monthly	Prime - 2%	Prime - 2%	28 518	31 667
ABSA Bank Limited				
12 equal monthly instalments from July 2013	-	JIBAR + 2.15%	-	80 000
R 362 962 (2013: R 362 704)	SA Prime	SA Prime	16 576	19 358
			16 576	99 358
Total Group				
Total mortgage and other secured loans			669 440	866 627

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22. Other financial liabilities (continued)

Unsecured domestic medium term notes and promissory notes

Group and Company

	Interest rate 2014 %	Interest rate 2013 %	Group & Company 2014 N\$ '000	Group & Company 2013 N\$ '000
DMT Notes OL001	12.72%	12.72%	25 466	25 466
DMT Notes OL003	JIBAR + 5.65%	JIBAR + 5.65%	50 314	50 310
DMT Notes OL004	JIBAR + 3.6%	-	83 159	-
Promissory notes	JIBAR + 3.8%	JIBAR + 3.8%	50 255	50 237
			209 194	126 013

During the financial year ended 30 June 2010, the company entered into the (N\$ 500 000 000) Ohlthaver & List Finance and Trading Corporation Limited Domestic Medium Term (DMT) Note Programme listed on the Namibian Stock Exchange. In terms of this Programme, the company may from time to time issue listed and/or unlisted notes.

The DMT Notes OL001 (unlisted) were issued on 6 November 2009 at a nominal amount of N\$ 25 000 000. The Notes carry interest at a fixed rate of 12.717% p.a. payable six-monthly in arrears on 6 May and 6 November each year until the maturity date of 6 November 2014. The capital is repayable at maturity. The holder of the Notes is Standard Bank (Namibia) Nominees (Proprietary) Limited.

Tranche 1 of the DMT Notes OL003 (unlisted) was issued on 12 December 2011 at a nominal amount of N\$ 20 000 000. Tranche 2 was issued on 10 March 2012 following the roll-over of DMT Notes OL002 at a nominal amount of N\$ 30 000 000, bringing the total nominal amount issued for DMT Notes OL003 to N\$ 50 000 000. The Notes carry interest at a floating rate of SA JIBAR 3 month plus 565 basis points. The interest is payable three-monthly in arrears on 10 March, 10 June, 10 September and 10 December each year until the maturity date of 10 December 2014. The capital is repayable at maturity. The holder of the Notes is First National Bank Nominees (Namibia) (Proprietary) Limited.

The DMT Notes OL004 (listed) were issued on 30 August 2013 at a nominal amount of ZAR 100 000 000. The Notes carry interest at a floating rate of SA JIBAR 3 month plus 360 basis points payable three monthly in arrears on 28 February, 30 May, 30 August and 30 November each year until maturity date of 30 August 2016. The capital is repayable on 28 February, 30 May, 30 August and 30 November each year at ZAR 5 833 333 with a final payment of ZAR 35 833 337. The holder of the Notes is Liberty Group Limited.

The Promissory Notes (unlisted) were issued on 12 December 2012 at a nominal amount of N\$ 50 000 000. The Notes carry interest at a floating rate of SA JIBAR 3 month plus 380 basis points, payable three monthly in arrears on 12 March, 12 June, 12 September and 12 December each year until the maturity date of 11 December 2014. The capital is repayable at maturity. The holder of the Notes is Old Mutual Investment Group.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22. Other financial liabilities (continued)

Instalment sale creditors

Group

	Interest rate 2014 %	Interest rate 2013 %	Group 2014 N\$ '000	Group 2013 N\$ '000
Bank Windhoek Limited				
N\$ 45 902 (2013: N\$ 59 164) monthly	Prime	Prime	224	768
N\$ 470 799 (2013: N\$ 563 559) monthly	Prime - 1%	Prime - 1%	12 654	26 184
N\$ 513 122 (2013: N\$ 513 122) monthly	Prime - 2%	Prime - 2%	3 548	9 221
N\$ 177 574 (2013: N\$ 177 574) monthly	Prime + 0.5%	Prime + 0.5%	7 982	670
			24 408	36 843
Nedbank Namibia Limited				
N\$ 990 750 (2013: N\$1 012 980) monthly	Prime	Prime	12 194	22 913
N\$ 325 294 (2013: N\$ 807 295) monthly	Prime - 1.25%	Prime - 1.25%	10 397	25 737
N\$ 1 097 700 (2013: N\$ 714 352) monthly	Prime - 2%	Prime - 2%	28 107	19 257
			50 698	67 907
First National Bank of Namibia Limited				
N\$ 146 262 (2013: N\$ 223 687) monthly	Prime - 2%	Prime - 2%	2 414	3 924
Standard Bank of Namibia Limited				
N\$ 72 715 (2013: N\$ 72 574) monthly	Prime - 1%	Prime - 1%	1 307	1 974
N\$ 945 109 (2013: N\$ 449 059) monthly	Prime - 2%	Prime - 2%	26 485	4 091
			27 792	6 065
Wesbank Limited				
N\$ 73 303 (2013: N\$ NIL) monthly	9.2%	-	3 392	-
Total Group				
Total instalment sale creditors			108 704	114 739

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

22. Other financial liabilities (continued)

Details of current portions

Fair value through profit or loss

Foreign exchange contracts	3 308	7 126	-	-
Interest rate swaps	-	2 845	-	-
	3 308	9 971	-	-

At amortised cost

Bank overdrafts	30 263	64 509	-	8 007
Redeemable preference shares	33 213	27 462	-	-
Mortgage bond	138 937	306 946	-	-
Unsecured Domestic Medium Term notes	99 772	776	99 772	776
Promissory notes	255	237	255	237
Instalment sale creditors	40 914	38 152	-	-
	343 354	438 082	100 027	9 020

23. Finance lease obligation

Non-current liabilities	34 718	38 948	-	-
Current liabilities	22 618	23 632	-	-
	57 336	62 580	-	-
Minimum lease payments due				
- within one year	25 850	25 894	-	-
- in second to fifth year inclusive	42 810	45 525	-	-
- later than five years	-	3 184	-	-
	68 660	74 603	-	-
less: future finance charges	(11 324)	(12 023)	-	-
Present value of minimum lease payments	57 336	62 580	-	-

Liabilities above are secured by encumbered assets as per Note 2.

Currencies - At amortised cost

The carrying amounts of finance lease liabilities are denominated in the following currencies:

Namibia Dollar	56 566	62 580	-	-
Botswana Pula	770	-	-	-
	57 336	62 580	-	-

The fair value of finance lease liabilities approximates their carrying amounts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

23. Finance lease obligation (continued)

Lease creditors

Group

	Interest rate 2014 %	Interest rate 2013 %	Group 2014 N\$ '000	Group 2013 N\$ '000
Avis Fleet Services				
N\$ 676 359 (2013: N\$ 536 280) and BWP 17 137 (2013: BWP NIL) monthly	Prime	Prime	18 399	17 706
N\$ 199 964 (2013: N\$ 197 824) monthly	Prime - 1.25%	Prime - 1.25%	8 259	7 634
N\$ 103 598 (2013: N\$ 71 692) monthly	Prime - 2%	Prime - 2%	1 083	1 379
N\$ 151 600 (2013: N\$ 92 468) monthly	Prime - 3%	Prime - 3%	2 564	2 045
N\$ 4 113 (2013: N\$ 4 113) monthly	Prime - 0.75%	Prime - 0.75%	-	105
			30 305	28 869
Forklift & Allied				
N\$ 121 074 (2013: N\$ 121 074) monthly	Prime	Prime	2 630	3 509
Eqstra Fleet Services				
N\$109 986 (2013: N\$ 109 986) monthly	Prime + 0.5%	Prime + 0.5%	3 320	4 266
Omatemba Fleet Services				
N\$ 1 032 632 (2013: N\$ 971 063) monthly	Prime	Prime	20 500	24 639
Bank Windhoek Limited				
N\$ NIL (2013: N\$ 25 061) monthly	-	Prime +0.5%	-	1 122
First National Bank Limited				
N\$ NIL (2013: N\$ 4 503) monthly	-	Prime	-	175
Micros SA				
N\$ 21 324 (2013: N\$ NIL)	12%	-	581	-
Total Group				
Total lease creditors			57 336	62 580

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
24. Provisions				
Non-current liabilities	43 280	41 584	-	-
Current liabilities	881	865	-	-
	44 161	42 449	-	-

Reconciliation of provisions - Group - 2014

	Opening balance N\$ '000	Amounts charged to profit or loss N\$ '000	Employer benefit payments N\$ '000	Total N\$ '000
Provision for post-retirement medical aid costs	17 856	(558)	(1 101)	16 197
Provision for severance pay	24 593	4 423	(1 052)	27 964
	42 449	3 865	(2 153)	44 161

Reconciliation of provisions - Group - 2013

	Opening balance N\$ '000	Amounts charged to profit or loss N\$ '000	Employer benefit payments N\$ '000	Total N\$ '000
Provision for post-retirement medical aid costs	16 119	2 784	(1 047)	17 856
Provision for severance pay	21 934	3 279	(620)	24 593
Provision for probable claims	224	(224)	-	-
	38 277	5 839	(1 667)	42 449

An independent actuarial valuation of the provision for post-retirement medical aid costs and the provision for severance pay was performed by Alexander Forbes Financial Services at 30 June 2014.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

24. Provisions (continued)

Amounts charged to profit or loss consist of:

Group - 2014

	Provision for post-retirement medical aid costs N\$ '000	Provision for severance pay N\$ '000	Total N\$ '000
Interest cost	1 371	2 106	3 477
Actuarial (gain)/loss	(1 515)	1 427	(88)
Service costs	(192)	2 198	2 006
Utilisation	(222)	(1 308)	(1 530)
	(558)	4 423	3 865

Group - 2013

	Provision for post-retirement medical aid costs N\$ '000	Provision for severance pay N\$ '000	Provision for probable claims N\$ '000	Total N\$ '000
Interest cost	1 276	1 955	-	3 231
Actuarial loss	1 696	413	-	2 109
Service costs	-	1 752	-	1 752
Utilisation	(188)	(841)	(224)	(1 253)
	2 784	3 279	(224)	5 839

Provision for post-retirement medical aid costs

The group 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 inservice members is accrued over the expected working lifetime.

The most significant assumptions used are a discount rate of 8.60% (2013: 7.70%) and a health care cost inflation rate of 8.50% (2013: 8.10%). 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.

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 2014 will decrease by N\$ 1.339 million (2013: N\$ 1.597 million) or increase by N\$ 1.541 million (2013: N\$ 1.857 million) respectively; and

The current service cost and interest cost will decrease by N\$ 0.102 million (2013: N\$ 0.123 million) or increase by N\$ 0.144 million (2013: N\$ 0.143 million) respectively.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

24. Provisions (continued)

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 inservice members is accrued over the expected working lifetime.

The most significant assumptions used are a discount rate of 8.80% (2013: 8.20%), an inflation rate of 6.10% (2013: 5.80%) and a salary increase rate of 6.10% (2013: 5.80%).

25. Non-current payables

Consists of:

Tenant deposits	3 362	3 449	-	-
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26. Deferred income

In May 2014, a non-repayable interest free loan of N\$4 900 000 was received from the Kasika Conservancy. The funds were received to defray part of the expenditure incurred in re-establishing and rebuilding a lodge, accordingly the amount is being recognised in profit or loss over the period of 20 years.

Non-current liabilities	4 900	-	-	-
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27. Trade and other payables

Trade payables	430 264	489 398	-	1
Crates control account	6 783	5 589	-	-
Value-added taxation	2 582	6 333	-	-
Accrued leave pay	28 028	25 999	-	-
Accrued bonus	66 561	65 060	-	-
Provision for discounts	9 621	-	-	-
Excise duties	39 306	52 611	-	-
Accrued reimbursements	5 000	8 144	-	-
Value-added taxation on imports	2 885	1 158	-	-
Accrued audit fees	2 524	2 957	794	734
Deposits received	34 597	32 706	-	-
Quota levies	3 148	4 320	-	-
Other payables	35 108	22 102	-	-
Other accrued expenses	88 879	76 858	543	760
	755 286	793 235	1 337	1 495

Fair value of trade and other payables

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 has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
28. Revenue				
Sale of goods	4 671 652	4 337 262	-	-
Rendering of services	56 719	58 146	-	-
Insurance premiums received	-	-	1 100	750
Royalty income	72 508	69 071	-	-
Rental income	124 164	116 652	-	-
Dividends received	-	-	38 358	29 517
Quota levy income	2 783	1 943	-	-
Sale of scrap	-	153	-	-
Other revenue	817	2 434	-	-
	4 928 643	4 585 661	39 458	30 267

Inclusive of:

Export sales	1 332 826	1 512 976	-	-
Revenue from subsidiaries and other related parties (Note 46)	1 030 380	1 418 375	39 458	30 267

The rental income from Wernhil Park and Alexander Forbes House has been ceded to the First National Bank of Namibia Limited.

29. Cost of sales**Sale of goods**

Cost of goods sold	3 421 879	3 268 676	-	-
Cost of rendering of service	29 133	39 879	-	-
Gains on biological assets and agricultural produce	(73 630)	(77 670)	-	-
	3 377 382	3 230 885	-	-

30. Operating expenses**Costs by function**

Distribution costs	12 135	9 980	-	-
Administrative expenses - restated	482 955	437 596	3 639	3 860
Other expenses - restated	453 219	351 204	16 087	22 553
	948 309	798 780	19 726	26 413

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
31. Operating profit				
Operating profit for the year is stated after accounting for the following:				
Income from related parties				
Dividends	-	-	38 358	29 517
Insurance premiums received	-	-	1 100	750
Management fees received	1 211	1 331	-	-
Royalties	72 508	70 456	-	-
Sales	1 030 380	1 418 376	-	-
Expenses to related parties				
Directors' remuneration	23 374	23 187	23 374	23 187
Management fees	6 014	5 544	-	-
Purchases	81 213	69 167	-	-
Royalties	4 115	2 713	-	-
Fees for professional services				
Administrative services	72	1	72	1
Technical services	192	456	138	5
Audit fees - current year	7 362	6 257	1 129	849
Audit fees - other services	611	178	-	-
Operating lease charges				
Premises				
• Contractual amounts	45 012	24 216	-	-
Motor vehicles				
• Contractual amounts	4 370	3 653	-	-
Equipment				
• Contractual amounts	1 964	1 583	-	-
• Contingent amounts	160	201	-	-
Operating lease charges				
(Loss) / profit on disposal of property, plant and equipment	(5 660)	4 765	-	-
Profit on disposal of non-current assets held for sale	821	8 157	-	-
Impairment on property, plant and equipment	-	8 838	-	-
Impairment loss on subsidiaries, joint ventures and associates	-	-	16 092	22 554
Amortisation of tenant allowances	3 151	3 452	-	-
Impairment on trade and other receivables	3 401	5 134	-	-
Loss on exchange differences	148	19 383	-	-
Amortisation on intangible assets	6 423	6 346	-	-
Depreciation on property, plant and equipment	181 543	162 275	-	-
Employee costs	711 723	695 621	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
32. Investment income				
Dividend income				
Available for sale - Listed investments	-	12	-	-
Interest income				
Loans and receivables - Bank and other	12 303	8 905	2 033	228
Loans and receivables - Related parties	4 502	12 692	-	-
Loans and receivables - Group companies	-	-	8 897	5 881
Other interest	4	-	-	-
	16 809	21 597	10 930	6 109
	16 809	21 609	10 930	6 109
33. Fair value adjustments				
Investment property	158 835	194 801	-	-
Derivative financial instruments	(141)	(516)	-	-
Non-current assets held for sale	150	-	-	-
	158 844	194 285	-	-
34. Finance costs				
Subsidiaries	-	-	-	17
Related parties	1 106	1 236	998	1 142
Preference dividends	10 196	16 646	-	-
Trade and other payables	462	1 484	-	-
Bank and other	112 314	112 544	268	797
Domestic Medium Term notes	15 601	8 618	15 601	8 618
Promissory notes	4 570	2 457	4 570	2 457
	144 249	142 985	21 437	13 031

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
35. Taxation				
Major components of the taxation expense				
Current				
Local income taxation - current period	70 219	84 292	-	-
Foreign income taxation - current period	20 289	19 717	-	-
Foreign income taxation - recognised in current tax for prior periods	-	(2 916)	-	-
	90 508	101 093	-	-
Deferred				
Originating and reversing temporary differences	71 826	26 078	-	-
Changes in tax rates	-	(4 584)	-	-
Benefit of unrecognised tax loss	7 298	5 783	-	-
Deferred tax loss utilised	-	12 662	-	-
Arising from prior period adjustments	337	(1 188)	-	-
	79 461	38 751	-	-
	169 969	139 844	-	-
Reconciliation of the taxation expense				
Reconciliation between applicable tax rate and average effective tax rate.				
Applicable tax rate	33.00%	34.00%	33.00%	34.00%
Exempt income	(2.37)%	(17.80)%	(50.00)%	(45.42)%
Incentive allowances	(4.49)%	(7.73)%	-%	-%
Timing differences not provided for	(6.32)%	(0.03)%	-%	-%
Tax rate differential between tax jurisdictions	(0.67)%	(1.14)%	-%	-%
Disallowable charges	9.28%	29.13%	3.18%	2.58%
Prior year adjustment	(0.51)%	(0.02)%	-%	-%
Current year's tax losses available for use against taxable income	3.16%	3.06%	13.82%	8.84%
Use of tax losses relating to prior periods	0.03%	(0.33)%	-%	-%
Tax rate change	-%	(1.52)%	-%	-%
	31.11%	37.62%	-	-
Estimated capital allowances for set-off against future farming income	35 628	35 628	-	-

No taxation has been provided for in the company and certain subsidiaries as they did not earn any taxable income. The estimated tax loss available for set off against future taxable income is Group: N\$ 793 046 011 (2013: N\$ 1 118 145 171) and Company: N\$ 50 923 541 (2013: N\$ 40 316 901). In addition to the amount charged to profit or loss, deferred tax relating to the revaluation of the Group's properties amounting to N\$ 28.734 million (2013: N\$ 1.3 million charge) was debited to other comprehensive income. The revaluation of freehold land and buildings resulted in the deferred tax expense in the statement of comprehensive income (2013: A decrease in the market value of the buildings resulted in a release of deferred tax in the statement of comprehensive income).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

36. Other comprehensive income

Components of other comprehensive income - Group - 2014

	Gross N\$'000	Tax N\$'000	Net before non-controlling interest N\$'000	Non-controlling interest N\$'000	Net N\$'000
Items that will not be reclassified to profit or loss					
Movements on revaluation					
Gains (losses) on property revaluation	180 029	(28 734)	151 295	(37 487)	113 808
Items that may be reclassified to profit or loss					
Exchange differences on translating foreign operations					
Exchange differences arising during the year	(126)	-	(126)	89	(37)
Total	179 903	(28 734)	151 169	(37 398)	113 771

Components of other comprehensive income - Group - 2013

	Gross N\$'000	Tax N\$'000	Net before non-controlling interest N\$'000	Non-controlling interest N\$'000	Net N\$'000
Items that will not be reclassified to profit or loss					
Movements on revaluation					
Gains (losses) on property revaluation	60 883	(1 300)	59 583	(1 912)	57 671

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

37. Retirement benefit information

Retirement fund

The total value of contributions to the Ohlthaver & List Retirement Fund during the year amounted to:

Members' contributions	23 477	24 383	-	-
Employer contributions	42 582	46 238	-	-
	66 059	70 621	-	-

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 2014 and its assets were found to exceed its actuarially calculated liabilities. The next statutory actuarial valuation will be performed at 31 January 2017.

Medical aid fund

Total value of company contributions during the year	26 667	19 070	-	-
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
38. Cash generated from (used in) operations				
Profit (loss) before taxation	546 230	371 684	9 225	(3 068)
Adjustments for:				
Depreciation and amortisation	187 966	168 621	-	-
Loss / (profit) on disposal of Property, plant and equipment	5 660	(4 765)	-	-
Profit on disposal of non-current assets held for sale	(821)	(8 157)	-	-
Loss (profit) on foreign exchange	-	10 752	-	-
Loss from equity accounted investments	118 448	299 134	-	-
Dividends received	-	(12)	(38 358)	(29 517)
Interest received - investment	(16 809)	(21 597)	(10 930)	(6 109)
Finance costs	144 249	142 984	21 437	13 031
Fair value adjustments on investment properties, non-current assets held for sale and derivative financial instruments	(158 844)	(194 285)	-	-
Net impairment losses	3 401	13 972	16 092	22 554
Movements in provisions	3 865	5 839	-	-
Amortisation tenant allowances	3 151	2 922	-	-
Interest rate swap - (Profit) / Loss on reset payment dates	(6 804)	3 301	-	-
Movement on deferred rental	(2 998)	(7 961)	-	-
Fair value adjustment on biological assets	(8 985)	(3 124)	-	-
Loss on livestock due to deaths	9 720	2 508	-	-
Sale of portion of shares in subsidiary - control not lost	5 523	-	-	-
Changes in working capital:				
Inventories	45 404	(100 773)	-	-
Trade and other receivables	(35 103)	(46 810)	133	(6)
Construction contracts and receivables	(273)	694	-	-
Trade and other payables	(37 948)	95 002	(157)	198
Deferred income	4 900	-	-	-
Derivatives	391	(391)	-	-
	810 323	729 538	(2 558)	(2 917)
39. Dividends paid				
Balance at the beginning of the year	(304)	(3 828)	(304)	(3 828)
Dividend paid to outside share holders	(93 178)	(83 208)	-	-
Dividends declared on ordinary shares	(3 735)	-	(3 735)	-
Balance at the end of the year	3 582	304	3 582	304
	(93 635)	(86 732)	(457)	(3 524)
40. Taxation paid				
Balance receivable at the beginning of the year	249	1	-	-
Balance owing at the beginning of the year	(543)	(5 121)	-	-
Current taxation for the year recognised in profit or loss	(90 508)	(101 093)	-	-
Balance owing at the end of the year	1 347	543	-	-
Balance receivable at the end of the year	(13 682)	(249)	-	-
	(103 137)	(105 919)	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
41. Business combinations				
Acquisition of business operation				
Property, plant and equipment	-	3 998	-	-
Total identifiable net assets	-	3 998	-	-
Goodwill	-	1 252	-	-
	-	5 250	-	-
Consideration paid				
Cash	-	(5 250)	-	-
Net cash outflow on acquisition				
Cash consideration paid	-	(5 250)	-	-

2013**OK Grocery Supermarket**

On 26 March 2013 an OK Grocery Supermarket was purchased and converted into a Pick n Pay supermarket.

42. Commitments**Authorised capital expenditure****Already contracted for but not provided for**

• Property, plant and equipment	307 926	41 260	-	-
• Investment property	2 000	2 537	-	-
Not yet contracted for and authorised by director	287 425	534 439	-	-
Total	597 351	578 236	-	-

This committed expenditure relates to plant and equipment and investment property and will be financed as follows:

Working capital	227 282	177 799	-	-
Long-term credit facilities	370 069	400 437	-	-
	597 351	578 236	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000

42. Commitments (continued)

Joint ventures

DHN Funding obligation

Each financial year the shareholders of DHN shall estimate the amount of funding required by DHN. Each shareholder shall then provide this funding in proportion to its shareholding. In the current financial year, the Group's share of the funding requirement was N\$ 104.6 million (2013: N\$ 293.6 million). The directors anticipate the funding required for 2015 to be N\$ 155 million.

Operating leases – as lessee (expense)

Operating lease commitments

Land and buildings	84 843	57 747	-	-
Other	19 976	3 502	-	-
	104 819	61 249	-	-

Minimum lease payments due

- within one year	30 525	16 381	-	-
- in second to fifth year inclusive	48 733	36 192	-	-
- later than five years	25 561	8 676	-	-
	104 819	61 249	-	-

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.

On 31 January 2005, Wernhil Park (Proprietary) Limited entered into an operating lease agreement with the Municipal Council of Windhoek whereby Wernhil leases Erf 6871 (southern parking) for the duration of 99 years subject to the right of the parties to terminate the agreement with a 12-month written notice. Monthly rent of N\$ 126 835 (excluding VAT) was paid for the months May 2013 - April 2014, while the rental for the months May 2014 - June 2014 amounts to N\$ 134 445 (excluding VAT) per month. The rental is subject to an annual increase linked to the increase of the Consumer Price Index. An estimate of 6% (2013: 6%) was used as the inflation rate to determine the commitments for the 2015 financial year.

On 01 July 2011, Wernhil Park (Proprietary) Limited entered into an operating lease agreement with the Municipal Council of Windhoek whereby Wernhil leases a consolidated area of 24 666 square metres (northern parking) consisting of Erf RE/3548, Erf 6872 and Erf 6873 for the duration of 99 years subject to the right of the parties to terminate the agreement with a 12-month written notice. Monthly rent of N\$ 129 371 (excluding VAT) was paid for the months June 2013 - May 2014 while the rental for June 2014 amounts to N\$ 137 133 (excluding VAT) per month. The rental is subject to an annual increase linked to the increase of the Consumer Price Index. An estimate of 6% (2013: 6%) was used as the inflation rate to determine the commitments for the 2015 financial year.

On 1 April 2010, WUM Property Division entered into an operating lease agreement with the Municipal council of Windhoek whereby it leases a parking/slip way to Fruit and Veg (Erf 2611) for the duration of 5 years ending 31 March 2015. Monthly rent of N\$ 7 125 for months July - Feb 2014 while the rental for the months March 2014 - June 2014 amounts to N\$ 7 474 per month. The rental is subject to an annual increase linked to the increase of the Consumer Price Index. An estimate of 6.10% was used as the inflation rate to determine the commitments for the 2015 financial year (2013: 6%).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
43. Contingent liabilities				
Performance guarantees	7 724	8 311	-	-
Guarantees of loans, overdrafts and other banking facilities of certain subsidiaries and associate	-	-	428 852	402 480
Less: Provision for losses already provided for	-	-	(326 000)	(309 908)
	7 724	8 311	102 852	92 572

2014

Performance guarantees

Performance guarantees for 2014 relate to a performance guarantee issued in favour of Rossing Uranium Limited in respect of a construction services contract for replacement of a Leach Tank.

Potential repurchase obligation

There exists a potential repurchase obligation relating to Namibia Breweries Limited's Joint Venture in South Africa. The potential obligation arises from a change in product mix or the Joint Venture agreement terminating, necessitating a repurchase of the distribution rights by Namibia Breweries Limited. Namibia Breweries Limited's directors are of the opinion that in substance this obligation is a derivative over a nonfinancial asset and as such is assessed in terms of IAS 37: Provisions, Contingent Liabilities and Contingent Assets. The obligation only arises upon termination of the agreement and, in the opinion of Namibia Breweries Limited's directors, cannot be reliably measured at the reporting date.

2013

Performance guarantees

Performance guarantees were issued in favour of Namport in respect of the Major Rehabilitation of the Syncrolift Steel Structure in the Port of Walvis Bay.

Potential repurchase obligation

There exists a potential repurchase obligation relating to Namibia Breweries Limited's (NBL) Joint Venture in South Africa. The potential obligation arises from a change in product mix or the Joint Venture agreement terminating, necessitating a repurchase of the distribution rights by the Group. The Directors are of the opinion that in substance this obligation is a derivative over a non-financial asset and as such is assessed in terms of IAS 37: Provisions, Contingent Liabilities and Contingent Assets. The obligation only arises upon termination of the agreement and, in the opinion of the Directors cannot be reliably measured at the reporting date. The Directors have assessed the probability of the contract being terminated in the foreseeable future and consider this as being unlikely.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

43. Contingent liabilities (continued)

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 2014 have been included in the above amounts and all deficits between the assets and liabilities of the subsidiaries at 30 June 2014 have been provided for.

In favour of:	For subsidiary / associate / other	Suretyship N\$ '000
Agribank of Namibia	Namibia Dairies (Proprietary) Limited	N\$ 26 400
	WUM Properties Limited	N\$ 4 330
Bank Windhoek Limited	Dimension Data Namibia (Proprietary) Limited	N\$ 2 000
	Hangana Seafood (Proprietary) Limited	N\$ 53 000
	Kraatz Marine (Proprietary) Limited	Unlimited
	Namibia Dairies (Proprietary) Limited	Unlimited
	Ohlthaver and List Beverage Company (Proprietary) Limited	Unlimited
	Windhoek Schlachtereij (Proprietary) Limited	Unlimited
First National Bank of Namibia	WUM Properties Limited	Unlimited
	Namibia Dairies (Proprietary) Limited	Unlimited
	WUM Properties Limited	Unlimited
	O&L Property Security (Proprietary) Limited	N\$ 35 000
Nedbank Namibia Limited	Hangana Seafood (Proprietary) Limited	Unlimited
Standard Bank of Namibia Limited	ICT Holdings (Proprietary) Limited	N\$ 5 012
	Kraatz Marine (Proprietary) Limited	Unlimited
	Namibia Dairies (Proprietary) Limited	Unlimited
	WUM Properties Limited	N\$ 11 000
ABSA Bank Limited	WUM Properties Limited	N\$ 25 000
	O&L Leisure (Proprietary) Limited	N\$ 10 000
Development Bank of Namibia	Namibia Dairies (Proprietary) Limited	Unlimited

44. Unallocated shares in employee share incentive scheme

Allocation of number of shares in the employee share incentive scheme

	Company 2014 Shares '000	Company 2013 Shares '000
Shares offered to employees of the group	4 083	4 083
Shares originally taken up by the employees	(919)	(919)
Third offer withdrawn on 4 October 2001	2 000	2 000
Fourth offer withdrawn on 4 October 2001	1 202	1 202
Shares transferred from trust to company and sold	(6 434)	(6 434)
Shares forfeited by employees to the trust	271	321
	203	253

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

45. Derivative financial instruments information

The following information relates to derivative financial instruments included in other financial assets and other financial liabilities as per Note 9 and Note 22, respectively:

	2014		2013	
	Assets N\$ '000	Liabilities N\$ '000	Assets N\$ '000	Liabilities N\$ '000
Interest rate swaps - fair value hedges	-	-	-	2 845
Forward foreign exchange contracts - fair value hedges	112	680	201	7 126
Forward exchange options - fair value hedges	358	2 628	-	-
Fuel options	-	-	391	-
	470	3 308	592	9 971
Non-current portion	-	-	-	-
Current portion	470	3 308	592	9 971

The Group'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 does not enter into derivative contracts for speculation purposes.

The Group'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's exposure to fluctuations in foreign currency exchange rates on specific transactions.

Forward foreign exchange contracts

The fair value of forward foreign exchange contracts represents the estimated amounts that the group would receive or pay, should the contracts be terminated at the reporting date, thereby taking into account the unrealised gains or losses. Details of these contracts are as follows:

Group

	Foreign amount 2014 '000	Foreign amount 2013 '000	Average rate 2014	Average rate 2013
Euro - Sell	4 930	6 941	14.06	12.41
US Dollar - Sell	3 324	1 100	10.47	8.82
Euro - Buy	-	(1 200)	-	13.15
Namibia Dollar amount				
Euro - Sell	69 327	86 156	-	-
US Dollar - Sell	34 787	9 701	-	-
Euro - Buy	-	(15 778)	-	-
	104 114	80 079	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

45. Derivative financial instruments information (continued)

Interest rate swap

Under interest rate swap contracts, the group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notarial principal amounts. Such contracts enable the group to mitigate the risk of changing the interest rates on the fair value of issued fixed rate debt and the cashflow exposures on the issued variable rate debt. The fair value of the interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

Effective 14 June 2011, the group entered into a fixed-for-variable interest rate swap transaction with Standard Bank of Namibia Limited, whereby a principal notional amount of N\$ 86.7 million was hedged over three years with quarterly net settlements. The floating rate applied to the interest rate swap is the quarterly fluctuating Johannesburg Interbank Agreed Rate (JIBAR). The group will settle the differences between the fixed and floating interest rate on a net basis. The specific interest rate cap is disclosed below:

At 30 June 2013:	Start	End	Notional N\$ '000	Cap	Value N\$ '000
Less than 1 year	14 June 2011	16 June 2014	4 088	7.99 %	2 845

Fuel Options

The fuel options consist of various commodity swaps with settlement dates ranging from 1 August 2013 to 2 January 2014 (2013: 1 August 2013 to 2 January 2014) and can be summarised as follows:

At 30 June 2013:

	Currency	Quantity L '000	Value N\$ '000
Commodity swap	USD	(100)	40
Commodity swap	USD	(100)	42
Commodity swap	USD	(100)	38
Commodity swap	USD	(100)	37
Commodity swap	USD	(100)	37
Commodity swap	USD	(100)	38
Commodity swap	USD	(50)	34
Commodity swap	USD	(50)	32
Commodity swap	USD	(50)	31
Commodity swap	USD	(50)	31
Commodity swap	USD	(50)	31
			391
Assets			391

Maturities of derivatives

The liquidity analysis is determined based on the maturity profile of the underlying instrument. Refer to Note 50 for maturity profiles of derivatives.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

46. Related parties

Relationships

Ultimate holding entity	The Werner List Trust
Holding company	O&L Holdings (Proprietary) Limited
Subsidiaries	Refer to note 6
Associates	Refer to note 7
Joint ventures	Refer to note 8
Significant influence on Namibia Breweries Limited	Diageo Heineken Namibia B.V.
Entities related to Diageo Heineken Namibia B.V.	Diageo Great Britain Limited Diageo South Africa (Proprietary) Limited Heineken International B.V. Heineken South Africa Export Company (Proprietary) Limited
Significant influence on O&L Holdings (Proprietary) Limited	EPIA Investment Holdings (Proprietary) Limited
Directors/shareholders of EPIA Investment Holdings (Proprietary) Limited	Reverend WS Hanse TZM Hjarunguru Hon. Governor LV Mcleod-Katjirua A Mushimba (deceased 31/08/2014) EP Shiimi
Members of key management	S Bartsch J Fitzgerald H Feris P Grüttemeyer H Hamm (up to 11/10/13) G Hanke P Hoeksema B Hutchison B Mukuahima M Reilly G Shilongo H Theron S Thieme H van der Westhuizen D van Niekerk B Walbaum M Wenk

Related party balances

For balances owing (to)/from related parties refer to Note 12.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$ '000	2013 N\$ '000	2014 N\$ '000	2013 N\$ '000
46. Related parties (continued)				
Related party transactions				
Interest paid to/(received from) related parties				
DHN Drinks (Proprietary) Limited	(4 224)	(12 474)	-	-
O&L Leisure (Proprietary) Limited	-	-	(1 008)	-
Dimension Data Namibia (Proprietary) Limited	(2)	-	-	-
Directors and past directors	998	1 142	998	1 142
Dimension Data Namibia (Proprietary) Limited	1	-	-	-
Hangana Seafood (Proprietary) Limited	-	-	(2 118)	(2 092)
Ohlthaver & List Employee Catastrophe Fund Trust	94	94	-	-
The Werner List Trust	(178)	(218)	-	-
The Werner List Trust	13	-	-	-
Namibia Dairies (Proprietary) Limited	-	-	-	17
Namibia Dairies (Proprietary) Limited	-	-	(5 457)	(3 789)
Kraatz Marine (Proprietary) Limited	-	-	(314)	-
Brandtribe (Proprietary) Limited	(98)	-	-	-
Purchases from/(sales to) related parties				
DHN Drinks (Proprietary) Limited	(885 128)	(1 250 548)	-	-
Diageo Great Britain Limited	-	(8 739)	-	-
Diageo South Africa (Proprietary) Limited	(36 871)	(71 742)	-	-
Heineken South Africa Export Company (Proprietary) Limited	(108 078)	(87 115)	-	-
Dimension Data Namibia (Proprietary) Limited	(272)	(232)	-	-
Dimension Data Namibia (Proprietary) Limited	17 047	17 405	-	-
Natural Value Foods Namibia (Proprietary) Limited	64 166	51 762	-	-
Natural Value Foods Namibia (Proprietary) Limited	(31)	-	-	-
Management fees paid to/(received from) related parties				
Dimension Data Namibia (Proprietary) Limited	(458)	(586)	-	-
The Werner List Trust	(104)	(104)	-	-
Diageo Plc	3 007	2 772	-	-
Heineken International B.V.	3 007	2 772	-	-
Brandtribe (Proprietary) Limited	(649)	(641)	-	-
Dividends received from related parties				
ICT Holdings (Proprietary) Limited	-	-	7 000	4 345
Namibia Breweries Limited	-	-	28	26
NBL Share Purchase Trust	-	-	164	146
Ohlthaver & List Beverage Company (Proprietary) Limited	-	-	31 166	25 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$'000	2013 N\$'000	2014 N\$'000	2013 N\$'000
46. Related parties (continued)				
Insurance premiums received from related parties				
Broll and List Property Management (Proprietary) Limited	-	-	6	-
O&L Leisure (Proprietary) Limited	-	-	67	54
Dimension Data Namibia (Proprietary) Limited	34	19	34	19
Eros Air (Proprietary) Limited	-	-	2	2
Hangana Seafood (Proprietary) Limited	-	-	131	66
Kraatz Marine (Proprietary) Limited	-	-	65	40
Namibia Dairies (Proprietary) Limited	-	-	528	439
Ohlthaver & List Centre (Proprietary) Limited	-	-	127	76
Wernhil Park (Proprietary) Limited	-	-	6	2
WUM Properties Limited	-	-	134	52
Royalties paid to/(received from) related parties				
DHN Drinks (Proprietary) Limited	(72 508)	(70 456)	-	-
Heineken International B.V.	4 115	2 713	-	-
Insurance claims paid to/(received from) related parties				
Hangana Seafood (Proprietary) Limited	-	-	(93)	276
Kraatz Marine (Proprietary) Limited	-	-	157	29
Namibia Dairies (Proprietary) Limited	-	-	459	387
Ohlthaver and List Centre (Proprietary) Limited	-	-	65	85
O&L Leisure (Proprietary) Limited	-	-	37	6
Dimension Data (Proprietary) Limited	-	33	-	33
WUM Properties Limited	-	-	39	6
Broll and List Property Management (Proprietary) Limited	-	-	-	72
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.				
These transactions occurred under terms that are negotiated between the parties.				
Compensation to key management				
Short-term employee benefits	46 284	45 514	23 374	23 187

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

47. Directors' emoluments - Company

Executive

2014

	Basic remuneration and allowances N\$ '000	Other benefits* N\$ '000	Compensation for loss of office and restraint of trade N\$ '000	Total N\$ '000
Executive directors	18 771	2 942	1 000	22 713

2013

	Basic remuneration and allowances N\$ '000	Other benefits* N\$ '000	Compensation for loss of office and restraint of trade N\$ '000	Total N\$ '000
Executive directors	16 375	2 703	2 910	21 988

* Other benefits comprise retirement, medical and other benefits

Non-executive

2014

	Director's fees N\$ '000	Other services N\$ '000	Total N\$ '000
Non-executive directors	661	-	661

2013

	Director's fees N\$ '000	Other services N\$ '000	Total N\$ '000
Non-executive directors	553	646	1 199

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

48. Financial assets by category

The accounting policies for financial assets have been applied to the line items below:

Group - 2014

	Loans and receivables N\$ '000	Fair value through profit or loss - held for trading N\$ '000	Available-for sale N\$ '000	Total N\$ '000
Loans to related parties	163 254	-	-	163 254
Other financial assets	5 439	470	14	5 923
Trade and other receivables	363 750	-	-	363 750
Construction contracts and receivables	388	-	-	388
Cash and cash equivalents	182 433	-	-	182 433
	715 264	470	14	715 748

Group - 2013

	Loans and receivables N\$ '000	Fair value through profit or loss - held for trading N\$ '000	Available-for sale N\$ '000	Total N\$ '000
Loans to related parties	113 568	-	-	113 568
Other financial assets	2 881	592	14	3 487
Trade and other receivables	332 541	-	-	332 541
Construction contracts and receivables	115	-	-	115
Cash and cash equivalents	290 407	-	-	290 407
	739 512	592	14	740 118

Company - 2014

	Loans and receivables N\$ '000	Total N\$ '000
Loans to group companies	1 375 315	1 375 315
Loans to related parties	1 019	1 019
Cash and cash equivalents	50 877	50 877
	1 427 211	1 427 211

Company - 2013

	Loans and receivables N\$ '000	Total N\$ '000
Loans to group companies	1 214 018	1 214 018
Loans to related parties	688	688
Cash and cash equivalents	27	27
	1 214 733	1 214 733

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

49. Financial liabilities by category

The accounting policies for financial liabilities have been applied to the line items below:

Group - 2014

	Financial liabilities at amortised cost N\$ '000	Fair value through profit or loss - held for trading N\$'000	Total N\$ '000
Loans from related parties	22 919	-	22 919
Other financial liabilities	1 321 614	3 308	1 324 922
Trade and other payables	655 236	-	655 236
Finance lease obligation	57 336	-	57 336
Non-current payables	3 362	-	3 362
Dividend payable	3 582	-	3 582
	2 064 049	3 308	2 067 357

Group - 2013

	Financial liabilities at amortised cost N\$ '000	Fair value through profit or loss - held for trading N\$'000	Total N\$ '000
Loans from related parties	16 869	-	16 869
Other financial liabilities	1 403 117	9 971	1 413 088
Trade and other payables	694 687	-	694 687
Finance lease obligation	62 580	-	62 580
Non-current payables	3 449	-	3 449
Dividend payable	304	-	304
	2 181 006	9 971	2 190 977

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

49. Financial liabilities by category (continued)

Company - 2014

	Financial liabilities at amortised cost N\$ '000	Total N\$ '000
Loans from group companies	362 639	362 639
Loans from related parties	12 238	12 238
Other financial liabilities	209 194	209 194
Trade and other payables	1 337	1 337
Dividend payable	3 582	3 582
	588 990	588 990

Company - 2013

	Financial liabilities at amortised cost N\$ '000	Total N\$ '000
Loans from group companies	248 252	248 252
Loans from related parties	14 157	14 157
Other financial liabilities	134 020	134 020
Trade and other payables	1 497	1 497
Dividend payable	304	304
	398 230	398 230

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	Group		Company	
		2014 N\$'000	2013 N\$'000	2014 N\$'000	2013 N\$'000
50. Risk management					
Capital risk management					
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for 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 consists of debt, which includes the borrowings disclosed in Notes 12, 22 & 23, cash and cash equivalents disclosed in Note 16, and equity as disclosed in the statements 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' and excluding deferred taxation as shown in the statements of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statements of financial position plus net debt (excluding loans from group companies).					
The group has entered into various financing agreements with Bank Windhoek Limited, First National Bank of Namibia Limited, Standard Bank of Namibia Limited, Agribank of Namibia, Firstrand 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 met during the current and prior years.					
There have been no changes to what the Company and Group manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.					
The gearing ratio at 2014 and 2013, respectively, were as follows:					
Total borrowings					
Other financial liabilities	22	1 324 922	1 413 088	209 194	134 020
Finance lease obligation	23	57 336	62 580	-	-
Current tax payable	26&40	1 347	294	-	-
Provisions	24	44 161	42 449	-	-
Loans from related parties	12	22 919	16 869	12 238	14 157
Trade and other payables	27	755 291	793 238	1 337	1 495
Non-current payables	25	3 362	3 449	-	-
Dividend payable	39	3 582	304	3 582	304
		2 212 920	2 332 271	226 351	149 976
Less: Cash and cash equivalents	16	182 433	290 407	50 877	27
Net debt		2 030 487	2 041 864	175 474	149 949
Total equity		2 835 518	2 399 478	601 062	595 572
Total capital		4 866 005	4 441 342	776 536	745 521
Gearing ratio		42%	46%	23%	20%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

50. Risk management (continued)

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group'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 uses derivative financial instruments to hedge certain risk exposures.

The Group'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 does not enter into derivative contracts for speculative purposes.

The fair value of foreign exchange forward contracts represents the estimated amounts that the Group would receive, should the contracts be terminated at the reporting date, thereby taking into account the unrealised gains or losses.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

50. Risk management (continued)

Liquidity risk

The Group 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's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statements 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.

Group

At 30 June 2014	1 year N\$ '000	2 - 5 years N\$ '000	> 5 years N\$ '000	Less: Interest N\$ '000	Total N\$ '000
Non-interest-bearing liabilities	8 913	-	-	-	8 913
Trade payables and provisions	662 180	-	-	-	662 180
Derivative financial liabilities	3 308	-	-	-	3 308
Variable interest rate instruments	379 223	582 367	158 216	(190 383)	929 423
Fixed interest rate instruments	93 274	307 229	348 127	(285 097)	463 533
	1 146 898	889 596	506 343	(475 480)	2 067 357

At 30 June 2013	1 year N\$ '000	2 - 5 years N\$ '000	> 5 years N\$ '000	Less: Interest N\$ '000	Total N\$ '000
Non-interest-bearing liabilities	1 699	-	-	-	1 699
Trade payables and provisions	695 638	2 802	-	-	698 440
Derivative financial liabilities	9 971	-	-	-	9 971
Variable interest rate instruments	491 079	459 040	218 196	(179 737)	988 578
Fixed interest rate instruments	74 761	410 167	348 127	(340 766)	492 289
	1 273 148	872 009	566 323	(520 503)	2 190 977

Company

At 30 June 2014	1 year N\$ '000	2 - 5 years N\$ '000	> 5 years N\$ '000	Less: Interest N\$ '000	Total N\$ '000
Non-interest-bearing liabilities	362 635	-	-	-	362 635
Trade payables and provisions	4 919	-	-	-	4 919
Variable interest rate instruments	90 479	129 678	-	(24 191)	195 966
Fixed interest rate instruments	26 590	-	-	(1 124)	25 466
	484 623	129 678	-	(25 315)	588 986

Company

At 30 June 2013	1 year N\$ '000	2 - 5 years N\$ '000	> 5 years N\$ '000	Less: Interest N\$ '000	Total N\$ '000
Non-interest-bearing liabilities	248 252	-	-	-	248 252
Trade payables and provisions	1 801	-	-	-	1 801
Variable interest rate instruments	20 643	117 765	7 257	(22 954)	122 711
Fixed interest rate instruments	3 179	26 590	-	(4 303)	25 466
	273 875	144 355	7 257	(27 257)	398 230

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

50. Risk management (continued)

Risk from biological assets

The Group is exposed to financial risks arising from changes in milk prices. The Group does not anticipate that milk prices will decline significantly in the foreseeable future. The Group has not entered into derivative contracts to manage the risk of a decline in milk prices. The Group reviews its outlook for milk prices regularly in considering the need for active financial risk management.

Interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The risk is managed by maintaining an appropriate mix between fixed and floating borrowings and placing them within market expectations. The Group also uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. At reporting date, the carrying amount of cash and short-term deposits, accounts receivable, accounts payable and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities. During 2014 and 2013, the Group's borrowings at variable rate were denominated in the Namibia Dollar and South Africa Rand.

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.

At 30 June 2014, 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\$ 6 227 139 (2013: N\$ 6 545 083) lower/higher for the Group and N\$ 1 312 967 (2013: N\$ 809 770) lower/higher for the company, mainly as a result of higher/lower interest expense on floating rate borrowings.

The Group's sensitivity to interest rates decreased during the current period mainly due to decreased variable interest rate instruments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$'000	2013 N\$'000	2014 N\$'000	2013 N\$'000

50. Risk management (continued)

Fair value interest rate risk

Except as detailed in Note 9 Other financial assets and Note 22 Other financial liabilities, the directors consider that the carrying value of financial assets and financial liabilities recognised in the Group and the Company financial statements approximate their fair values.

Credit risk

Credit risk consists mainly of cash and cash equivalents and trade and other receivables. The Group only deposits cash with major banks with high-quality credit standing and limits exposure to any one counter party.

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 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.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument

Cash and cash equivalents	182 433	290 407	50 877	27
Derivative financial instruments	470	592	-	-
Trade and other receivables	363 750	332 541	-	-
Loans to related parties	163 254	113 568	1 019	688
Construction contracts and receivables	388	115	-	-
Loans and receivables	5 425	2 881	-	-
Unlisted investments	14	14	-	-
Loans to group companies	-	-	1 375 315	1 214 018

Major concentrations of credit risk that arise from the Group's receivables in relation to the customer's industry category as a percentage of the total receivables from the customers are:

Fishing industry	28 %	22 %	-%	-%
Trading industry	5 %	11 %	-%	-%
Manufacturing industry	67 %	67 %	-%	-%
	100 %	100 %	-%	-%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$'000	2013 N\$'000	2014 N\$'000	2013 N\$'000

50. Risk management (continued)

Foreign exchange risk

At 30 June 2014, 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\$ 587 087 (2013: N\$ 366 110) 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 2014, 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\$ 1 572 830 (2013: N\$ 2 168 328) higher/lower, mainly as a result of foreign exchange gains or losses on translation of Euro denominated receivables, Euro denominated payables and foreign exchange contracts.

At 30 June 2014, 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\$ 862 (2013: N\$ 25 581) 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 2014, if the currency had weakened/strengthened by 5% against the Canada Dollar with all other variables held constant, post-tax profit for the year would have been N\$ 7 186 (2013: N\$ 11 288) higher/lower, mainly as a result of foreign exchange gains or losses on translation of Canada Dollar denominated receivables, Canada Dollar denominated payables and foreign exchange contracts.

At 30 June 2013, if the currency had weakened/strengthened by 5% against the Swiss Franc with all other variables held constant, post-tax profit for the year would have been N\$ 7 259 higher/lower, mainly as a result of foreign exchange gains or losses on translation of Swiss Franc denominated receivables, Swiss Franc denominated payables and foreign exchange contracts. The group had no foreign currency exposure to Swiss Franc as at 30 June 2014.

Foreign currency exposure at the end of the reporting period

Assets

Euro-denominated receivables	46 142	50 872	-	-
US Dollar-denominated receivables	15 381	14 644	-	-
Pound Sterling-denominated receivables	207	775	-	-
Canada Dollar-denominated receivables	144	342	-	-

Liabilities

Euro-denominated receivables	1 688	9 897	-	-
US Dollar-denominated receivables	190	15	-	-
Swiss Franc-denominated payables	-	220	-	-

Exchange rates used for conversion of foreign items were:

USD	10.64	10.02
GBP	17.36	15.19
Euro	14.40	13.06
CHF	-	10.44
CAD	9.91	9.37

The Group reviews its foreign currency exposure, including commitments, on an ongoing basis. The Group expects its forward foreign exchange contracts and foreign exchange options to hedge foreign exchange exposure.

Fuel price risk

The Group is exposed to fuel price risk arising from its use of fuel (HFO and ADO) for energy or transport purposes. The Group uses fuel option derivatives to limit its exposure against changes in the fuel price.

If fuel prices had been 10% higher or lower and all other variables were held constant, the Group's profit for the year ended 30 June 2014 would have (decreased)/increased by N\$ NIL (2013: N\$ 547 000).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$'000	2013 N\$'000	2014 N\$'000	2013 N\$'000
51. 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 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				
Recurring fair value measurements				
Assets				
Financial assets at fair value through profit or loss - held for trading				
Foreign exchange contracts	470	201	-	-
Fuel options	-	391	-	-
Total financial assets at fair value through profit or loss - held for trading	470	592	-	-
Liabilities				
Financial liabilities at fair value through profit or loss				
Foreign exchange contracts	3 308	7 126	-	-
Interest rate swaps	-	2 845	-	-
Total financial liabilities at fair value through profit or loss	3 308	9 971	-	-
Total	3 778	10 563	-	-
Level 3				
Recurring fair value measurements				
Assets				
Biological assets				
Oats fields	781	-	-	-
Game	492	237	-	-
Milk cows	32 725	33 715	-	-
Total biological assets	33 998	33 952	-	-
Investment property				
Investment property	1 429 946	1 310 316	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$'000	2013 N\$'000	2014 N\$'000	2013 N\$'000
51. Fair value information (continued)				
Fair value hierarchy (continued)				
Levels of fair value measurements (continued)				
Level 3				
Recurring fair value measurements (continued)				
Property, plant and equipment				
Freehold land and buildings	1 422 391	1 157 041	-	-
Total	2 886 335	2 501 309	-	-
Non recurring fair value measurements				
Assets held for sale and disposal groups in accordance with IFRS 5				
Non-current assets held for sale	6 375	17 479	-	-
Total	6 375	17 479	-	-

Land and buildings and property, plant and equipment which are currently classified as non current assets held for sale have been recognised at fair value less costs to sell because the assets fair value less costs to sell is lower than its carrying amount.

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 2014 and for the year ended 30 June 2013.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

51. Fair value information (continued)

Reconciliation of assets and liabilities measured at level 3

	Opening balance N\$'000	Gains / losses recognised in profit or loss * N\$'000	Gains / losses recognised in other comprehensive income # N\$'000	Purchases / Seeds & fertiliser / additions N\$'000	Sales / herd population changes N\$'000	Reclassifications N\$'000	Depreciation N\$'000	Closing balance N\$'000	Unrealised gains / losses included in profit or loss ** N\$'000
Group - 2014									
Assets									
Biological assets									
Oats fields	-	-	-	781	-	-	-	781	-
Game	237	255	-	-	-	-	-	492	255
Milk cows	33 715	8 730	-	-	(9 720)	-	-	32 725	8 730
Total biological assets	33 952	8 985	-	781	(9 720)	-	-	33 998	8 985
Investment property									
Investment property	1 310 316	158 835	-	4 414	(6 100)	(37 519)	-	1 429 946	158 835
Property, plant and equipment									
Freehold land and buildings	1 157 041	-	180 029	32 282	-	56 500	(3 461)	1 422 391	-
Non-current assets held for sale									
Non-current assets held for sale	17 479	150	-	-	(1 179)	(10 075)	-	6 375	150
Total	2 518 788	167 970	180 029	37 477	(16 999)	8 906	(3 461)	2 892 710	167 970

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

51. Fair value information (continued)

Reconciliation of assets and liabilities measured at level 3 (continued)

Group - 2013

	Opening balance N\$'000	Gains / losses recognised in profit or loss * N\$'000	Gains / losses recognised in other comprehensive income # N\$'000	Purchases / Seeds & fertiliser / additions N\$'000	Sales / herd population changes N\$'000	Reclassifications N\$'000	Depreciation N\$'000	Closing balance N\$'000	Unrealised gains / losses included in profit or loss ** N\$'000
Assets									
Biological assets									
Game	237	-	-	-	-	-	-	237	-
Milk cows	33 039	3 124	-	60	(2 508)	-	-	33 715	3 124
Total biological assets	33 276	3 124	-	60	(2 508)	-	-	33 952	3 124
Investment property									
Investment property	1 109 364	194 801	-	11 001	(4 850)	-	-	1 310 316	194 801
Property, plant and equipment									
Freehold land and buildings	1 134 697	-	60 883	11 230	(5 553)	(39 513)	(4 703)	1 157 041	-
Non-current assets held for sale									
Non-current assets held for sale	23 934	-	-	-	(5 078)	(1 377)	-	17 479	-
Total	2 301 271	197 925	60 883	22 291	(17 989)	(40 890)	(4 703)	2 518 788	197 925

* Gains and losses recognised in profit or loss are included in Fair value adjustments on the Statement of Comprehensive Income, except for gains and losses on biological assets which have been included in Cost of sales.

Gains and losses recognised in other comprehensive income are included in Gains 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

51. Fair value information (continued)

Valuation techniques used to derive level 2 fair values

No changes have been made to the valuation technique.

The fair value of financial liabilities and financial assets with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

The fair value of other financial liabilities and financial assets (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives.

Foreign currency forward contracts and options are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps and collars are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

No changes have been made to the valuation techniques.

Information about valuation techniques and inputs used to derive level 3 fair values

Investment property

The valuations of 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%-10.00% (2013: 7.75%-9.00%) and discount rates of 8.00%-14.50% (2013: 13.25%-14.50%) were used.

The higher the capitalisation and discount rate, the higher the fair value.

Biological assets - livestock

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

Freehold land and buildings

Freehold land and buildings, were revalued during 2014 by 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 cost approach.

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.

Capitalisation rates of 10% - 14% were used for the discounted cash flow valuations. 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 discount rate, the higher the fair value.

Valuation processes applied by the Group

The fair value of livestock is performed by the respective company's finance department and operations team on an annual basis.

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.

Highest and best use

Erf 990 W (Old Breweries) and Erf 261/1764 W (Fruit & Veg / Cashbuild) are being used in a manner that differs from their highest and best use. The reason for this is that these properties were earmarked for future development, the planned investment of which has not taken place yet.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2014 N\$'000	2013 N\$'000	2014 N\$'000	2013 N\$'000

52. Comparative figures

Certain comparative figures within note 30 Operating expenses have been reclassified to improve the disclosure of the financial statements. In the previous financial year several operating expenses were included in administrative expenses, which have now been included in other expenses.

The effects of the reclassification are as follows:

Statement of Comprehensive Income

Operating expenses per function

Administrative expense decrease	-	(158 298)	-	-
Other expenses increase	-	158 298	-	-

Certain comparative figures in the Statement of Cash Flows have been reclassified to improve disclosure of the financial statements. In the previous financial year dividends paid were reflected in cash flows from operating activities while they are now reflected under financing activities. Further, the finance lease receipts were in the past shown as a cash flow from financing activities. Now they are netted off with the acquisition of property plant and equipment in investing activities.

The effects of the reclassification are as follows:

Statements of Cash Flows

Increase in financing activities due to dividends paid	-	86 732	-	3 524
Decrease in financing activities due to dividends paid	-	(86 732)	-	(3 524)
Decrease in finance lease receipts	-	(30 019)	-	-
Decrease in acquisition of property plant and equipment	-	30 019	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

53. Standards and interpretations

53.1. Adoption of new and revised Standards and Interpretations effective in current year:

The following Standards and Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current year:

New/Revised International Financial Reporting Standards		Issued/ Revised	Effective for annual periods beginning on or after
IFRS 7	Amendments related to the offsetting of assets and liabilities	December 2011	Annual periods beginning on or after 1 January 2013 and interim periods within those periods
IFRS 1	Amendments resulting from Annual Improvements 2009-2011 Cycle (repeat application, borrowing costs)	May 2012	Annual periods beginning on or after 1 January 2013
IFRS 10	Amendments for investment entities	June 2012	Annual periods beginning on or after 1 January 2013
IFRS 11	Amendments to disclosure of interests in other entities	June 2012	Annual periods beginning on or after 1 January 2013
IFRS 12	Amendments for investment entities	June 2012	Annual periods beginning on or after 1 January 2013
IFRS 13	IFRS 13 <i>Fair value measurement</i> issued	May 2011	Annual periods beginning on or after 1 January 2013
IFRS 13	Amendments resulting from Annual Improvements 2010-2012 Cycle (short-term receivables and payables)	December 2013	Amendments to basis for conclusions only
IAS 1	Amendments resulting from Annual Improvements 2009-2011 Cycle (comparative information)	May 2012	Annual periods beginning on or after 1 January 2013
IAS 16	Amendments resulting from Annual Improvements 2009-2011 Cycle (servicing equipment)	May 2012	Annual periods beginning on or after 1 January 2013
IAS 19	IAS 19 <i>Employee Benefits</i> (amended 2011) issued	June 2011	Annual periods beginning on or after 1 January 2013
IAS 32	Amendments resulting from Annual Improvements 2009-2011 Cycle (tax effect of equity distributions)	May 2012	Annual periods beginning on or after 1 January 2013
IAS 34	Amendments resulting from Annual Improvements 2009-2011 Cycle (interim reporting of segment assets)	May 2012	Annual periods beginning on or after 1 January 2013

The adoptions of the above Standards and Interpretations have introduced a number of terminology changes and have resulted in a number of changes in presentation and additional disclosures. The revised Standard and Interpretations had no impact on the reported results or financial position of the company.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

53. Standards and interpretations (continued)

53.2 Recent amendments

The following table contains effective dates of IFRS's, IFRIC's and recently revised IAS's, which have not been early adopted by the company and that might affect future financial periods:

New/Revised International Financial Reporting Standards	Issued/ Revised	Effective for annual periods beginning on or after
IFRS 2 Amendments resulting from Annual Improvements 2010-2012 Cycle (definition of 'vesting condition')	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 3 Amendments resulting from Annual Improvements 2010-2012 Cycle (accounting for contingent consideration)	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 3 Amendments resulting from Annual Improvements 2011-2013 Cycle (scope exception for joint ventures)	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 7 Financial Instruments: Disclosure - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures	December 2011	1 January 2015
IFRS 7 Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	November 2013	Applies when IFRS 9 is applied (At the time of issue of the revised version of IFRS 9 including the hedge accounting chapter, IFRS 9 had no stated mandatory effective date, see below)
IFRS 8 Amendments resulting from Annual Improvements 2010-2012 Cycle (aggregation of segments, reconciliation of segment assets)	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 9 Financial Instruments – Original issue (Classification and measurement of financial assets)	July 2014	Annual periods beginning on or after 1 January 2018
IFRS 9 Financial Instruments — Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirements	July 2014	Annual periods beginning on or after 1 January 2018
IFRS 9 Financial Instruments — Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures	July 2014	Annual periods beginning on or after 1 January 2018
IFRS 9 Reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9	July 2014	Annual periods beginning on or after 1 January 2018
IFRS 10 Consolidated Financial Statements - Amendments for investment entities	October 2012	1 January 2014
IFRS 11 Amendments regarding the accounting for acquisitions of an interest in a joint operation	May 2014	Annual periods beginning on or after 1 January 2016
IFRS 12 Disclosure of Interests in Other Entities - Amendments for investment entities	October 2012	1 January 2014
IFRS 13 Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52)	December 2013	Annual periods beginning on or after 1 July 2014
IFRS 14 Regulatory Deferral Accounts	January 2014	Applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2016
IFRS 15 Revenue from Contracts with Customers	May 2014	Applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2017

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

53. Standards and interpretations (continued)**53.2 Recent amendments (continued)**

New/Revised International Financial Reporting Standards	Issued/ Revised	Effective for annual periods beginning on or after	
IAS 16	Amendments regarding the clarification of acceptable methods of depreciation and amortisation	May 2014	Annual periods beginning on or after 1 January 2016
IAS 16	Amendments bringing bearer plants into the scope of IAS 16 rather than IAS 41	June 2014	Annual periods beginning on or after 1 January 2016
IAS 19	Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service	November 2013	Annual periods beginning on or after 1 July 2014
IAS 24	Amendments resulting from <i>Annual Improvements 2010-2012 Cycle</i> (management entities)	December 2013	Annual periods beginning on or after 1 July 2014
IAS 27	Separate Financial Statements: Amendments for investment entities	October 2012	Annual periods beginning on or after 1 January 2014
IAS 27	Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	August 2014	Annual periods beginning on or after 1 January 2016
IAS 32	Financial Instruments: Presentation — to clarify certain aspects because of diversity in application of the requirements on offsetting	December 2011	1 January 2014
IAS 36	Amendments arising from Recoverable Amount Disclosures for Non-Financial Assets	May 2013	Annual periods beginning on or after 1 January 2014
IAS 38	Amendments resulting from <i>Annual Improvements 2010-2012 Cycle</i> (proportionate restatement of accumulated depreciation on revaluation)	December 2013	Annual periods beginning on or after 1 July 2014
IAS 38	Amendments regarding the clarification of acceptable methods of depreciation and amortisation	May 2014	Annual periods beginning on or after 1 January 2016
IAS 39	Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception	July 2014	Annual periods beginning on or after 1 January 2018
IAS 40	Amendments resulting from <i>Annual Improvements 2011-2013 Cycle</i> (interrelationship between IFRS 3 and IAS 40)	December 2013	Annual periods beginning on or after 1 July 2014
IAS 41	Amendments bringing bearer plants into the scope of IAS 16	June 2014	Annual periods beginning on or after 1 January 2016
New/Revised International Financial Reporting Interpretations Committee	Issued/ Revised	Effective for annual periods beginning on or after	
IFRIC 21	Levies	May 2013	Annual periods beginning on or after 1 January 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Total		Eliminations		Beer and soft drinks		Fresh Produce		Fishing		Retail		Properties		Other	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000

54. Business segmentation

Revenue	4 928 642	4 585 661	-	-	2 312 732	2 379 309	497 954	402 301	504 932	441 728	1 373 651	1 114 770	120 962	114 687	118 411	132 866
Inter-segment revenue	-	-	(111 099)	(94 788)	4 200	3 899	(472)	15 711	-	272	3 443	3 268	19 811	11 709	84 117	59 929
Total	4 928 642	4 585 661	(111 099)	(94 788)	2 316 933	2 383 208	497 482	418 012	504 932	442 000	1 377 094	1 118 038	140 773	126 396	202 528	192 795
Segment result	823 342	826 343			450 998	499 956	25 212	17 996	62 734	19 840	43 842	28 024	247 441	267 578	(6 885)	(7 051)
Unallocated costs	(29 782)	(27 377)														
Finance costs	(144 249)	(142 985)														
Equity losses from joint ventures and associate	(116 489)	(295 174)														
Net Impairment losses	(3 401)	(10 732)														
Income from investments	16 809	21 609														
Taxation	(169 969)	(139 844)														
Net profit for the year	376 261	231 840														
Non-cash expenses per segment																
Depreciation	181 543	162 275			105 320	95 521	20 969	18 028	24 647	25 943	19 310	11 567	1 433	1 133	9 864	10 083
Amortisation of intangibles	6 423	6 346			4 395	4 171	249	460	117	229	644	650	-	-	1 018	836
Impairment losses	3 401	10 732			1 753	1 893	(514)	-	359	-	-	-	1 376	-	427	8 839

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Total		Eliminations		Beer and soft drinks		Fresh Produce		Fishing		Retail		Properties		Other	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000
54. Business segmentation (continued)																
ASSETS																
Property, plant and equipment	2 696 792	2 305 890	(398)	-	1 132 752	1 027 836	353 381	300 239	540 841	535 824	80 061	63 166	102 713	73 692	487 442	305 133
Investment property	1 429 946	1 310 316	-	-	-	-	32 240	32 240	-	-	-	-	1 397 706	1 242 106	-	35 970
Biological assets	33 998	33 952	-	-	-	-	33 506	33 715	-	-	-	-	-	-	492	237
Intangible assets	21 973	23 687	-	-	16 257	17 004	1 994	2 243	46	163	1 798	2 442	-	-	1 878	1 835
Inventories	382 948	428 352	-	-	209 570	285 888	48 934	39 955	22 392	18 331	91 582	77 328	-	-	10 470	6 850
Trade, construction and other receivables and other financial assets	477 427	443 183	-	-	214 267	196 315	57 125	47 886	96 201	80 792	21 569	35 898	53 269	59 676	34 996	22 616
Non-current assets held for sale	6 375	17 479	-	-	5 925	-	-	1 179	-	-	-	-	450	16 300	-	-
Segment assets	5 049 459	4 562 859	(398)	-	1 578 771	1 527 043	527 180	457 457	659 480	635 110	195 010	178 834	1 554 138	1 391 774	535 278	372 641
Investments in associate and joint ventures	8 297	20 509	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets	21 940	38 965	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	13 682	249	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	182 433	290 407	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Related parties	163 254	113 568	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated total assets	5 439 065	5 026 557														
LIABILITIES																
Trade payables and dividend payable	762 230	796 988	-	-	287 709	408 583	104 713	87 842	107 069	84 275	171 422	140 568	19 521	15 143	71 796	60 577
Provisions	44 161	42 449	-	-	18 096	18 945	4 344	4 314	12 380	11 021	4 272	3 426	524	358	4 595	4 385
Segment Liabilities	806 391	839 437	-	-	305 755	427 528	109 057	92 156	119 449	95 296	175 694	143 994	20 045	15 501	76 391	64 962
Other financial liabilities	1 324 922	1 413 088	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease creditors	57 336	62 580	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred taxation liabilities	385 732	294 562	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	1 347	543	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income	4 900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Related parties	22 919	16 869	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated total liabilities	2 603 547	2 627 079														
Capital additions	380 289	219 703	-	-	182 181	137 644	40 096	13 769	30 081	13 365	37 764	23 778	1 634	1 929	88 533	29 218

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Total	
	2014	2013
	N\$ '000	N\$ '000

54. Business segmentation (continued)

GEOGRAPHICAL SEGMENTS

Revenue

- Local	3 595 816	3 073 092
- Export	1 332 827	1 512 569
Total segment revenue	4 928 643	4 585 661

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by geographical area in which the assets are located.

CARRYING AMOUNT OF SEGMENT ASSETS

- Local	4 823 700	4 392 893
- Export	225 759	169 966
Total segment assets	5 049 459	4 562 859

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

- Local	380 281	219 675
- Export	8	28
Total additions	380 289	219 703