

# **OHLTHAVER & LIST**

GROUP ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2017

# 2017

# IM PACT

## APPROVAL OF FINANCIAL STATEMENTS

### Responsibility Of Directors

The Directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements of Ohlthaver & List Finance and Trading Corporation Limited and its subsidiaries and related information. The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The Group's independent external auditors, Deloitte & Touche, have audited the consolidated and separate financial statements and their report appears on page 2 to 6 herein.

The Directors are also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements; to adequately safeguard, verify and maintain the accountability of assets; and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review. The consolidated and separate annual financial statements are prepared on a going-concern basis. Nothing has come to the attention of the Directors to indicate that the Company and the Group will not remain going concerns for the foreseeable future.

These consolidated and separate financial statements were approved by the Board of Directors on 28 September 2017 and signed on its behalf by:



**Sven Thieme**  
Executive Chairman



**Peter Grüttemeyer**  
Chief Executive Officer

## INDEPENDENT AUDITOR'S REPORT

### REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

To the members of Ohlthaver & List Finance and Trading Corporation Limited.

#### OPINION

We have audited the consolidated and separate financial statements of Ohlthaver & List Finance and Trading Corporation Limited and its subsidiaries ("the Group") set out on pages 7 to 116, which comprise the consolidated and separate statements of financial position as at 30 June 2017 and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and the Report of the Directors.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at 30 June 2017 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act of Namibia.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group in accordance with the Public Accountants' and Auditors' Act 1951 (as amended) ("PAAB Act") and the independence requirements applicable to performing audits of financial statements in Namibia.

We have fulfilled our other ethical responsibilities in accordance with the PAAB Act code of ethics and the ethical requirements applicable to performing audits of financial statements in Namibia. The PAAB Act Code of Ethics is consistent with the International Ethics

Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### KEY AUDIT MATTERS

The key audit matters are the matters that, in our professional judgement, were of most significance in our audit of the consolidated statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

#### Separate Financial Statements

We have determined that there are no key audit matters identified in respect of the separate financial statements of Ohlthaver & List Finance and Trading Corporation Limited.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
<b>VALUATION OF THE INVESTMENT IN ASSOCIATE AND RELATED LOSS FOR THE YEAR</b>	

The year end valuation of the investment in associate, Heineken South Africa Proprietary Limited ("Heineken SA"), of N\$438.3 million and notably the value attributed to the deferred tax asset of N\$58.8 million in Heineken SA as well as the recoverability of the investment as a whole is a matter of significant judgement. The valuation has been noted as a key audit matter due to the following factors:

As disclosed in note 7 of the consolidated financial statements, the Directors concurred with the Heineken SA's Directors' assessment that a portion of the N\$1.6 billion of the estimated tax losses in Heineken SA is recoverable.

In addition, note 7 of the consolidated financial statements provides the background and the adopted accounting treatment of the purchase price adjustments amounting to N\$435 million (Namibia Breweries Limited's ("NBL") share amounts to N\$108.7 million) relating to the acquisition of trade and assets of Sedibeng by Heineken SA on 31 December 2015, which were identified and recorded subsequent to NBL's finalisation of the annual report, dated 30 June 2016.

The Directors have confirmed that NBL, in line with the Group's accounting policy will not apply IFRS 3 – Business Combinations in the Group's accounting of the transaction and will instead make use of the exemption for common control transactions available to account for the transaction at net book value. The selected accounting treatment will require the Directors to understand and track the various elements of the purchase price adjustment recorded and ensure that the unwinding thereof is appropriately recorded and adjusted in the Group accounts.

The Directors have confirmed that, based on the information currently available, they believe the investment balance disclosed in note 7 of the consolidated financial statements, net of equity accounted losses of N\$438.3 million as well as the capital loan of N\$73.6 million and debtors of N\$74.7 million to be recoverable.

We evaluated the design and tested implementation of key controls around the impairment review process and challenged the key assumptions used.

We confirmed the value of the investment by agreeing the additional sums invested to the underlying contracts and calculations.

We performed specific review procedures on the management accounts of Heineken SA for the equity accounted losses from ongoing operations and reviewed the judgements around the deferred tax asset recorded by Heineken SA at 30 June 2017.

In connection with the recognition of the deferred tax asset, we assessed the judgement in accordance with the requirements of IAS 12: Income taxes.

We evaluated the key facts and judgements made with reference to relevant documentary evidence by taking into account future plans and budgets and assessing the reasonableness of the assumptions used.

We reviewed the accounting treatment adopted by the Directors and the resulting accounting entries using accounting specialists to assess the appropriateness of the accounting treatment and whether the application thereof was in line with the selected accounting policy and IFRS.

We reviewed the accounting policy and judgements adopted by the Directors for reasonability and consistency with the Group accounting policies.

We verified the purchase price adjustment posted by Heineken SA and reviewed the appropriateness of the journals processed.

We assessed the judgements made by the Directors in accordance with the requirements of IAS 36: Impairment of Assets.

We consider the Directors' judgements to be reasonable in determining the value of the investment. The consolidated financial statements incorporate appropriate disclosure relating to the valuation of the investment in associate.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
<b>VALUATION OF PROPERTIES</b>	

The valuation of owner occupied land and buildings and investment property is a key contributor to the Group's asset value and the result for the year.

The valuation was considered to be a matter of significance to the current year audit due to the complexity of the valuation and existence of significant uncertainty in relation to the significant judgements and assumptions regarding discount rates, capitalisation rates, vacancy factors, structural conditions and inflation rates.

As disclosed in note 2 of the consolidated financial statements, land and buildings are re-valued independently every 3 years, except where the Directors believe that the fair value of the freehold land and buildings differs significantly from the carrying amount at year end. The revaluation is performed in accordance with the Group's policy and IAS 16: Property, Plant and Equipment. The carrying value of freehold land and buildings in property, plant and equipment in the current year was N\$1.95 billion (2016: N\$1.79 billion) and revaluation gains included in other comprehensive income amounted to N\$179.5 million (2016: N\$95 million).

Investment property is revalued on an annual basis in line with the Group accounting policy and IAS 40 – Investment Property. The carrying amount of the investment property, as disclosed in note 3 in the current year, was N\$ 1.98 billion (2016: N\$1.85 billion) and the fair value gains reported in the profit and loss were N\$90.5 million (2016: N\$232 million).

The Directors utilised independent valuation experts (the "Valuers") to assist them with the valuation of the land and buildings and investment properties in accordance with IFRS 13: Fair Value Measurement.

We evaluated the design and tested implementation of key controls around the valuation process and challenged the key assumptions used.

Prior to placing reliance on the work of experts, we assessed, the competence, capabilities and objectivity of the Directors' independent valuers. In addition, we discussed the scope of their work with the Directors and reviewed the terms of engagement to determine that there were no matters that affected the valuers independence and objectivity or imposed scope limitations upon them. Based on the information we obtained, there was no evidence to suggest that the objectivity of the valuers in the performance of the valuations was compromised.

We confirmed that the valuation methods and approaches used are consistent with IFRS and industry norms for the different types of properties.

We performed a sensitivity analysis on the significant assumptions used to evaluate the extent of the impact on the fair values.

We tested a selection of data inputs underpinning the investment property valuation, including rental income, tenancy schedules, capital expenditure details, acquisition cost schedules and square meter details, against appropriate supporting documentation, to assess the accuracy, reliability and completeness thereof.

We further assessed the significant assumptions including the changes from prior years in the discount rates and capitalisation rates applied. We compared these inputs to market data and entity-specific historical information to confirm the appropriateness of these judgements. We found that the assumptions and valuations used by Directors fell within a reasonable range to our independent expectations.

We assessed the considerations and procedures followed by the Directors in the application of IFRS 13: Fair Value Measurement.

We reviewed the Directors' valuation of properties and ensured compliance with the Group's revaluation policy and applicable accounting standards.

We consider the Directors' judgements to be reasonable in determining the value of the properties. The consolidated financial statements incorporate appropriate disclosure relating to the valuation of the freehold land and buildings included in property, plant and equipment and the investment property.



## OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the Integrated Annual Report which includes the joint message from the Executive Chairman and the Chief Executive Officer, operational review, corporate governance report, economic, social and environmental sustainability reports, assurance statement, Group value added statement, seven-year review, financial review, Group reference information, notices to shareholders and proxy form and the Directors responsibility and approval of the financial statements. The Other information does not include the consolidated and separate financial statements, segmental reporting, report of the Directors and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the

audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in black ink that reads "Deloitte & Touche". The signature is stylized, with the 'D' being large and the 'Touche' part written in a cursive script. There is a horizontal line underneath the signature.

**DELOITTE & TOUCHE**

Registered Accountants and Auditors

Chartered Accountants (Namibia)

Per RH Mc Donald

Partner

Windhoek, 28 September 2017

Deloitte Building, Maerua Mall Complex

PO Box 47

Jan Jonker Road

Windhoek, Namibia

ICAN practice number: 9407

Resident Partners: E Tjipuka (Managing Partner), RH Mc Donald,

H de Bruin, J Cronjé, A Akayombokwa, A Matenda, J Nghikevali,

G Brand\*, M Harrison\*

\*Director

Associate of Deloitte Africa, a member of Deloitte Touche Tohmatsu Limited.

## REPORT OF THE DIRECTORS

### NATURE OF BUSINESS

The Group is engaged in diversified business activities. Details of the Group's activities are set out on the inside cover of this report.

### FINANCIAL RESULTS

The consolidated profit attributable to owners of the parent for the year ended 30 June 2017 was N\$163.4 million (2016: N\$329.4 million).

### DIVIDENDS

An ordinary dividend of 112c per share was declared in respect of the year under review (2016: 112c per share).

### CAPITAL EXPENDITURE

Capital expenditure on property, plant and equipment during the year amounted to N\$374.2 million (2016: N\$437.7 million), of which N\$338.1 million (2016: N\$474.6 million) was in respect of plant, equipment and operating assets and N\$35.6 million (2016: N\$6.6 million) for land and buildings.

Capital expenditure on investment property of N\$50 million (2016: N\$17.5 million) was incurred during the year under review.

### SHARE CAPITAL

There were no changes in the Company's authorised or issued share capital during the year under review. Full details of the Company's authorised and issued share capital at 30 June 2017 are set out in Note 18 to the consolidated and separate financial statements.

### DIRECTORATE AND SECRETARY

The names of the Directors, as well as the name and the address of the Company's Secretary, appear on page 18.

### HOLDING COMPANY

The Company's immediate holding company is Ohlthaver & List Holdings (Proprietary) Limited. List Trust Company (Proprietary) Limited is the holding company of Ohlthaver & List Holdings (Proprietary) Limited, while The Werner List Trust is the majority shareholder of List Trust Company (Proprietary) Limited.

### SUBSIDIARIES

Details of the Company's investment in subsidiaries are set out in Note 6 of the consolidated and separate annual financial statements.

### GOING CONCERN

The consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### SUBSEQUENT EVENTS

No adjusting events have occurred between the reporting date and the date of this report which are material in their effect on the affairs of the Group.



## STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE

		Group		Company	
	Note(s)	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	2	3 462 736	3 256 234	-	-
Investment property	3	1 980 714	1 845 382	-	-
Biological assets	4	45 264	38 199	-	-
Intangible assets	5	46 197	31 292	-	-
Investments in subsidiaries	6	-	-	948 924	938 415
Investments in associates	7	473 227	636 391	21 119	20 969
Investments in joint ventures	8	3 038	3 803	-	-
Other financial assets	9	16 189	16 072	-	-
Non-current receivables	10	39 538	41 546	-	-
Deferred tax	11	4 615	1 793	-	-
Loans to related parties	12	4 531	3 328	4 531	3 328
		6 076 049	5 874 040	974 574	962 712
<b>Current Assets</b>					
Inventories	13	496 281	459 300	-	-
Trade and other receivables	14	546 258	606 833	79	43
Other financial assets	9	6 984	4 430	-	-
Current tax receivable	42	36 204	11 175	-	-
Cash and cash equivalents	15	475 026	293 701	17 749	654
Loans to related parties	12	77 624	62 335	-	100
Property units for sale	16	33 615	150 862	-	-
		1 671 992	1 588 636	17 828	797
Non-current assets held for sale	17	53 898	1 425	-	-
<b>Total Assets</b>		<b>7 801 939</b>	<b>7 464 101</b>	<b>992 402</b>	<b>963 509</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Issued share capital and share premium	18	3 391	3 391	3 391	3 391
Reserves	19&20&21	870 298	787 202	54 949	54 949
Retained income		2 039 122	1 891 930	532 400	499 216
Equity Attributable to Equity Holders of Parent		2 912 811	2 682 523	590 740	557 556
Non-controlling interest		1 215 781	1 042 756	-	-
<b>Total Equity</b>		<b>4 128 592</b>	<b>3 725 279</b>	<b>590 740</b>	<b>557 556</b>

## STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE

		Group		Company	
	Note(s)	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
Other financial liabilities	22	1 627 428	1 695 698	300 000	345 000
Finance lease liabilities	23	56 135	50 189	-	-
Deferred tax	11	513 095	454 164	-	-
Provisions	24	53 868	44 585	-	-
Non-current payables	25	6 500	5 656	-	-
Loans from related parties	12	7 604	16 907	6 548	6 867
Deferred income	26	3 139	2 775	-	-
		2 267 769	2 269 974	306 548	351 867
<b>Current Liabilities</b>					
Trade and other payables	27	876 380	1 011 521	2 135	1 614
Other financial liabilities	22	413 086	359 837	86 853	37 915
Finance lease liabilities	23	25 789	22 686	-	-
Provisions	24	678	1 112	-	-
Current tax payable	42	1 856	1 267	-	-
Dividend payable	41	1 057	1 231	1 057	1 231
Loans from related parties	12	22 800	23 269	1 408	1 787
Bank overdraft	15	63 932	47 925	3 661	11 539
		1 405 578	1 468 848	95 114	54 086
<b>Total Liabilities</b>		<b>3 673 347</b>	<b>3 738 822</b>	<b>401 662</b>	<b>405 953</b>
<b>Total Equity and Liabilities</b>		<b>7 801 939</b>	<b>7 464 101</b>	<b>992 402</b>	<b>963 509</b>

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE

		Group		Company	
	Note(s)	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000
<b>Continuing operations</b>					
Revenue	28	6 406 980	5 660 086	24 699	30 164
Cost of sales	29	(4 113 099)	(3 626 707)	-	-
<b>Gross profit</b>		<b>2 293 881</b>	<b>2 033 379</b>	<b>24 699</b>	<b>30 164</b>
Other income	30	105 468	69 930	19 276	3 697
Operating expenses	31	(1 622 217)	(1 384 784)	790	(33 598)
<b>Operating profit</b>	32	<b>777 132</b>	<b>718 525</b>	<b>44 765</b>	<b>263</b>
Investment income	33	22 264	21 837	39 020	35 764
Fair value adjustments	34	97 646	230 377	-	-
Share of profit from associates - deferred tax asset write-back	7	-	89 212	-	-
Share of (loss) profit from associates - ongoing operations	7	(151 698)	(58 133)	150	849
Share of loss from joint ventures - ongoing operations	8	709	(37 998)	-	-
Finance costs	35	(223 505)	(196 700)	(44 599)	(41 079)
<b>Profit (loss) before taxation</b>		<b>522 548</b>	<b>767 120</b>	<b>39 336</b>	<b>(4 203)</b>
Taxation	36	(130 388)	(175 140)	-	-
<b>Profit (loss) for the year</b>		<b>392 160</b>	<b>591 980</b>	<b>39 336</b>	<b>(4 203)</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Remeasurements on net defined benefit liability/asset		(4 910)	-	-	-
Gains on property revaluation		179 509	95 316	-	-
Income tax relating to items that will not be reclassified		(40 272)	(10 897)	-	-
<b>Total items that will not be reclassified to profit or loss</b>		<b>134 327</b>	<b>84 419</b>	<b>-</b>	<b>-</b>
<b>Items that may be reclassified to profit or loss:</b>					
Exchange differences on translating foreign operations		(89)	252	-	-
<b>Other comprehensive income for the year net of taxation</b>	37	<b>134 238</b>	<b>84 671</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) for the year</b>		<b>526 398</b>	<b>676 651</b>	<b>39 336</b>	<b>(4 203)</b>

## STATEMENTS OF **PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME** FOR THE YEAR ENDED 30 JUNE

	<b>Group</b>		<b>Company</b>	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000
<b>Profit (loss) attributable to:</b>				
Owners of the parent	163 351	329 366	39 336	(4 203)
Non-controlling interest	228 809	262 614	-	-
	<b>392 160</b>	<b>591 980</b>	<b>39 336</b>	<b>(4 203)</b>
<b>Total comprehensive income (loss) attributable to:</b>				
Owners of the parent	239 117	411 133	39 336	(4 203)
Non-controlling interest	287 281	265 518	-	-
	<b>526 398</b>	<b>676 651</b>	<b>39 336</b>	<b>(4 203)</b>

# STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE

OHLTHAVER & LIST FINANCE AND TRADING CORPORATION LTD - Reg. Nr. 331

	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Revaluation reserve	Changes in ownership	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	N\$'000
<b>Group</b>												
<b>Group - Balance at 01 July 2015</b>	<b>2 746</b>	<b>645</b>	<b>3 391</b>	<b>(1)</b>	<b>662 599</b>	<b>-</b>	<b>54 949</b>	<b>717 547</b>	<b>1 555 372</b>	<b>2 276 310</b>	<b>886 737</b>	<b>3 163 047</b>
Profit for the year	-	-	-	-	-	-	-	-	329 366	329 366	262 614	591 980
Other comprehensive income (note 37)	-	-	-	75	81 692	-	-	81 767	-	81 767	2 904	84 671
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75</b>	<b>81 692</b>	<b>-</b>	<b>-</b>	<b>81 767</b>	<b>329 366</b>	<b>411 133</b>	<b>265 518</b>	<b>676 651</b>
Changes in ownership interest - control not lost (note 6)	-	-	-	-	-	3 181	-	3 181	(2 498)	683	(735)	(52)
Transfer between reserves	-	-	-	-	(458)	(14 835)	-	(15 293)	15 293	-	-	-
Dividends paid by subsidiary	-	-	-	-	-	-	-	-	-	-	(108 764)	(108 764)
Dividends declared on ordinary shares	-	-	-	-	-	-	-	-	(5 603)	(5 603)	-	(5 603)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(458)</b>	<b>(11 654)</b>	<b>-</b>	<b>(12 112)</b>	<b>7 192</b>	<b>(4 920)</b>	<b>(109 499)</b>	<b>(114 419)</b>
<b>Balance at 01 July 2016</b>	<b>2 746</b>	<b>645</b>	<b>3 391</b>	<b>74</b>	<b>743 833</b>	<b>(11 654)</b>	<b>54 949</b>	<b>787 202</b>	<b>1 891 930</b>	<b>2 682 523</b>	<b>1 042 756</b>	<b>3 725 279</b>
Profit for the year	-	-	-	-	-	-	-	-	163 351	163 351	228 809	392 160
Other comprehensive income (note 37)	-	-	-	(27)	79 794	-	-	79 767	(4 001)	75 766	58 472	134 238
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27)</b>	<b>79 794</b>	<b>-</b>	<b>-</b>	<b>79 767</b>	<b>159 350</b>	<b>239 117</b>	<b>287 281</b>	<b>526 398</b>
Transfer between reserves	-	-	-	-	(435)	-	-	(435)	435	-	-	-
Prior year adjustment	-	-	-	-	-	-	-	-	(6 441)	(6 441)	-	(6 441)
Dividends paid by subsidiaries (Note 41)	-	-	-	-	-	-	-	-	-	-	(109 872)	(109 872)
Dividends declared on ordinary shares	-	-	-	-	-	-	-	-	(6 152)	(6 152)	-	(6 152)
Changes in ownership interest - control not lost	-	-	-	-	-	3 764	-	3 764	-	3 764	(4 960)	(1 196)
Business combinations	-	-	-	-	-	-	-	-	-	-	576	576
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(435)</b>	<b>3 764</b>	<b>-</b>	<b>3 329</b>	<b>(12 158)</b>	<b>(8 829)</b>	<b>(114 256)</b>	<b>(123 085)</b>
<b>Balance at 30 June 2017</b>	<b>2 746</b>	<b>645</b>	<b>3 391</b>	<b>47</b>	<b>823 192</b>	<b>(7 890)</b>	<b>54 949</b>	<b>870 298</b>	<b>2 039 122</b>	<b>2 912 811</b>	<b>1 215 781</b>	<b>4 128 592</b>
Note(s)	18	18	18	19&37	20&37		21					

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE

	Share capital N\$'000	Share premium N\$'000	Total share capital N\$'000	Foreign currency transla- tion reserve N\$'000	Revalua- tion reserve N\$'000	Changes in owner- ship N\$'000	Equity settled share based payment reserve N\$'000	Total non distri- butable reserves N\$'000	Retained income N\$'000	Total attribut- able to equity holders of the company N\$'000	Non- con- trolling interest N\$'000	Total equity N\$'000
<b>Company</b>												
<b>Balance at 01 July 2015</b>	<b>2 746</b>	<b>645</b>	<b>3 391</b>	-	-	-	<b>54 949</b>	<b>54 949</b>	<b>509 022</b>	<b>567 362</b>	-	<b>567 362</b>
Loss for the year	-	-	-	-	-	-	-	-	(4 203)	(4 203)	-	(4 203)
<b>Total comprehensive loss for the year</b>	-	-	-	-	-	-	-	-	<b>(4 203)</b>	<b>(4 203)</b>	-	<b>(4 203)</b>
Dividends declared on ordinary shares	-	-	-	-	-	-	-	-	(5 603)	(5 603)	-	(5 603)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	-	-	-	-	-	-	-	-	<b>(5 603)</b>	<b>(5 603)</b>	-	<b>(5 603)</b>
<b>Balance at 01 July 2016</b>	<b>2 746</b>	<b>645</b>	<b>3 391</b>	-	-	-	<b>54 949</b>	<b>54 949</b>	<b>499 216</b>	<b>557 556</b>	-	<b>557 556</b>
Loss for the year	-	-	-	-	-	-	-	-	39 336	39 336	-	39 336
<b>Total comprehensive loss for the year</b>	-	-	-	-	-	-	-	-	<b>39 336</b>	<b>39 336</b>	-	<b>39 336</b>
Dividends declared on ordinary shares	-	-	-	-	-	-	-	-	(6 152)	(6 152)	-	(6 152)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	-	-	-	-	-	-	-	-	<b>(6 152)</b>	<b>(6 152)</b>	-	<b>(6 152)</b>
<b>Balance at 30 June 2017</b>	<b>2 746</b>	<b>645</b>	<b>3 391</b>	-	-	-	<b>54 949</b>	<b>54 949</b>	<b>532 400</b>	<b>590 740</b>	-	<b>590 740</b>
Note(s)	18	18	18	19&37	20&37		21					



## STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE

		Group		Company	
	Note(s)	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000
<b>Cash flows from operating activities</b>					
Cash generated from / (used in) operations	40	1 133 721	952 498	39 128	745
Interest received		22 264	21 837	39 020	35 764
Dividends received		-	-	-	29 476
Finance costs		(223 505)	(196 700)	(44 599)	(41 079)
Taxation paid	42	(138 992)	(143 562)	-	-
Employer benefit payments on provisions	24	(2 718)	(761)	-	-
<b>Net cash from operating activities</b>		<b>790 770</b>	<b>633 312</b>	<b>33 549</b>	<b>24 906</b>
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment	2	(374 205)	(437 718)	-	-
Proceeds on disposal of property, plant and equipment	2	8 241	24 446	-	-
Acquisition of investment property	3	(50 009)	(17 515)	-	-
Acquisition of intangible assets	5	(17 467)	(12 268)	-	-
Additions to land and buildings under construction		(38 261)	(81 960)	-	-
Acquisition of subsidiary/business combination		(10 921)	-	-	-
Repayment / (Advances) of investments and loans		(4 717)	792	-	-
Proceeds on disposal of assets held for sale		-	4 870	-	-
Acquisition of shares in associate	7	(9 978)	(593 665)	-	-
Repayment of joint venture loan		1 474	1 119	-	-
Repayment of loan to associate		16 544	-	-	-
Acquisition of additional shares in subsidiaries		(1 196)	(52)	(1 187)	(55)
<b>Net cash from investing activities</b>		<b>(480 495)</b>	<b>(1 111 951)</b>	<b>(1 187)</b>	<b>(55)</b>
<b>Cash flows from financing activities</b>					
Proceeds from other financial liabilities		309 667	935 366	40 000	200 000
Repayment of other financial liabilities		(321 966)	(389 130)	(36 062)	(181 830)
Movement in non-current payables		844	872	-	-
Loans to related parties repaid / (advanced)		(16 492)	4 076	-	1 357
(Repayments) / proceeds from loans from related parties		(9 772)	(1 454)	(1 801)	(1 849)
Net finance lease receipts / (payments)		9 049	(34 453)	-	-
Net repayment of loans from group companies		-	-	(3 200)	(46 371)
Dividends paid	41	(116 198)	(115 808)	(6 326)	(7 044)
<b>Net cash from financing activities</b>		<b>(144 868)</b>	<b>399 469</b>	<b>(7 389)</b>	<b>(35 737)</b>

## STATEMENTS OF **CASH FLOWS** FOR THE YEAR ENDED 30 JUNE

		<b>Group</b>		<b>Company</b>	
	Note(s)	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000
<b>Total cash and cash equivalents movement for the year</b>		<b>165 407</b>	<b>(79 170)</b>	<b>24 973</b>	<b>(10 886)</b>
Cash and cash equivalents at the beginning of the year		245 776	324 694	(10 885)	1
Net foreign exchange difference		(89)	252	-	-
<b>Total cash and cash equivalents at the end of the year</b>	15	<b>411 094</b>	<b>245 776</b>	<b>14 088</b>	<b>(10 885)</b>

## ACCOUNTING POLICIES

### 1. Presentation of Annual Financial Statements

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

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

#### 1.1 Fair value measurement

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

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is

significant to the fair value measurement as a whole) at the end of each reporting period.

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

The Group, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### 1.2 Consolidation

##### Basis of consolidation

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The results of subsidiaries are included in the consolidated 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.

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

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

## ACCOUNTING POLICIES (CONTINUED)

### 1.2 Consolidation (continued)

#### Basis of consolidation (continued)

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.

#### Changes in the Group's ownership interests in existing subsidiaries

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

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

#### Business combinations

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

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

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal 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.

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

## ACCOUNTING POLICIES (CONTINUED)

### 1.2 Consolidation (continued)

#### Investment in associates (continued)

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. Any change in other comprehensive income (OCI) of investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

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

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

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

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

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

#### 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 annual 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. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. Profits or losses on transactions between the company and a joint venture are eliminated to the extent of the company's interest therein.

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

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

#### Joint operations

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

### 1.3 Interest in subsidiaries

#### Company annual financial statements

In the company's annual financial statements, interest 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.

## ACCOUNTING POLICIES (CONTINUED)

### 1.4 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.

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

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current 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.

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 straightline 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 and planes	10.0–33.3%
Furniture and equipment	10.0–33.3%
Fishing vessels	4.0–15.0%
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.

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.

### 1.5 Investment property

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

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

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



## ACCOUNTING POLICIES (CONTINUED)

### 1.5 Investment property (continued)

amount of the investment property, the carrying amount of the replaced part is derecognised.

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

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

#### 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.

#### Transfers

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

### 1.6 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.

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.

### 1.7 Intangible assets

An intangible asset is recognised when:

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

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

## ACCOUNTING POLICIES (CONTINUED)

### 1.7 Intangible assets (continued)

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.

### Intangible assets acquired in a business combination

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

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

### Derecognition of intangible assets

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

### 1.8 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.

### 1.9 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.

## ACCOUNTING POLICIES (CONTINUED)

### 1.9 Biological assets (continued)

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 Game	12–50 years
Abalone	Indefinite

### 1.10 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 44.

#### Onerous contracts:

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

### 1.11 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.

### 1.12 Government grants

Government grants are recognised when there is reasonable assurance that:

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

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

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

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

### 1.13 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;

## ACCOUNTING POLICIES (CONTINUED)

### 1.13 Revenue (continued)

- 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.

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.

### 1.14 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.

### 1.15 Construction contracts 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.

### 1.16 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.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

#### 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)

### 1.16 Leases (continued)

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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 another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 1.17 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.

#### 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 1.21 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.

### 1.18 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.

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.



## ACCOUNTING POLICIES (CONTINUED)

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

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'cost of sales', 'administration expenses' and 'selling and distribution expenses' in the consolidated statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements
- Net interest expense or income

#### Severance pay

In accordance with the Namibia Labour Act, 2007 severance benefits are payable to an employee, if the employee is unfairly dismissed, dies while employed or resigns/retires on reaching the age of 65 years. The obligation for severance benefits to current employees is actuarially determined in

respect of all its employees and is provided for in full. The cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each reporting period.

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'cost of sales', 'administration expenses' and 'selling and distribution expenses' in the consolidated statement of profit or loss (by function):

- Service costs comprising current service costs past-service costs, gains and losses on curtailments and non routine settlements
- Net interest expense or income

### 1.20 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). In addition, deferred tax liabilities are not recognised if the temporary difference arises from initial recognition of goodwill.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset



## ACCOUNTING POLICIES (CONTINUED)

### 1.20 Taxation (continued)

#### Deferred taxation assets and liabilities (continued)

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.

#### Taxation expenses

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

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

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income or
- a business combination.

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

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

### 1.21 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 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
- 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 nature and 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.

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity.

Available-for-sale (AFS) financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

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.

## ACCOUNTING POLICIES (CONTINUED)

### 1.21 Financial instruments (continued)

#### Subsequent measurement (continued)

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.

#### 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, for indicators of impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset the estimated cashflows of the investment have been affected.

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. Increases in their fair value after impairment are recognised in other comprehensive income.

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.

#### Offsetting of financial instruments

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

#### 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

## ACCOUNTING POLICIES (CONTINUED)

### 1.21 Financial instruments (continued)

#### Financial instruments designated as at fair value through profit or loss (continued)

- It is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at 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.

#### 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 1.22).

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.

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

## ACCOUNTING POLICIES (CONTINUED)

### 1.21 Financial instruments (continued)

#### Derivatives (continued)

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.

### 1.22 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.

### 1.23 Significant judgements and sources of estimation uncertainty

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

## ACCOUNTING POLICIES (CONTINUED)

### 1.23 Significant judgements and sources of estimation uncertainty (continued)

#### Biological assets

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

#### 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 and 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 51.

#### 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.

#### Recoverability of investment in Associate

The Company's investment in the associate is carried at cost less impairment. The Directors have evaluated the value of the investment and have considered this to approximate the Company's investment less equity-accounted losses at year-end. Changes in the assumptions impacting expected future cash generation could affect the recoverability of the valuation of the investment in the associate. See note 7 for further details on these assumptions.

#### Property, plant, equipment and intangible assets

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

In particular management have assumed a depreciation rate of 20% (2016: 20%) on returnable containers, this being management's best estimate of breakage rate and useful life. The majority of returnable containers are with customers and the estimate of cost along with the corresponding returnable deposit liability is based on management's judgement. Any change to these assumptions could have a significant impact on both the asset and corresponding liability.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 2. Property, plant and equipment

#### Group

	2017			2016		
	Cost/ Valuation	Accumulat- ed depreci- ation	Carrying value	Cost/ Valuation	Accumulat- ed depreci- ation	Carrying value
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
Freehold land and buildings	1 987 639	(33 725)	1 953 914	1 833 337	(42 141)	1 791 196
Leasehold land and buildings	126 817	(15 337)	111 480	82 561	(13 709)	68 852
Plant and machinery	1 477 344	(765 352)	711 992	1 349 213	(666 630)	682 583
Furniture and fixtures	449 491	(237 598)	211 893	376 048	(181 412)	194 636
Vehicles	231 066	(123 588)	107 478	206 337	(108 150)	98 187
Office equipment	41 210	(31 184)	10 026	37 489	(26 883)	10 606
Spare parts	13 122	(1 421)	11 701	495	(329)	166
Containers	353 284	(174 856)	178 428	299 206	(128 051)	171 155
Fishing vessels	210 673	(118 584)	92 089	203 434	(106 489)	96 945
Construction in progress	73 735	-	73 735	141 908	-	141 908
<b>Total</b>	<b>4 964 381</b>	<b>(1 501 645)</b>	<b>3 462 736</b>	<b>4 530 028</b>	<b>(1 273 794)</b>	<b>3 256 234</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 2. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - Group - 2017

	Opening balance	Additions	Additions through aquisition of subsidiary	Disposals	Transfers to non- current assets held for sale	Transfers	Revaluations	Depreciation	Impairment loss	Total
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
Freehold land and buildings	1 791 196	35 572	8 250	-	(43 814)	15 859	179 509	(7 006)	(25 652)	1 953 914
Leasehold land and buildings	68 852	3 278	-	(5)	-	41 070	-	(1 715)	-	111 480
Plant and machinery	682 583	94 267	2 211	(307)	-	35 248	-	(100 302)	(1 708)	711 992
Furniture and fixtures	194 636	53 409	13	(642)	-	21 554	-	(55 439)	(1 638)	211 893
Vehicles	98 187	51 221	567	(8 253)	-	1 775	-	(36 019)	-	107 478
Office equipment	10 606	3 866	-	(96)	-	(2)	-	(3 990)	(358)	10 026
Spare parts	166	6 751	-	-	-	5 876	-	(1 092)	-	11 701
Containers	171 155	54 078	-	-	-	-	-	(46 805)	-	178 428
Fishing vessels	96 945	12 665	-	-	-	-	-	(17 521)	-	92 089
Construction in progress	141 908	61 876	-	-	-	(128 222)	-	(1 827)	-	73 735
	<b>3 256 234</b>	<b>376 983</b>	<b>11 041</b>	<b>(9 303)</b>	<b>(43 814)</b>	<b>(6 842)</b>	<b>179 509</b>	<b>(271 716)</b>	<b>(29 356)</b>	<b>3 462 736</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 2. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - Group - 2016

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Impairment loss	Total
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
Freehold land and buildings	1 430 265	6 598	-	263 919	95 316	(4 902)	-	1 791 196
Leasehold land and buildings	70 205	227	-	242	-	(1 822)	-	68 852
Plant and machinery	689 862	65 252	(469)	19 964	-	(90 825)	(1 201)	682 583
Furniture and fixtures	132 396	57 538	(2 535)	48 219	-	(40 982)	-	194 636
Vehicles	82 778	60 639	(16 064)	17	-	(29 156)	(27)	98 187
Office equipment	6 214	7 584	(27)	-	-	(3 165)	-	10 606
Spare parts	238	-	-	-	-	(72)	-	166
Containers	121 890	87 748	(733)	-	-	(37 750)	-	171 155
Fishing vessels	82 449	23 388	(513)	6 090	-	(14 469)	-	96 945
Construction in progress	310 910	172 463	-	(341 465)	-	-	-	141 908
	<b>2 927 207</b>	<b>481 437</b>	<b>(20 341)</b>	<b>(3 014)</b>	<b>95 316</b>	<b>(223 143)</b>	<b>(1 228)</b>	<b>3 256 234</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 2. Property, plant and equipment (continued)

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000
<b>Pledged as security</b>				
Carrying value of assets pledged as security:				
Freehold land and buildings	1 011 281	1 111 634	-	-
Plant and machinery	48 333	49 832	-	-
Vehicles	73 870	71 299	-	-
Furniture, fixtures, equipment and spare parts	97 963	89 890	-	-
Fishing vessels	57 471	43 624	-	-
These assets are encumbered to secure liabilities as per Note 22 and Note 23				

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 2. Property, plant and equipment (continued)

#### Revaluations

Land and buildings are re-valued independently every 3 years, except where management believed that the fair value of the freehold land and building differed significantly to their carrying amounts at year end.

Details of the valuers and the valuation methods below:

#### Valuations performed:

##### 2017

#### Freehold land and buildings of Wum Properties (Proprietary) Limited and its subsidiaries:

##### Erf 18 Okahandja:

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

- capitalisation rate of 12%.

##### Farms:

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

- Ptn 85 of 607 (Pardah plot) Deed of transfer no T6091/2001
- Ptn 206 of 607 (Pardah plot) Deed of transfer no T6091/2001
- Ptn 235 of 607 (Pardah plot) Deed of transfer no T6091/2001
- Ptn 236 of 607 (Pardah plot) Deed of transfer no T6091/2001
- Ptn 262 of 607 (Pardah plot) Deed of transfer no T6091/2001
- Ptn 224 (a Ptn of 82) of 607 (Pardah plot) Deed of transfer no T7219/2002
- Ptn 233 of 607 (Pardah plot) Deed of transfer no T7219/2002
- Ptn 83 of 607 (Pardah plot) Deed of transfer no T7219/2002
- Ptn 89 of 607 (Pardah plot) Deed of transfer no T7219/2002
- Ptn 260 of 607 (Pardah plot) Deed of transfer no T7219/2002
- Ptn 225 (a Ptn of 82) of 607 (Pardah plot) Deed of transfer no T1055/1997
- Ptn 232 of 607 (Pardah plot) Deed of transfer no T1055/1997
- Ptn 84 of 607 (Pardah plot) Deed of transfer no T1055/1997
- Ptn 90 of 607 (Pardah plot) Deed of transfer no T1055/1997
- Ptn 255 of 607 (Pardah plot) Deed of transfer no T1055/1997
- Ptn 86 of 607 (Pardah plot) Deed of transfer no T1055/1997.
- Farm Pardah portion 259

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

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 2. Property, plant and equipment (continued)

#### Erf 3515 - Windhoek, Erf 2817 - Swakopmund and Erf 1300 Walvis Bay:

Freehold land and buildings were revalued during 2017 by the following independent valuers, not connected with the Group, by reference to market evidence of recent transactions for similar properties:

- F.A. Frank-Schultz (National Diploma: Property Valuation and BSc Town & Reg. Planning),
- F. Löhnert (National Diploma in Property Valuation (UNISA)) and A. Schröder (Namibia Estate Agents Board Certificate and Sworn Appraiser) from Ludwig Schröder Estate Agents cc.

Properties valued on the depreciated replacement cost method are valued based on estimates of the new replacement costs of buildings, depreciation 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.

#### Erf 3515 - Windhoek:

The property was revalued by F A Frank-Schultz, an independent valuator, based on the Income capitalisation and replacement cost method, and the following assumptions were used:

- Inflation rate of 6.0% to 7.0%
- Capitalisation rate of 8.5% and
- Rental income of N\$ 62.50 per square metre.

#### Erf 2817 - Swakopmund:

The property was revalued by Ludwig Schröder Estate Agents cc, an independent valuator, based on the Income capitalisation method, and the following assumptions were used:

- Inflation rate of 6.5%
- Capitalisation rate of 9.75% and
- Turnover rental provision of 2%.

#### Erf 1300 - Walvis Bay:

The property was revalued by Ludwig Schröder Estate Agents cc, an independent valuator, based on the Income capitalisation method, and the following assumptions were used:

- Inflation rate of 6.5%
- Capitalisation rate of 9.0% and
- Discount rate of 14.0%

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

The properties were valued during March 2017 by Gert Hamman Property Valuers cc, who are sworn appraisers in terms of Section 6(1) of the Administration and Estate Act, 1995 and are qualified in terms of Section 14 of the Valuers Act of 1982. The valuers have several years of experience in their field.

- Income capitalisation method used to value all three properties with a capitalisation rate of between 8% and 10.5%.

#### Erf 2667, Walvis Bay:

The effective date of valuation was 30 May 2016. The valuation was performed by an independent valuer, Mr Arthur Lofty-Eaton of Valuers Trust. Mr Lofty-Eaton is a professional/sworn Appraiser with a National Diploma in Property Valuations (CPUT). Valuers Trust is not connected to the company and has recent experience in the location and category of the investment property being valued. (The valuation gain was only recognised in the current financial period. The directors believe that no significant market changes occurred from the date of valuation until 30 June 2017).

- Income capitalisation method used to value the property with a capitalisation rate used of 8.5%.

#### Erf 4743 Swakopmund:

The effective date of valuation was 30 June 2017. The valuation was performed by an independent valuer, Joshua Askew of Jones Lang LaSalle (Pty) Ltd. Joshua Askew is a Fellow of the Royal Institute of Chartered Surveyors (FRICS), Registered Valuer of Royal Institute of Chartered Surveyors (RICS), Licensed Pfandbrief MLV valuer - CIS HypZert (MLV) and Recognised European Valuer (REV). He has extensive experience in valuing retail, commercial and industrial properties.

- Income capitalisation method used to value the property with a capitalisation rate used of 10.0%

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 2. Property, plant and equipment (continued)

#### Leasehold land and buildings of WUM Properties (Proprietary) Limited and its subsidiaries:

##### UPI KINGSD100001 of Kasika Communal Area

The effective date of valuation was 30 June 2017. The valuation was performed by an independent valuer, Mr P.J. Kotze (Appointed as appraiser by the Ministry of Justice on 17/11/1997 ref 23/1/7/1/4), of Propcor.

- Depreciated replacement cost method was used to value.

#### Freehold land and buildings of Windhoek Schlachtereij (Proprietary) Limited:

Land and buildings were revalued during March 2017 by Gert Hamman Property Valuers cc, who are sworn appraiser and not connected to the Group, by reference to market evidence of recent transactions for similar properties, on an investment method approach. A capitalisation rate of 8.5% was used.

#### Freehold land and buildings of Consortium Fisheries Limited and its subsidiaries:

The effective date of the revaluation of the Tsumeb property, which is in the books of Kraatz Marine (Proprietary) Limited, was 14 June 2017. The valuation was performed by Nadia van der Smit (National Diploma: UNISA & BSc Hons: UCEM, of Messrs Gert Hamman Property Valuers CC an independent valuer, who is a Sworn Appraiser in terms of Section 6(1) of the Administration of Estate Act, 1995 and qualified property valuer in terms of Section 14 of the Valuers Act of 1982. The valuation was arrived at by using the income capitalisation method. Capitalisation rate of 12% was applied.

#### Freehold land and buildings of Namibia Breweries Limited:

Freehold land and buildings, other than those where management believed that their fair values differed significantly to their carrying amounts at year end, were revalued during 2017 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) of Broll Valuation and Advisory Services (Pty) Ltd, John M Meyer (Valuers Diploma from The Institute of Bankers in SA) of Northern Property Valuers, Frank Löhnert (National Diploma in Property Valuation (UNISA) and A Schröder (Namibia Estate Agents Board Certificate and Sworn Appraiser) from Ludwig Schröder Estate Agents cc, Jurie Scholtz (National Diploma Property Valuations (Technicon SA) from Property Valuations Namibia, Nadia van der Smit, a member of the South African Institute of Valuers of Gert Hamman Property Valuers and PJ Scholtz (National Diploma in Property Valuation (UNISA).

Capitalisation rates of 11% - 12% were used.

These assumptions were based on current market conditions.

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

### 2016

#### Freehold land and buildings of Consortium Fisheries Limited and its subsidiaries:

Freehold land and buildings of Protea Fish Products (Proprietary) Limited (Erf 3691 and 13 B - No 21, Ben Amathila Street - Industrial Area Walvis) and Kuiseb Fish Products (Proprietary) Limited (Erf 4606 - No 19, Ben Amadhila Street - Industrial Area Walvis) were revalued on 2 June 2016, since management had reason to believe that their fair values significantly exceeded their carrying values at year end. The valuation was performed by J S Lofty-Eaton of Valuers Trust who has a National Diploma in Property Valuation (S.A.I.V). Capitalisation rates of 10-12% were used.

The freehold land and buildings of Consortium Fisheries Limited were also revalued on 2 June 2016. The valuation was performed by JS Lofty-Eaton (National Diploma in Property Valuation (S.A.I.V) of Valuers Trust. The valuation was performed for land and buildings on portion 14 of portion B of Walvis Bay town & townlands and Erf 3692 Walvis Bay Industrial Area. The valuation was 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 rate of 12% was used. These assumptions were based on current market conditions.

Freehold land and buildings of Domi Metal Industries (Proprietary) Limited was revalued on the 30 May 2016. The valuation was performed by Arthur Lofty-Eaton of Valuers Trust. Mr Arthur Lofty-Eaton is a professional/sworn appraiser with a National Diploma in property valuation from CPU. Capitalisation rate of 8.5% was used.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 2. Property plant and equipment (continued)

#### Other details:

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

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

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

MFV Begonia - N\$ 18 million

MFV Otterbank - N\$ 12 million

MFV Erica - N\$ 18 million

MFV Fisher Bank - N\$ 12 million

Cession of Marine & Hull Insurance Policy MM/H006/2015

Cession over Fire Policy for N\$ 35 350 435 at Western National dated 07/03/2016.

Hangana Seafood (Proprietary) Limited has a notarial bond of N\$20 million (2016: N\$20 million) registered over their movable assets.

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

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

The insurance policies over certain items of property, plant and equipment have been ceded to the bond holders 2017: N\$183 353 541 (2016: N\$172 853 229).

Cession over Fire Policy for N\$ 50 448 668 at Mutual & Federal dated 18/4/2017.

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

	<b>Group - 2017 N\$ '000</b>	<b>Group - 2016 N\$ '000</b>	<b>Company - 2017 N\$ '000</b>	<b>Company - 2016 N\$ '000</b>
Freehold land and buildings	809 108	797 917	-	-
Leasehold land and buildings	44 000	3 869	-	-
	<b>853 108</b>	<b>801 786</b>	<b>-</b>	<b>-</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS****3. Investment property****Group**

	2017		2016	
	At valuation	Carrying value	At valuation	Carrying value
	N\$'000	N\$'000	N\$'000	N\$'000
Investment property	1 980 714	1 980 714	1 845 382	1 845 382

**Reconciliation of investment property - Group - 2017**

	Opening balance	Additions	Transfer to non-current assets held for sale	Fair value adjustments	Total
	N\$'000	N\$'000	N\$ '000	N\$'000	N\$'000
Investment property	1 845 382	50 009	(5 164)	90 487	1 980 714

**Reconciliation of investment property - Group - 2016**

	Opening balance	Additions	Transfers to assets held for sale	Transfers from property under construction (Note 16)	Fair value adjustments	Total
	N\$'000	N\$'000	N\$'000	N\$ '000	N\$'000	N\$'000
Investment property	1 589 504	17 515	(1 425)	7 859	231 929	1 845 382

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 3. Investment property (continued)

#### Pledged as security

Carrying value of assets pledged as security:

Freehold land and buildings	1 915 625	1 794 310	-	-
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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

All investment properties and land & buildings are valued as per the Group revaluation policy.

#### Valuations performed in 2017:

##### Wum Properties (Proprietary) Limited and its subsidiaries:

F.A. Frank-Schulz (National Diploma in Property Valuations and BSc Town & Reg Planning) with valuation experience relating to all major banks, Namibia Airports Company, NamPower. Performed valuations for:

- Erf 990 Windhoek, valued on 29 May 2017, comparable sales method, assumptions used: market value of N\$ 2 825/bulk m2 and demolishing cost of N\$ 4.95 million.
- Erf 735 Okuryangava, valued on 29 May 2017, replacement cost method, assumptions used: depreciated replacement costs on improvements of N\$ 490 000 and Erf value of N\$ 165 000.

F. Löhnert (National Diploma in Property Valuations (UNISA) and Namibia Estate Agents Board Certificate) and A. Schröder (Namibia Estate Agents Board Certificate and Sworn Appraiser) from Ludwig Schröder Estate Agents CC with valuations experience relating to the financial sector, legal sector, municipal council. Performed valuations for:

- Erf 482 Swakopmund, valued on 11 May 2017 using comparable sales method, assumptions used: the total market value of both the land and improvements, is indicative of the value of the property with its current zoning and its potential for rezoning.

Nadia van der Smit (National Diploma in Property Valuations (UNISA) and Member of Namibia Council for Property Valuers Profession) with valuation experience relating to banks, Trustco, Country lodges. Performed valuations for:

- Erf 1567 Otjiwarongo, valued on 30 May 2017, direct comparable approach, assumptions used: sales vary between N\$ 109/m2 to N\$ 194.12/m2 for similar properties in the open market. After making adjustment for time lapsed, size, location and market variation the average rate of N\$ 200/m2 is applied.
- Erf 1571 Otjiwarongo, valued on 30 May 2017, direct comparable approach, assumptions used: sales vary between N\$ 109/m2 to N\$ 194.12/m2 for similar properties in the open market. After making adjustment for time lapsed, size, location and market variation the average rate of N\$ 200/m2 is applied.

PJJ Wilders (National Diploma in Property Valuations (TechSA)), of Pierewiet Wilders Valuations, performed the valuation of Portion A of Erf 282 Windhoek. The effective date of the revaluation was 30 June 2017. The property was valued as commercial property using the income capitalisation method and the following assumptions were applied:

- Capitalisation rate of 8%;
- Vacancy rate of 1%; and
- Expense rate of 17%.

##### Central Properties (Proprietary) Limited

The property was valued by Jones Lang LaSalle (Pty) Ltd. A discounted cash flow valuation was performed using a discount rate of 14.50% (2016: 14.50%) and a capitalization rate of 8.50% (2016: 8.50%). Jones Lang LaSalle (Proprietary) Limited is a member of the South African Council for the Property Valuers Profession in terms of the Property Valuers Profession Act 2000 (SAPOA). The valuations have been prepared in accordance with the IPD valuation guide 2008, the appraisal and valuation manual of the Royal Institution of Chartered Surveyors (RICS) adapted for SA laws and regulations and also for conformity with the guidance notes of the South African Institute of Valuers (SAIV) and the International Valuation Standards (IVSC), 8th edition.

##### Wernhil Park (Proprietary) Limited

The property was also valued by Jones Lang LaSalle (Pty) Ltd. A discounted cash flow valuation was performed using a discount rate of 14.25% (2016: 14.50%) and 13.25% (2016: 13.75%) respectively, while a capitalisation rate of 8.25% (2016: 8.50%) and 7.25% (2016: 7.25%) were used respectively.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 3. Investment property (continued)

#### Valuations performed in 2016:

In 2016, the Group's investment properties were revalued, gross of tenant allowances and commission, deferred rentals and certain pending capex, by the following independent professional valuers:

- Jones Lang LaSalle (Proprietary) Ltd, member of the South African Council for the Property Valuers Profession in terms of the Property Valuers Profession Act, 2000 (SAPOA). The valuations have been prepared in accordance with the IPD valuation guide 2008, the appraisal and valuation manual of the Royal Institution of Chartered Surveyors (RICS) adapted for SA laws and regulations and also for conformity with the guidance notes of the South African Institute of Valuers (SAIV) and the International Valuation Standards (IVSC), 8th edition.
- 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; and
- 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 7.25%-12.00% (2016: 7.25%-12.00%) and discount rates of 13.75%-14.50% (2016: 13.75%-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	139 469	132 612	-	-
Direct operating expenses from rental generating property	(26 164)	(23 420)	-	-
	<b>113 305</b>	<b>109 192</b>	<b>-</b>	<b>-</b>

#### Adjusted valuations

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

#### Fair value adjustment during the year

Valuation obtained from independent sworn appraisers	91 240	234 665	-	-
Recognised lease obligations and assets	(753)	(2 736)	-	-
	<b>90 487</b>	<b>231 929</b>	<b>-</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 4. Biological assets

Group	2017		2016	
	At valuation N\$'000	Carrying value N\$'000	At valuation N\$'000	Carrying value N\$'000
Work in progress - Agronomy	792	792	3 156	3 156
Abalone	10 976	10 976	-	-
Game	849	849	845	845
Milk cows	32 647	32 647	34 198	34 198
<b>Total</b>	<b>45 264</b>	<b>45 264</b>	<b>38 199</b>	<b>38 199</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 4. Biological assets (continued)

#### Reconciliation of biological assets - Group - 2017

	Opening balance	Additions through acquisition of subsidiary	Disposals and deaths	Gains arising from changes in fair value attributable to growth	Other changes movements	Total
	N\$ '000	N\$ '000	N\$ '000	N\$'000	N\$'000	N\$ '000
Work in progress - Agronomy	3 156	-	-	-	(2 364)	792
Abalone	-	5 765	-	5 211	-	10 976
Game	845	-	-	4	-	849
Milk cows	34 198	-	(11 180)	9 629	-	32 647
	<b>39 199</b>	<b>5 765</b>	<b>(11 180)</b>	<b>14 844</b>	<b>(2 364)</b>	<b>45 264</b>

#### Reconciliation of biological assets - Group - 2016

	Opening balance	Disposals and deaths	Gains arising from changes in fair value attributable to growth	Other changes movements	Total
	N\$ '000	N\$ '000	N\$'000	N\$'000	N\$ '000
Work in progress - Agronomy	1 051	-	-	2 105	3 156
Game	538	-	-	307	845
Milk cows	36 057	(12 043)	10 184	-	34 198
	<b>37 646</b>	<b>(12 043)</b>	<b>10 184</b>	<b>2 412</b>	<b>38 199</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 4. Biological assets (continued)

#### Non-financial information

##### Livestock consisted of the following number of animals:

Milk cows	2 713	2 863	-	-
Game*	379	376	-	-
	<b>3 092</b>	<b>3 239</b>	<b>-</b>	<b>-</b>

\* Game consists of Impala, Bontebok, Duiker, Eland, Giraffe, Kudu, Oryx, Steenbuck, Warthog and Ostriches.

#### 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.

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

The fair value of abalone was determined by using current market prices per size range. The market prices are denominated in US Dollars and were converted at an exchange rate of N\$12.96. A fair value gain of N\$5 210 643 was recognized as a result of the change in the exchange rate and the increased mass of the abalone since acquisition.

### 5. Intangible assets

	2017			2016		
	Cost N\$ '000	Accumulated amortisation N\$ '000	Carrying value N\$ '000	Cost N\$ '000	Accumulated amortisation N\$ '000	Carrying value N\$ '000
Software	87 113	(50 598)	36 515	64 806	(41 529)	23 277
Goodwill	6 015	-	6 015	6 015	-	6 015
Trademark	4 000	(333)	3 667	2 000	-	2 000
	<b>97 128</b>	<b>(50 931)</b>	<b>46 197</b>	<b>72 821</b>	<b>(41 529)</b>	<b>31 292</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 5. Intangible assets (continued)

#### Reconciliation of intangible assets - Group - 2017

	Opening balance	Additions	Transfers from property plant and equipment	Amortisation	Impairment loss	Total
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000
Software	23 277	15 467	6 842	(8 960)	(111)	36 515
Goodwill	6 015	-	-	-	-	6 015
Trademark	2 000	2 000	-	(333)	-	3 667
	<b>31 292</b>	<b>17 467</b>	<b>6 842</b>	<b>(9 293)</b>	<b>(111)</b>	<b>46 197</b>

#### Reconciliation of intangible assets - Group - 2016

	Opening balance	Additions	Transfers from property plant and equipment	Amortisation	Total
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000
Software	17 093	12 268	3 014	(9 098)	23 277
Goodwill	6 015	-	-	-	6 015
Trademark	2 000	-	-	-	2 000
	<b>25 108</b>	<b>12 268</b>	<b>3 014</b>	<b>(9 098)</b>	<b>31 292</b>

#### 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 32. 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	Group Effective holding		Shares at cost		Indebtedness to / (by) the company		Impairment of interest/provision for	
				2017 %	2016 %	2017 N\$ '000	2016 N\$ '000	2017 N\$ '000	2016 N\$ '000	2017 N\$ '000	2016 N\$ '000
Broll & List Property Management (Namibia) (Proprietary) Limited	OLFITRA*	Property management	1	50.10 %	50.10 %	1	1	501	-	-	-
Central Properties (Proprietary) Limited	OLFITRA*	Letting of property	8	100.00 %	100.00 %	8	8	-	-	-	-
Consortium Fisheries Limited	OLFITRA*	Investment holding	1 903	97.82%	97.00 %	3 315	2 267	111 512	111 512	-	-
- Hanganana Seafood (Proprietary) Limited	COFI*	Processing of fish	90	94.69%	93.90 %	-	-	25 688	47 688	-	-
- Kraatz Marine (Proprietary) Limited	COFI*	Marine and industrial fabrication & repair	30 349	97.82%	96.80 %	-	-	37 094	30 129	(32 532)	(26 514)
Eros Air (Proprietary) Limited	OLFITRA*	Aircraft charter	60	100.00 %	100.00 %	60	60	11 521	12 671	(11 544)	(11 561)
OLC Solar Energy (Proprietary) Limited	OLFITRA*	Energy solutions	-	100.00 %	100.00 %	-	-	-	-	-	(5)
ICT Holdings (Proprietary) Limited	OLFITRA*	Consulting service to supply electronic services	-	100.00 %	100.00 %	-	-	3 000	3 000	-	-
OLC Arandis Solar Energy (Proprietary) Limited (Previously Kalahari Can Company)	OLFITRA*	Energy solutions	-	0.00 %	100.00 %	-	7	-	-	-	(7)
O&L Centre (Proprietary) Limited	OLFITRA*	Corporate head office	-	100.00 %	100.00 %	-	-	335 246	308 584	(326 430)	(307 659)
O&L Energy (Proprietary) Limited	OLFITRA*	Manufacturing and distribution of all forms of energy	-	100.00 %	100.00 %	-	-	16 324	(1 405)	(7 675)	(6 771)
- Organic Energy Solutions (Proprietary) Limited	ENERGY*	Manufacturing of products sourced from bush	-	75.00%	75.00%	-	-	2 727	1 902	(2 276)	(2 349)
O&L South Africa (Proprietary) Limited	OLFITRA*	South Africa head office	-	100.00 %	100.00 %	-	-	-	-	-	(512)
O&L Beverage Company (Proprietary) Limited	OLFITRA*	Investment holding	123	100.00 %	100.00 %	297	297	(6 495)	(16 217)	-	-
- NBL Investment Holdings (Proprietary) Limited	BEV*	Investment holding	4 909	50.01%	50.01%	-	-	6	-	-	-
- Namibia Breweries Limited	NBLIH*	Manufacturing and distribution of beer and soft drinks	1 024	29.83%	29.69%	3 743	3 743	-	-	-	-
Weathermen and Company Advertising (Proprietary) Limited	OLFITRA*	Advertising and marketing	1	50.10 %	50.10 %	1	1	373	444	-	-

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 6. Investments in subsidiaries (continued)

Name of company	Held by	Nature of business	Issued capital N\$ '000	Group Effective holding		Shares at cost		Indebtedness to / (by) the company		Impairment of interest/provision for	
				2017 %	2016 %	2017 N\$ '000	2016 N\$ '000	2017 N\$ '000	2016 N\$ '000	2017 N\$ '000	2016 N\$ '000
Wernhil Park (Proprietary) Limited	OLFITRA*	Letting of property	16 521	100.00 %	100.00 %	16 521	16 521	-	-	-	-
OLC Northern Sun (Proprietary), Limited (Previously Windhoek Parking)	OLFITRA*	Dormant	-	100.00 %	100.00 %	-	-	483	483	(483)	(483)
Windhoek Schlachtereij (Proprietary) Limited	OLFITRA*	Processing of meat	31 580	90.00%	90.00%	32 938	32 938	35 518	35 517	-	(31 268)
WUM Properties (Proprietary) Limited	OLFITRA*	Retail, property management and investment holding	-	97.85%	97.85%	1 807	1 661	72 477	148 632	-	-
- Namibia Dairies (Proprietary) Limited	WUM*	Manufacturing and distribution of dairy products	2	97.85%	97.85%	35 000	35 000	56 181	55 713	-	100.00 %
- Khan Construction Company (Proprietary) Limited	WUM*	Investment holding	-	97.85%	97.85%	-	-	17 975	17 975	(17 975)	(17 975)
O&L Leisure (Proprietary) Limited	KHAN*	Hospitality industry	-	97.85%	97.85%	-	-	534 017	494 387	-	-
						<b>93 691</b>	<b>92 504</b>	<b>1 254 148</b>	<b>1 251 015</b>	<b>(398 915)</b>	<b>(405 104)</b>

The carrying amounts of subsidiaries consist of shares at cost and loans to/from subsidiaries. The investment in O&L Beverage Company (Proprietary) Limited and O&L Energy (Proprietary) Limited are negative as the loans from these subsidiaries exceed the carrying amount of the investment in these subsidiaries.

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 Schlachtereij (Proprietary) Limited, O&L Centre (Proprietary) Limited, Eros Air (Proprietary) Limited, Windhoek Parking (Proprietary) Limited, OLC Solar Energy Corporation (Proprietary) Limited, OLC Arandis Solar Energy (Proprietary) Limited, Matamba Solar Plant (Proprietary) Limited, Khan Construction Company (Proprietary) Limited, O&L South Africa Proprietary Limited, O&L Energy (Proprietary) Limited and Organic Energy Solutions (Proprietary) Limited were deemed to not be fully recoverable due to 'at acquisition reserves' and net loans to/from subsidiaries having been reduced by subsequent accumulated operating losses.

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

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

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

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

**BEV** - O&L Beverages (Proprietary) Limited

**KHAN** - Khan Construction (Proprietary) Limited

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 6. Investments in subsidiaries (continued)

#### Subsidiaries pledged as security

The company has deferred its right to claim repayment of debt owing to it of N\$ 366.7 million (2016: N\$ 339.0 million) by certain subsidiaries until the assets of these subsidiaries, fairly valued, exceeded their liabilities. At 30 June 2017, these subsidiaries' liabilities exceed their assets, fairly valued, by N\$ 391.8 million (2016: N\$ 371.2 million).

#### Aggregate profits/(losses) of subsidiaries

Aggregate profits	-	-	475 695	672 145
Aggregate losses	-	-	(63 663)	(71 351)
	-	-	<b>412 032</b>	<b>600 794</b>

#### Investments in subsidiaries comprises of:

Investments in subsidiaries at cost	-	-	93 691	92 496
Loans to Group companies	-	-	1 622 530	1 752 071
Impairment of investments in subsidiaries	-	-	(398 915)	(405 104)
Loans from Group companies	-	-	(368 382)	(501 048)
	-	-	<b>948 924</b>	<b>938 415</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 6. Investments in subsidiaries (continued)

#### 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 here control was not lost on the equity attributable to owners of the Group:

Acquisition of 13 957 700 shares in Namibia Breweries Limited from non-controlling interest increasing ownership from 29.67% to 29.70%	-	216 844	-	-
Issue of 50 881 749 shares in NBL Investment Holdings (Proprietary) Limited to non-controlling interest, decreasing ownership interest from 55.79% to 50.01%	-	(217 940)	-	-
Acquisition of 678 (2016: 184 shares) in WUM Properties (Proprietary) Limited from non-controlling interest increasing effective shareholding from 97.93% to 98.09% (2016: 97.88% to 97.93%).	569	117	-	-
Acquisition of 40 161 (2016: 7 251) shares in Consortium Fisheries Limited from non-controlling interest, increasing effective shareholding from 96.80% to 97.82% (2016: 96.58% to 96.80%).	4 390	244	-	-

#### 2017

The consideration paid of N\$ 1 195 523 less the change of N\$ 4 959 869 of equity attributable to owners of the group resulted in a surplus on change of ownership of N\$ 3 764 346 which is included in changes in ownership reserve.

#### 2016

The consideration paid of N\$ 51 820 plus the change of N\$ 735 003 of equity attributable to owners of the group resulted in a surplus on change of ownership of N\$ 683 183 which is included in changes in ownership reserve.

On 09 September 2015 the company acquired a further 13 957 700 shares in Namibia Breweries Limited at market value. The shares in Namibia Breweries Limited were acquired in exchange for the issuance of 50 881 749 ordinary shares in NBL Investment Holdings (Proprietary) Limited.



## 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 2017	Proportion of ownership interest held by non- controlling interest 2016	Total comprehensive income allocated to non-controlling interest 2017  N\$'000	Total comprehensive income allocated to non-controlling interest 2016  N\$'000	Accumulated non- controlling interest 2017  N\$'000	Accumulated non- controlling interest 2016  N\$'000
O&L Beverages Group	Namibia	49.99 %	49.99 %	276 889	273 170	1 184 730	1 014 342

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

#### O&L Beverages Group

	Group 2017 N\$'000	Group 2016 N\$'000
Current assets	1 016 899	850 933
Non-current assets	2 032 791	2 123 026
Current liabilities	503 179	522 872
Non-current liabilities	707 927	811 305
Equity attributable to owners of the Company	602 156	527 082
Non-controlling interests	1 184 730	1 014 342

#### O&L Beverages Group

	Group 2017 N\$'000	Group 2016 N\$'000
Revenue	2 708 978	2 425 885
Other income and expenses	(2 396 576)	(2 060 624)
Profit for the year	312 402	365 261

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 6. Investments in subsidiaries (continued)

	Group 2017 N\$'000	Group 2016 N\$'000
Profit attributable to owners of the parent	92 179	107 286
Profit attributable to the non-controlling interests	220 223	257 975
<b>Profit for the year</b>	<b>312 402</b>	<b>365 261</b>
Total comprehensive income attributable to owners of the parent	115 604	92 344
Total comprehensive income attributable to the non-controlling interests	276 863	273 170
<b>Total comprehensive income for the year</b>	<b>392 467</b>	<b>365 514</b>
Dividends paid to non-controlling interest	(109 320)	(108 950)
Net cash flows from operating activities	526 995	484 533
Net cash flows from investing activities	(139 284)	(787 467)
Net cash flows from financing activities	(233 288)	237 103

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 7. Investments in associates

#### Group

#### Name of company

	Nature of business	% holding 2017	% holding 2016	Carrying amount 2017 N\$ '000	Carrying amount 2016 N\$ '000
Dimension Data Namibia (Proprietary) Limited	Consulting services to supply electronic communication	49.00 %	49.00 %	3 883	4 895
Mobicash Payment Solutions (Proprietary) Limited	Provider of mobile payment solutions	30.00 %	30.00 %	21 119	20 969
Heineken South Africa (Proprietary) Limited	Manufacturing and distribution of beer	25.00 %	25.00 %	438 265	610 527
OLC Arandis Solar Energy (Proprietary) Limited	Solar energy producer	35.00 %	- %	9 960	-
				<b>473 227</b>	<b>636 391</b>

#### Company

#### Name of company

	Nature of business	% holding 2017	% holding 2016	Carrying amount 2017 N\$ '000	Carrying amount 2016 N\$ '000
Mobicash Payment Solutions (Proprietary) Limited	Provider of mobile payment solutions	30.00 %	30.00 %	21 119	20 969

#### Carrying value

Cost of investment	623 078	613 100	19 300	19 300
Acquisition cost adjustment	(16 544)	-	-	-
<b>Share of associate's reserves</b>				
Beginning of the year	23 291	7 703	1 669	820
Transfer from joint venture	-	(10 591)	-	-
(Loss) / Profit for the year - ongoing operations	(155 723)	(58 133)	150	849
Deferred tax asset write back	58 829	89 212	-	-
Statutory audit adjustment and impairment	(54 804)	-	-	-
Dividends received	(4 900)	(4 900)	-	-
	<b>473 227</b>	<b>636 391</b>	<b>21 119</b>	<b>20 969</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 7. Investments in associates (continued)

#### Material associate

The following associate is material to the Group:

	Country of incorporation	Method	% Ownership interest 2017	% Ownership interest 2016
Heineken South Africa (Proprietary) Limited	South Africa	Equity	25 %	25 %

On 1 December 2015, the Group acquired 25% of the issued share capital of Sedibeng Brewery (Pty) Ltd ("Sedibeng") and an additional 9.5% of the issued share capital of DHN Drinks (Proprietary) Limited ("DHN") from Diageo Highlands Holdings B.V. and obtained significant influence over these operations.

With effect from 31 December 2015, Sedibeng and DHN entered into a merger agreement whereby: a) Heineken International and Namibia Breweries sold and transferred all of their shares in Sedibeng to DHN in exchange for the issue by DHN to Heineken International and NBL of a proportionate number of shares in DHN; b) the business operations of DHN and Sedibeng were combined by the transfer of the business of Sedibeng to DHN (Sedibeng sold and transferred its operations as a going concern to DHN in exchange for the assumption by DHN of the Sedibeng's liabilities and the issue of shares in DHN to Sedibeng).

On 31 December 2015 DHN changed its name to Heineken South Africa (Pty) Ltd. Heineken South Africa (Pty) Ltd carries on the business of manufacturing, marketing, sale and distribution of international beer and cider brands (including selected brands of Namibia Breweries).

As part of the above merger agreement on 31 December 2015, Heineken South Africa (Proprietary) Limited fair valued the assets and liabilities on the amalgamation of Sedibeng Brewery (Proprietary) Limited's operations into Heineken South Africa (Proprietary) Limited. This consisted of a N\$709million (net of tax) fair value adjustment to property, plant and equipment, which will be depreciated over 15 years, and a N\$274million impairment of other assets and recognition of liabilities. Heineken South Africa (Proprietary) Limited applied IFRS 3, Business Combinations and recorded the net N\$435million as a bargain purchase.

In terms of the Group's accounting policy on IFRS 3, business combinations under common control are recorded at net book value and not fair value. Therefore the Group has not accounted for the bargain purchase recorded by Heineken South Africa (Proprietary) Limited.

The Directors of Heineken South Africa (Proprietary) Limited have assessed that a portion of Heineken South Africa (Proprietary) Limited's assessed loss of N\$1.6bn is recoverable and have thus recorded a portion of the assessed loss as deferred tax asset. The Directors of the Group agreed with this assessment and as a result recorded a share of the deferred tax asset recorded by Heineken South Africa (Proprietary) Limited.

The closing balance of the investment includes a capital loan of N\$73.6m receivable from Heineken South Africa (Proprietary) Limited. The loan to the associate is unsecured and bears interest at JIBAR + 2%.

The increase in total equity accounted losses is mainly attributable to an increased shareholding, as well as the impact of the impairment of assets and recognition of liabilities on the equity of the associate as a result of the restructuring of the South African operations.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 7. Investments in associate (continued)

#### Summarised financial information of material associates

##### Summarised Statement of Comprehensive Income

	<b>Heineken South Africa (Proprietary) Limited</b>	
	12 months ended 30 June 2017 N\$'000	6 months ended 30 June 2016 N\$'000
Revenue	5 293 126	2 815 647
Other income and expenses	(5 932 097)	(3 028 971)
Loss before tax	(638 971)	(213 324)
Tax expense	235 315	(33 712)
Loss from continuing operations	(403 656)	(247 036)
Profit (loss) from discontinued operations	-	-
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(403 656)</b>	<b>(247 036)</b>

##### Summarised Statement of Financial Position

	<b>Heineken South Africa (Proprietary) Limited</b>	
	30 June 2017 N\$'000	30 June 2016 N\$'000
<b>Assets</b>		
Non current	4 410 885	5 447 876
Current	1 738 000	1 721 294
<b>Total assets</b>	<b>6 148 885</b>	<b>7 169 170</b>
<b>Liabilities</b>		
Non current	2 909 000	2 917 406
Current	1 442 000	937 468
<b>Total liabilities</b>	<b>4 351 000</b>	<b>3 854 874</b>
<b>Total net assets</b>	<b>1 797 885</b>	<b>3 314 296</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 7. Investments in associates (continued)

#### Aggregated individually immaterial associates accounted for using the equity method

	2017 N\$'000	2016 N\$'000
Total assets	206 909	93 151
Total liabilities	(170 063)	(61 993)
Revenue	205 515	132 682
Profit	6 685	8 497
Group's share of associate's net assets	68 460	28 656
Group's share of profit for the year	3 499	3 626
Dividend income from associate	4 900	4 900

#### Associates with different reporting dates

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

The reporting date of Mobicash Payment Solutions (Proprietary) Limited is 31 October. The reporting date of Mobicash Payment Solutions (Proprietary) Limited is different from the Group because the controlling entity has a 31 October reporting date.

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

#### Fair value

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

#### Carrying value

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



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 8. Investments in joint ventures

#### Group

#### Name of company

	Nature of business	% effective ownership interest 2017	% effective ownership interest 2016	Carrying amount 2017 N\$'000	Carrying amount 2016 N\$'000
SIP Project Management Namibia (Proprietary) Limited	Project management	25.50 %	25.50 %	-	-
Brandtribe (Proprietary) Limited	Digital marketing	50.00 %	50.00 %	-	-
Natural Value Foods Namibia (Proprietary) Limited	Supply of fresh produce	48.90 %	48.90 %	3 038	3 803
				<b>3 038</b>	<b>3 803</b>

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

#### Group's share of unrecognised joint ventures is detailed below

The unaudited share of total comprehensive income as per SIP Project Management Namibia (Proprietary) Limited financial statements amounts to N\$ 90 842 for the year ended 30 June 2017 (Loss 2016: N\$ 300 590). The unrecognised share of profits/(loss) of SIP Project Management Namibia (Proprietary) Limited for the group for 2017 amounts to N\$ 90 842 (Loss 2016: N\$ 294 696), while the cumulative unrecognised share of losses as at 30 June 2017 amounts to N\$ 315 145 (2016: N\$881 175).

The unaudited share of total comprehensive (loss) as per Brandtribe Proprietary Limited financial statements amounts to N\$ 99 552 for the year ended 30 June 2017 (2016: (N\$ 349 775)). The unrecognised share of profit/(loss) of Brandtribe Proprietary Limited for the group for 2017 amounts to N\$ 99 552 (2016: (N\$ 174 887)), while the cumulative unrecognised share of losses amounts to N\$ 923 595 as at 30 June 2017 (2016: N\$ 1 087 081).

#### Aggregated share of individually immaterial joint ventures accounted for using the equity method

	Carrying amount 2017 N\$'000	Carrying amount 2016 N\$'000
Share of profit or loss from continuing operations	709	2 831
Share of profit or loss from discontinued operations	-	-
Share of total comprehensive income	709	1 983

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	<b>Group</b>		<b>Company</b>	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

**8. Investments in joint ventures (continued)****Fair value**

The Directors valued the unlisted investments in joint ventures and determined them to equal the carrying values of the investments.

**Carrying value****Cost of investment**

Beginning of the year	3 803	860 831	-	-
Equity injection into joint venture: equity	-	(857 028)	-	-

**Share of joint venture reserves**

Beginning of the year	-	(828 502)	-	-
Profit / (loss) for the year from ongoing operations	709	(37 998)	-	-
Transfer to associate	-	867 619	-	-
Loan (repayment) / advance	(1 474)	(1 119)	-	-
	<b>3 038</b>	<b>3 803</b>	<b>-</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000
<b>9. Other financial assets</b>				
<b>At fair value through profit or loss - held for trading</b>			-	-
Foreign exchange contracts	2 384	4 430		
<b>Available-for-sale</b>				
Unlisted investments	17	15	-	-
<b>Loans and receivables</b>				
L Heydenrich				
The loan to L Heydenrich bears interest at 0% (2016: 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.	493	493	-	-
Token Fisheries (Proprietary) Limited	15 679	15 564	-	-
The loan bears interest at Nedbank Prime less 4% and has a term of not more than 10 years which started from September 2013.				
Women of Destiny Trust	4 600	-	-	-
The loan is unsecured fully repayable on 20 November 2017 and bears interest at a fixed rate of 12.75%.				
	<b>20 772</b>	<b>16 057</b>	<b>-</b>	<b>-</b>
<b>Total other financial assets</b>	<b>23 173</b>	<b>20 502</b>	<b>-</b>	<b>-</b>
<b>Non-current assets</b>				
Available-for-sale	17	15	-	-
Loans and receivables	16 172	16 057	-	-
	<b>16 189</b>	<b>16 072</b>	<b>-</b>	<b>-</b>
<b>Current assets</b>				
At fair value through profit or loss - held for trading	2 384	4 430	-	-
Loans and receivables	4 600	-	-	-
	<b>6 984</b>	<b>4 430</b>	<b>-</b>	<b>-</b>
	<b>23 173</b>	<b>20 502</b>	<b>-</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 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.

	Group - 2017 N\$ '000	Group - 2016 N\$ '000	Company - 2017 N\$ '000	Company - 2016 N\$ '000
<b>Level 2</b>				
Foreign exchange contracts	2 384	4 430	-	-

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	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 9. Other financial assets (continued)

#### Fair values of loans and receivables

Except where indicated otherwise, 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	3 895	2 271	-	-
Tenant allowances	3 793	5 178	-	-
Deferred rental	31 850	34 097	-	-
	<b>39 538</b>	<b>41 546</b>	<b>-</b>	<b>-</b>

Refer to note 50 for the credit risk management.

### 11. Deferred tax

#### Deferred taxation liability

#### Analysis for financial reporting purposes

Deferred taxation assets	4 615	1 793	-	-
Deferred taxation liabilities	(513 095)	(454 164)	-	-
	<b>(508 480)</b>	<b>(452 371)</b>	<b>-</b>	<b>-</b>

#### Deferred taxation liability arises from:

Fixed asset allowances	(640 025)	(577 874)	-	-
Provisions	6 679	17 525	-	-
Retirement benefit obligations	11 322	11 266	-	-
Tax losses available for set off against future taxable income	121 866	119 725	-	-
Customer deposits	34 415	19 023	-	-
Prepayments	(20 476)	(20 100)	-	-
Deferred rentals	(9 399)	(10 911)	-	-
Other deferred taxation	(12 862)	(11 025)	-	-
	<b>(508 480)</b>	<b>(452 371)</b>	<b>-</b>	<b>-</b>

#### Reconciliation of net deferred taxation liability

At beginning of the year	(452 371)	(401 701)	-	-
Charge to profit and loss for the year	(15 837)	(39 773)	-	-
Charge to other comprehensive income for the year	(40 272)	(10 897)	-	-
	<b>(504 480)</b>	<b>(452 371)</b>	<b>-</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000
<b>12. Loans to/(from) related parties</b>				
Non-current assets	4 531	3 328	4 531	3 328
Current assets	77 624	62 335	-	100
Non-current liabilities	(7 604)	(16 907)	(6 548)	(6 867)
Current liabilities	(22 800)	(23 269)	(1 408)	(1 787)
	<b>51 751</b>	<b>25 487</b>	<b>(3 425)</b>	<b>(5 226)</b>
Directors and past directors	(7 323)	(8 625)	(7 347)	(8 654)
Dimension Data Namibia (Proprietary) Limited	(3 582)	(4 458)	-	-
Natural Value Foods Namibia (Proprietary) Limited	(1 559)	(4 389)	-	-
Heineken South Africa (Proprietary) Limited	74 633	60 402	-	-
List Trust Company (Proprietary) Limited	4 531	3 328	4 531	3 328
Ohlthaver & List Holdings (Proprietary) Limited	(609)	100	(609)	100
Sinco Investments Seventy Three (Proprietary) Limited	(14 460)	(20 784)	-	-
The Werner List Trust	119	1 484	-	-
The Jupiter Drawing Room (Cape Town) (Proprietary) Limited	(405)	(421)	-	-
Ohlthaver & List Employee Catastrophe Fund Trust	(1 348)	(1 333)	-	-
OLC Arandis Solar Energy (Proprietary) Limited	245	-	-	-
SIP South Africa (Proprietary) Limited	2 402	24	-	-
Broll South Africa (Proprietary) Limited	(36)	(137)	-	-
Cape Advanced Engineering (Proprietary) Limited	(1 056)	-	-	-
Brandtribe (Proprietary) Limited	199	296	-	-
	<b>51 751</b>	<b>25 487</b>	<b>(3 425)</b>	<b>(5 226)</b>

Loans from directors represent facilities obtained at First National Bank Limited in the names of two 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% (2016: prime less 1%) and are repayable in monthly instalments of N\$ 231 287 (2016: N\$ 231 287) over an average remaining period of 89 months (2016: 101 months).

The Heineken South Africa (Proprietary) Limited loan bears no interest and has 30 days from statement repayment terms. The loan is pledged as security for the medium term loans disclosed in note 22.

The loan from the Ohlthaver & List Employee Catastrophe Fund Trust bears interest at prime less 2% (2016: prime less 2%) and no repayment terms have been set.

The loans to List Trust Company (Proprietary) Limited and Ohlthaver & List Holdings (Proprietary) Limited bear no interest, are unsecured and are recovered from future dividends.

The Werner List Trust loan bears interest at prime and is unsecured

The loan from Sinco Investments Seventy Three (Proprietary) Limited bears no interest and has no fixed terms of repayment. The financier does not hold any collateral as security. The loan was subordinated in favour of and for the benefit of Standard Bank for securing obligations to the bank.

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	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 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	4 531	3 328	4 531	3 328
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##### Current assets

Directors and past directors	26	29	-	-
Heineken South Africa (Proprietary) Limited (formerly DHN Drinks (Proprietary) Limited)	74 633	60 402	-	-
Ohlthaver & List Holdings (Proprietary) Limited	-	100	-	100
OLC Arandis Solar Energy (Proprietary) Limited	245	-	-	-
The Werner List Trust	119	1 484	-	-
Brandtribe (Proprietary) Limited	199	296	-	-
SIP Project Managers (Namibia) (Proprietary) Limited	2 402	24	-	-
	<b>77 624</b>	<b>62 335</b>	<b>-</b>	<b>100</b>

##### Non-current liabilities

Directors and past directors	6 548	6 867	6 548	6 867
Sinco Investments Seventy Three (Proprietary) Limited	-	10 040	-	-
Cape Advanced Engineering (Proprietary) Limited	1 056	-	-	-
	<b>7 604</b>	<b>16 907</b>	<b>6 548</b>	<b>6 867</b>

##### Current liabilities

Directors and past directors	801	1 787	801	1 787
Dimension Data Namibia (Proprietary) Limited	3 582	4 458	-	-
Natural Value Foods Namibia (Proprietary) Limited	1 559	4 389	-	-
Broll South Africa (Proprietary) Limited	36	137	-	-
Ohlthaver & List Employee Catastrophe Fund Trust	1 348	1 333	-	-
Ohlthaver & List Holdings (Proprietary) Limited	609	-	609	-
Sinco Investments Seventy Three (Proprietary) Limited	14 460	10 744	-	-
The Jupiter Drawing Room (Capetown) (Proprietary) Limited	405	421	-	-
	<b>22 800</b>	<b>23 269</b>	<b>1 410</b>	<b>1 787</b>

#### 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	74 633	60 402	-	-
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These assets are encumbered to secure liabilities as per Note 22.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 13. Inventories

Raw materials	77 186	95 966	-	-
Work in progress	16 404	22 311	-	-
Finished goods	150 938	130 481	-	-
Merchandise	144 603	116 128	-	-
Consumable stores	119 743	108 008	-	-
	508 874	472 894	-	-
Provision for obsolete stock	(12 593)	(13 594)	-	-
	<b>496 281</b>	<b>459 300</b>	<b>-</b>	<b>-</b>

#### 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	1 387	4 640	-	-
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The impairment to inventories is included in operating expenses in profit and loss and is mainly due to redundant spares, changes in packaging design and expired finished products.

### 14. Trade and other receivables

Trade receivables (net of allowance for doubtful debts)	360 812	465 934	-	-
Prepayments	32 775	44 343	-	-
Deposits	15 714	12 123	-	-
Value-added taxation	84 582	12 200	79	43
Deferred rental	-	22	-	-
Promotional and buying incentives	15 357	12 007	-	-
Fuel rebate	3 983	8 849	-	-
Tenant allowances and commissions	3 344	2 566	-	-
Other receivables	29 691	48 789	-	-
	<b>546 258</b>	<b>606 833</b>	<b>79</b>	<b>43</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 14. Trade and other receivables (continued)

#### Trade and other receivables pledged as security

N\$ 272 800 063 (2016: N\$ 310 688 469) 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.

#### Trade and other receivables past due but not impaired

The average credit period on sales of goods of the group is 46 days (2016: 42 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 2017, N\$ 140 145 000 (2016: N\$ 118 834 000) 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	57 326	62 402	-	-
60 – 90 days	15 987	24 655	-	-
> 90 days	66 832	31 777	-	-
	<b>140 145</b>	<b>118 834</b>	<b>-</b>	<b>-</b>

#### Trade and other receivables impaired

As of 30 June 2017, trade and other receivables of N\$ 17 619 477 (2016: N\$ 19 852 323) 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 – 90 days	4 297	1 469	-	-
90 – 120 days	2 100	1 026	-	-
120+ days	11 222	17 357	-	-
	<b>17 619</b>	<b>19 852</b>	<b>-</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 14. Trade and other receivables (continued)

#### Reconciliation of provision for impairment of trade and other receivables

Opening balance	(19 852)	(15 276)	-	-
Impairment losses recognised	(6 786)	(11 421)	-	-
Amounts written off as uncollectable	4 174	4 781	-	-
Amounts recovered during the year	4 845	2 064	-	-
	<b>(17 619)</b>	<b>(19 852)</b>	<b>-</b>	<b>-</b>

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. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	23 069	1 542	-	-
Bank balances	293 027	171 013	12 739	146
Short-term deposits	158 930	121 146	5 010	508
Bank overdrafts	(63 932)	(47 925)	(3 661)	(11 539)
	<b>411 094</b>	<b>245 776</b>	<b>14 088</b>	<b>(10 885)</b>
Current assets	475 026	293 701	17 749	654
Current liabilities	(63 932)	(47 925)	(3 661)	(11 539)
	<b>411 094</b>	<b>245 776</b>	<b>14 088</b>	<b>(10 885)</b>

The carrying amount of these assets approximates their fair value. The overdrafts are unsecured and are renegotiated annually.

### 16. Property units for sale

#### Carrying value

Work in progress - development and construction contracts	-	150 862	-	-
Property units for sale	33 615	-	-	-
	<b>33 615</b>	<b>150 862</b>	<b>-</b>	<b>-</b>

#### Reconciliation of Work in progress

Opening balance	150 862	76 761	-	-
Additions	38 261	81 960	-	-
Transfer to cost of sales	(155 508)	-	-	-
Transfer to investment property	-	(7 859)	-	-
Transfer to residential apartments stock	(33 615)	-	-	-
	<b>-</b>	<b>150 862</b>	<b>-</b>	<b>-</b>

The carrying value above relates to completed residential units on erf 282 known as '77 on Independence' which are held for the purpose of sale.

During the financial period, external finance charges of N\$ 6 090 471 (2016: N\$ 6 868 763) were capitalised to Work in Progress - Development and construction contracts, as well as, investment property (77 on Independence).

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 17. Non-current assets held for sale

#### Non-current assets held for sale

Property, plant and equipment	43 814	-	-	-
Investment property	10 084	1 425	-	-
	<b>53 898</b>	<b>1 425</b>	<b>-</b>	<b>-</b>

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

Erf 3570 and Erf 637 - Swakopmund	43 814	-	-	-
Erf 256 - Lüderitz / !Naminūs	2 236	1 425	-	-
Erf 331 - Lüderitz / !Naminūs	528	-	-	-
Erf 914 - Tsumeb	7 320	-	-	-
	<b>53 898</b>	<b>1 425</b>	<b>-</b>	<b>-</b>

#### Reconciliation of non-current assets held for sale:

Opening balance	1 425	4 500	-	-
Transfers from investment property	5 164	1 425	-	-
Transfers from property, plant and equipment	43 814	-	-	-
Fair value adjustment	3 495	370	-	-
Disposal	-	(4 870)	-	-
	<b>53 898</b>	<b>1 425</b>	<b>-</b>	<b>-</b>

#### Erf 3570 and Erf 637 - Swakopmund

These properties were classified as held for sale as the Group intends to dispose of these assets within the next 12 months. On 18 November 2016 a board resolution was signed authorising the sale of the Swakopmund depot and erven at a proposed reserve price of N\$ 44 million. These properties include the brewery and warehouse buildings built on the erven (depot) situated in the residential area of Swakopmund, and vacant erven 3977 and 3976 situated in the Swakopmund industrial area. No impairment loss was recognised as it was assessed that the carrying amount of the assets are lower than the fair value less costs to sell.

#### Erf 256 - Lüderitz / !Nami nūs

The Group plans to dispose of this Investment Property to the Namibian Defence Force and anticipates the disposal will realise within the next 12 months. The Group is currently in negotiation with the potential buyer and the directors of the Group expect that the fair value less costs to sell of the property will be higher than the aggregate carrying amount of the related assets and liabilities. Therefore, no impairment loss was recognised on reclassification of the assets and liabilities as held for sale as at 30 June 2017.

#### Erf 331 - Lüderitz / !Nami nūs

The Group plans to dispose of this Investment Property and anticipates the disposal will realise within the next 12 months. The Group is currently in process to seek potential buyers and the directors of the Group expect that the fair value less costs to sell of the property will be higher than the aggregate carrying amount of the related assets and liabilities. Therefore, no impairment loss was recognised on reclassification of the assets and liabilities as held for sale as at 30 June 2017.

#### Erf 914 - Tsumeb

The Group plans to dispose of this Investment Property and anticipates the disposal will realise within the next 12 months. The Group is currently in process to seek potential buyers and the directors of the Group expect that the fair value less costs to sell of the property will be higher than the aggregate carrying amount of the related assets and liabilities. Therefore, no impairment loss was recognised on reclassification of the assets and liabilities as held for sale as at 30 June 2017.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 18. Issued share capital and share premium

#### Authorised

12 000 000 (2016: 12 000 000) Ordinary shares of N\$ 0.50 each

6 000	6 000	6 000	6 000
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#### Issued

5 492 917 (2016: 5 492 917) Ordinary shares of N\$ 0.50 each  
Share premium

2 746	2 746	2 746	2 746
645	645	645	645
<b>3 391</b>	<b>3 391</b>	<b>3 391</b>	<b>3 391</b>

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

### 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	74	(1)	-	-
Exchange differences arising on translating foreign subsidiaries	(89)	150	-	-
Exchange differences attributable to non-controlling interest	62	(75)	-	-
	<b>47</b>	<b>74</b>	<b>-</b>	<b>-</b>

### 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	743 833	662 599	-	-
Increase arising on revaluation of properties	179 509	95 316	-	-
Deferred tax liability arising on revaluation	(41 181)	(10 897)	-	-
Revaluation attributable to non-controlling interest	(58 534)	(2 727)	-	-
Transferred (to) / from retained earnings	(435)	(458)	-	-
	<b>823 192</b>	<b>743 833</b>	<b>-</b>	<b>-</b>

### 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	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 22. Other financial liabilities

#### At fair value through profit or loss

Foreign exchange contracts	3 688	6 410	-	-
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#### Held at amortised cost

Short term borrowings (22.1)	49 138	155 953	-	-
Medium Term Loans (22.2)	529 740	500 000	40 000	-
Instalment sale creditors (22.6)	198 259	126 445	-	-
Promissory notes (22.5)	301 568	301 737	301 568	301 737
Preference share capital (22.3)	312 378	353 132	-	-
Mortgage bond (22.4)	600 458	530 680	-	-
Unsecured Domestic Medium Term notes (22.5)	45 285	81 178	45 285	81 178
	<b>2 036 826</b>	<b>2 049 125</b>	<b>386 853</b>	<b>382 915</b>
	<b>2 040 514</b>	<b>2 055 535</b>	<b>386 853</b>	<b>382 915</b>

Short term borrowing 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% (2016: between prime and prime + 1%) and are renegotiated every year.

Medium term loans consist of:

#### Standard Bank Namibia Limited

N\$ 162.5 million repayable quarterly in 16 equal amounts over a period of 5 years, commencing in December 2016. The loan bears interest at JIBAR + 2.2%. The loan is unsecured.

A 12 month term loan facility of N\$ 40.0 million with a maximum principal amount of N\$ 40.0 million bears interest at 1 month JIBAR +3.5% and expires on 23 November 2017. The loan is unsecured.

#### FirstRand Bank Limited

Capex Facility - R 100.0 million repayable in full by the end of November 2020. Bears interest at JIBAR + 2.1%. Secured by a cession of trade and other receivables and a general notarial bond over moveable assets.

Acquisition facility - R 200.0 million repayable in 5 years. The loan is repayable in 4 equal installments of N\$ 50.0 million annually at the end of November, first payment commencing November 2017. The loan bears interest at JIBAR + 1.9%. Secured by a cession of trade and other receivables and a general notarial bond over moveable assets.

General Notarial Bond means the first ranking general notarial bond granted by the Borrower in favour of the Original Lender over all its moveable assets (including inventory) securing a principle sum of ZAR550 million plus an additional amount of ZAR110 million.

#### First National Bank Namibia Limited

Bridging loan facility of N\$ 12.2 million with a maximum principal amount of N\$ 15.0 million and the agreement was concluded in October 2016. The loan bears interest at the higher of the repo rate or the prime rate plus 2% per annum and will be rolled into the new Wernhil Phase IV development loan to be raised.

The bridging vat facility of N\$ 1.8 million with a maximum principal amount of N\$ 2.3 million and bears interest at the higher of the repo rate plus 2% or prime rate plus 2% per annum and will be consolidated into the new Wernhil Phase IV development loan.

#### Industrial Development Corporation Limited

Development loan facility of R13.2m, bearing interest at South African prime -2%.

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 22. Other financial liabilities (continued)

#### Non-current liabilities

At amortised cost	1 627 428	1 695 698	300 000	345 000
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#### Current liabilities

Fair value through profit or loss	3 688	6 410	-	-
At amortised cost	409 398	353 427	86 853	37 915
	<b>413 086</b>	<b>359 837</b>	<b>86 853</b>	<b>37 915</b>
	<b>2 040 514</b>	<b>2 055 535</b>	<b>386 853</b>	<b>382 915</b>

#### Fair value of the financial liabilities carried at amortised cost

Mortgage bond - First National Bank of Namibia Limited	284 130	325 237	-	-
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The fair values of the financial instruments with fixed interest rates were determined using the discounted cash flow method. The interest rate used to discount the cash flows was prime rate at 30 June 2017 (2016: prime rate).

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

The total amount of undrawn facilities available for future operating activities and commitments	467 395	320 504	33 094	25 041
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The carrying amounts of financial liabilities at fair value through profit or loss are denominated in the following currencies:

Namibia Dollar	-	4 960	-	-
US Dollar	679	262	-	-
EURO	3 009	1 188	-	-
	<b>3 688</b>	<b>6 410</b>	<b>-</b>	<b>-</b>

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

Namibia Dollar	1 684 788	1 657 638	341 568	301 737
South Africa Rand	352 038	391 487	45 285	81 178
	<b>2 036 826</b>	<b>2 049 125</b>	<b>386 853</b>	<b>382 915</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Group		Company	
2017	2016	2017	2016
N\$'000	N\$'000	N\$'000	N\$'000

### 22. Other financial liabilities (continued)

#### 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.

<b>Level 2</b>				
Foreign exchange contracts	3 688	6 410	-	-

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 22. Other financial liabilities (continued)

#### 22.1 Short term borrowings:

Short term borrowing 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% (2016: between prime and prime + 1%) and are renegotiated every year.

#### 22.2 Medium term loans consist of:

Standard Bank Namibia Limited

N\$ 162.5 million repayable quarterly, in 16 equal amounts over a period of 5 years, commencing in December 2016. The loan bears interest at JIBAR + 2.2%. The loan is unsecured.

A 12 month term loan facility of N\$ 40.0 million with a maximum principal amount of N\$ 40.0 million bearing interest at 1 month JIBAR +3.5% and expires on 23 November 2017.

FirstRand Bank Limited

Capex Facility - R 100.0 million repayable in full by the end of November 2020. Bears interest at JIBAR + 2.1%. Secured by a cession of trade and other receivables and a general notarial bond.

Acquisition facility - R 200.0 million repayable in 5 years. The loan is repayable in 4 equal installments of N\$ 50.0 million annually at the end of November, first payment commencing November 2017. The loan bears interest at JIBAR + 1.9%. Secured by a cession of trade and other receivables and a general notarial bond.

General Notarial Bond means the first ranking general notarial bond granted by the Borrower in favour of the Original Lender over all its moveable assets (including inventory) securing a principle sum of ZAR550 million plus an additional amount of ZAR110 million.

First National Bank Namibia Limited

Bridging loan facility of N\$ 12.2 million with a maximum principal amount of N\$ 15.0 million and the agreement was concluded in October 2016. The loan bears interest at the higher of the repo rate or the prime rate plus 2% per annum.

The bridging vat facility of N\$ 1.8 million with a maximum principal amount of N\$ 2.3 million and bears interest at the higher of the repo rate plus 2% or prime rate plus 2% per annum.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 22. Other financial liabilities (continued)

#### Preference share capital

##### Authorised

200 (2016: 200) variable rate, redeemable cumulative preference shares of N\$0.0002 each	-	-	-	-
3 000 (2016: 3 000) variable rate, redeemable cumulative preference shares of N\$1.00 each	2	2	-	-
10 000 (2016: 10 000) variable rate redeemable cumulative preference shares of N\$0.01 each	-	-	-	-
	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>

##### Issued

64 (2016: 76) variable rate, redeemable, cumulative preference shares of N\$0.0002 each	-	-	-	-
2 000 (2016: 2 130) variable rate, redeemable cumulative preference shares of N\$1.00 each	2	2	-	-
360 (2016: 510) variable rate, redeemable cumulative preference shares of N\$0.01 each	-	-	-	-
Share premium	310 398	350 798	-	-
Accrued preference share dividend	1 978	2 332	-	-
	<b>312 378</b>	<b>353 132</b>	<b>-</b>	<b>-</b>

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

	Interest rate 2017 %	Interest rate 2016 %	Group 2017 N\$'000	Group 2016 N\$'000
Bank Windhoek Limited	73-76% of prime	72-76% of prime	201 220	214 391
Standard Bank of Namibia Limited	73% of JIBAR	73% of JIBAR	74 920	87 405
Bank Windhoek Limited	74.5% of prime	74.5% of prime	36 238	51 336

The Standard Bank preference shares are redeemable over a ten-year period in equal quarterly redemptions, which escalate annually.

N\$ 26.5 million (2016: N\$ 13.0 million) N\$ 29.0 million (2016: N\$ 26.5 million), N\$ 44.5 million (2016: N\$ 29.0 million) N\$ 15.0 million (2016: N\$ 44.5 million), N\$ 32.5 million (2016: N\$15.0 million) and N\$ 35 million and N\$ 17.5 million of the Bank Windhoek preference shares are redeemable over a 12 month, 24 month, 36 month, 48 month, 60 month, 72 month and 84 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 above-mentioned 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.

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

The unissued 136 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 (Proprietary) Limited. Members will accordingly be asked to extend this said authority until the Annual General Meeting to be held in 2017.

The unissued 1 000 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 9 640 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 2017 %	Interest rate 2016 %	Group 2017 N\$ '000	Group 2016 N\$ '000
<b>Agribank of Namibia</b>				
N\$ 316 351 (2016: N\$ 865 646) half-yearly	Prime - 0.5%	Prime - 0.5%	316	1 095
N\$ 4 246 627 (2016: N\$ 3 158 289) annually	Prime - 0.75%	Prime - 0.75%	58 433	39 823
			<b>58 749</b>	<b>40 918</b>
<b>Bank Windhoek Limited</b>				
N\$ Nil (2016: N\$ 32 467) monthly	-	Prime - 1%	-	370
N\$ 160 005 (2016: N\$ 137 358) monthly	Prime + 1%	Prime + 1%	14 054	9 125
N\$ 436 838 (2016: N\$ 436 838) monthly	Prime - 2%	Prime - 2%	3 817	8 537
N\$ 132 767 (2016: N\$ 132 767) monthly	Prime	Prime	2 772	4 009
N\$ 272 079 (2016: N\$ 272 079) monthly	Prime	Prime	17 853	19 151
			<b>38 496</b>	<b>41 192</b>
<b>First National Bank of Namibia Limited</b>				
Variable instalments monthly	9.2 - 12.75%	9.2 - 12.75%	445 175	391 603
<b>Standard Bank of Namibia Limited</b>				
N\$573 087 (2016: N\$391 667) monthly	Prime - 1%	Prime - 1%	21 563	21 863
N\$ 95 059 (2016: N\$ Nil) monthly	Prime - 0.5%	-	2 801	-
			<b>24 364</b>	<b>21 863</b>
<b>Development Bank of Namibia</b>				
N\$ 387 613 (2016: N\$ 382 231) monthly	Prime - 2%	Prime - 2%	26 921	24 795
<b>ABSA Bank Limited</b>				
R 368 941(2016: R 368 941) monthly	SA Prime	SA Prime	6 753	10 309
<b>Total Group</b>			<b>600 458</b>	<b>530 680</b>
Total mortgage and other secured loans				

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 22. Other financial liabilities (continued)

#### Domestic medium term notes and promissory notes

##### Group & Company

	Interest rate 2017 %	Interest rate 2016 %	2017 N\$ '000	2016 N\$ '000
DMT Notes OL004 (Unsecured)	-	JIBAR + 3.6%	-	36 145
DMT Notes OL005 (Unsecured)	JIBAR + 5.5%	JIBAR + 5.5%	45 285	45 033
Promissory notes 31-50 (Secured)	JIBAR + 3.0%	JIBAR + 3.0%	100 510	100 564
Promissory notes 51-70 (Secured)	JIBAR + 3.0%	JIBAR + 3.0%	100 510	100 564
Promissory notes 71-100 (Unsecured)	JIBAR + 3.8%	JIBAR + 3.8%	100 548	100 609
			<b>346 853</b>	<b>382 915</b>

During the financial year ended 30 June 2010, the Group 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 Note OL004 (listed) were issued on 30 August 2013 at a nominal amount of ZAR100 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 was repaid 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 was Liberty Holdings Limited.

The DMT Note OL005 (listed) were issued on 11 December 2014 at a nominal amount of N\$45 000 000. The Notes carry interest at a floating rate of SA JIBAR 3 month plus 550 basis points, payable three monthly in arrears on 11 March, 11 June, 11 September and 11 December each year until maturity date of 11 December 2017. The capital is repayable at maturity.

The Promissory Notes 31-50 (unlisted) were issued on 20 February 2015 at a nominal amount of N\$100 000 000. The Notes carry interest at a floating rate of SA JIBAR 3 month plus 300 basis points, payable three monthly in arrears on 12 March, 12 June, 12 September and 12 December each year until maturity date of 20 February 2020. The capital is repayable at maturity. The holder of the Notes is Old Mutual Investment Group.

The Promissory Notes 51-70 (unlisted) were issued on 7 December 2015 at a nominal amount of N\$100 000 000. The Notes carry interest at a floating rate of SA JIBAR 3 month plus 300 basis points, payable three monthly in arrears on 12 March, 12 June, 12 September and 12 December each year until maturity date of 7 December 2020. The capital is repayable at maturity. The holder of the Notes is Old Mutual Investment Group.

The Promissory Notes 71-100 (unlisted) were issued on 7 December 2015 at a nominal amount of N\$100 000 000. 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 maturity date of 7 December 2020. 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 2017 %	Interest rate 2016 %	Group 2017 N\$ '000	Group 2016 N\$ '000
<b>Bank Windhoek Limited</b>				
N\$ 1 275 019 (2016: N\$ 976 532) monthly	Prime	Prime	46 935	34 019
N\$ 39 440 (2016: N\$ 45 277) monthly	Prime + 0.5%	Prime + 0.5%	1 526	2 090
N\$ 170 172 (2016: N\$ 169 838) monthly	Prime	Prime	8 109	9 231
N\$ 905 310 (2016: N\$ 671 633) monthly	Prime + 0.5%	Prime + 0.5%	28 850	24 630
N\$ 163 202 (2016: N\$ Nil) monthly	Prime + 0.5%	-	11 104	-
			<b>96 524</b>	<b>69 970</b>
<b>Nedbank Namibia Limited</b>				
N\$ 1 526 797 (2016: N\$ 463 759) monthly	Prime - 1.0%	Prime - 1.0%	65 191	4 513
N\$ 275 851 (2016: N\$ 199 202) monthly	Prime - 1.25%	Prime - 1.25%	5 408	5 873
N\$ 828 329 (2016: N\$ 617 648) monthly	Prime - 1.5%	Prime - 1.5%	11 329	17 554
			<b>81 928</b>	<b>27 940</b>
<b>First National Bank of Namibia Limited</b>				
N\$ Nil (2016: N\$ 53 920) monthly	-	Prime - 2%	-	189
N\$ 6 291 (2016: N\$6 291)	Prime	Prime	105	166
N\$ 4 503 (2016: N\$4 503)	Prime	Prime	48	95
			<b>153</b>	<b>450</b>
<b>Standard Bank of Namibia Limited</b>				
N\$ 260 098 (2016: N\$ 260 098) monthly	Prime	Prime	7 661	9 938
N\$ 404 047 (2016: N\$ 665 225) monthly	Prime - 2%	Prime - 2%	10 530	15 976
			<b>18 191</b>	<b>25 914</b>
<b>Wesbank Limited</b>				
N\$ 75 430 (2016: N\$ 75 430) monthly	Prime	Prime	1 464	2 171
<b>Total Group</b>				
Instalment sale creditors			<b>198 260</b>	<b>126 445</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 22. Other financial liabilities (continued)

#### Details of current portions

#### Fair value through profit or loss

Foreign exchange contracts	3 688	6 410	-	-
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#### At amortised cost

Bank overdrafts	49 138	17 928	-	-
Bank loan facility	140 000	163 026	40 000	-
Redeemable preference shares	59 278	42 732	-	-
Mortgage bond	69 852	54 731	-	-
Unsecured Domestic Medium Term notes	45 285	36 178	45 285	36 178
Promissory notes	1 568	1 737	1 568	1 737
Instalment sale creditors	44 278	37 095	-	-
	<b>409 399</b>	<b>353 427</b>	<b>86 853</b>	<b>37 915</b>

### 23. Finance lease liabilities

Non-current liabilities	56 135	50 189	-	-
Current liabilities	25 789	22 686	-	-
	<b>81 924</b>	<b>72 875</b>	<b>-</b>	<b>-</b>

#### Minimum lease payments due

- within one year	33 317	29 736	-	-
- in second to fifth year inclusive	69 963	56 584	-	-
- later than five years	78	1 057	-	-
	103 358	87 377	-	-
less: future finance charges	(21 434)	(14 502)	-	-
<b>Present value of minimum lease payments</b>	<b>81 924</b>	<b>72 875</b>	<b>-</b>	<b>-</b>

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	81 481	72 574	-	-
Botswana Pula	360	5	-	-
Rand	-	296	-	-
US Dollar	83	-	-	-
	<b>81 924</b>	<b>72 875</b>	<b>-</b>	<b>-</b>

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 23. Finance lease liabilities (continued)

#### Lease creditors

#### Group

	Interest rate 2017 %	Interest rate 2016 %	Group 2017 N\$ '000	Group 2016 N\$ '000
<b>Avis Fleet Services</b>				
N\$ 1 073 351 (2016: N\$ 1 070 002) monthly	Prime	Prime	34 595	31 998
N\$ 420 807 (2016: N\$ 353 560) monthly	Prime	Prime	13 856	11 136
N\$ 141 368 (2016: N\$ 119 952) monthly	Prime - 2%	Prime - 2%	3 726	3 662
N\$ 649 603 (2016: N\$ 312 251) monthly	Prime	Prime	14 020	10 139
N\$ 11 976 (2016: N\$ Nil) monthly	Prime	-	428	-
N\$ 16 268 (2016: N\$ Nil) monthly	Prime - 1.5%	-	461	-
N\$ 14 072 (2016: N\$ 14 072) monthly	Prime +2%	Prime +2%	491	598
			<b>67 577</b>	<b>57 533</b>
<b>Forklift &amp; Allied</b>				
N\$ 30 110 (2016: N\$ 101 872) monthly	Prime	Prime	1 061	719
<b>Omatemba Fleet Services</b>				
N\$ 713 598 (2016: N\$ 803 914) monthly	Prime	Prime	13 203	14 327
<b>Micros SA</b>				
N\$ 5 197 (2016: N\$ 26 521)	12%	12%	83	296
<b>Total Group</b>				
Total lease creditors			<b>81 924</b>	<b>72 875</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 24. Provisions

Non-current liabilities	53 868	44 585	-	-
Current liabilities	678	1 112	-	-
	<b>54 546</b>	<b>45 697</b>	<b>-</b>	<b>-</b>

### Reconciliation of provisions - Group - 2017

	Opening balance N\$ '000	Amounts charged to profit or loss N\$ '000	Employer benefit payments N\$ '000	Amounts charged to other compre- hensive income N\$ '000	Total N\$ '000
Provision for post-employment medical aid costs	16 360	1 206	(1 150)	(810)	15 606
Provision for severance pay	29 337	5 451	(1 568)	5 720	38 940
	<b>45 697</b>	<b>6 657</b>	<b>(2 718)</b>	<b>4 910</b>	<b>54 546</b>

### Reconciliation of provisions - Group - 2016

	Opening balance N\$ '000	Amounts charged to profit or loss N\$ '000	Employer benefit payments N\$ '000	Total N\$ '000
Provision for post-employment medical aid costs	16 595	523	(758)	16 360
Provision for severance pay	28 376	964	(3)	29 337
Provision for probable claims	785	(785)	-	-
	<b>45 756</b>	<b>702</b>	<b>(761)</b>	<b>45 697</b>

An independent actuarial valuation of the provision for post-employment medical aid costs and the provision for severance pay was performed by Alexander Forbes Financial Services at 30 June 2017.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 24. Provisions (continued)

#### Amounts charged to profit or loss consist of:

##### Group - 2017

	Provision for post-employ- ment medical aid costs N\$ '000	Provision for severance pay N\$ '000	Total N\$ '000
Interest cost	1 418	3 041	4 459
Service costs	(212)	2 410	2 198
	<b>1 206</b>	<b>5 451</b>	<b>6 657</b>

##### Group - 2016

	Provision for post-employ- ment medical aid costs N\$ '000	Provision for severance pay N\$ '000	Reversal of provision for probable claims N\$ '000	Total N\$ '000
Interest cost	1 205	2 610	-	3 815
Actuarial loss / (gain)	(172)	(3 120)	-	(3 292)
Service costs	(397)	2 445	(785)	1 263
Utilisation	(113)	(971)	-	(1 084)
	<b>523</b>	<b>964</b>	<b>(785)</b>	<b>702</b>

#### Amounts charged to profit or loss consist of:

##### Group - 2017

	Provision for post-employ- ment medical aid costs N\$ '000	Provision for severance pay N\$ '000	Total N\$ '000
Actuarial loss / (gain)	(810)	5 720	4 910

#### Provision for post-employment 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 are projected using specific actuarial assumptions and the liability for in-service members is accrued over the expected working lifetime.

The most significant assumptions used are a discount rate of 8.90% (2016: 9.60%) and a health care cost inflation rate of 8.00% (2016: 9.30%). 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.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 24. Provisions (continued)

#### Sensitivity analysis of health care cost inflation

A one percentage point decrease or increase in the rate of health care cost inflation will have the following effect:

The accrued liability as at 30 June 2017 will decrease by N\$ 1.158 million (2016: N\$ 1.263 million) or increase by N\$ 1.315 million (2016: N\$ 1.444 million) respectively; and

The current service cost and interest cost will decrease by N\$ 0.103 million (2016: N\$ 0.121 million) or increase by N\$ 0.117 million (2016: N\$ 0.139 million) respectively.

#### Provision for severance pay

In accordance with section 35(1) of the Namibia Labour Act, 2007, severance benefits are payable to an employee, if the employee is unfairly dismissed, dies while employed or resigns/retires on reaching the age of 65 years. The statutory termination benefits provided are classified as defined benefits and are determined based on one weeks' salary/wages for each completed year of service.

#### Valuation method and assumptions

The actuarial valuation method used to value the liabilities is the projected unit credit method prescribed by IAS 19 Employee Benefits. Future benefits valued are projected using specific actuarial assumptions and the liability for inservice members is accrued over the expected working lifetime.

The most significant assumptions used are a discount rate of 9.70% (2016: 9.90%) an inflation rate of 6.70% (2016: 6.50%) and a salary increase rate of 6.70% (2016: 6.50%)

#### Sensitivity analysis of inflation and discount rates

A one percentage point decrease or increase in the discount and inflation rates will have the following effects, which will impact the actuarial gains or losses:

##### Inflation rate

The accrued liability as at 30 June 2017 will decrease by N\$ 4.319 million (2016: N\$ 3.280 million) or increase by N\$ 5.088 million (2016: N\$ 3.874 million) respectively; and

##### Discount rate

The accrued liability as at 30 June 2017 will decrease by N\$ 4.063 million (2016: N\$ 2.853 million) or increase by N\$4.842 million (2016: N\$ 3.388 million) respectively.

### 25. Non-current payables

#### Consists of:

Tenant deposits	6 500	5 656	-	-
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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 26. Deferred income

O&L Energy (Proprietary) Limited received a grant of N\$ 3 139 000 (2016: N\$3 028 000) from the Energy and Environmental Partnership programme with Southern and East Africa, Phase II, through the Ministry for Foreign Affairs of Finland. The two parties entered into a 2 year contract on 02 March 2015, thus the contract was in force until 02 March 2017. As per the contract, a total grant of 300 000 euros was awarded to O&L Energy for the sole purpose of the "Invader Bush to Energy" project. The grant was received in three phases, namely 25% received in March 2015 50% received in May 2015 and final payment of 25% received in February 2016. The deferred income is realised over the useful life of the assets purchased, as per the agreement, to match the depreciation expense.

During May 2014, an interest free loan of N\$ 4.9 million was received by Chobe Water Villas (Pty) Ltd from the Kasika Conservancy. The funds were received to defray part of the expenditure incurred in re-establishing and rebuilding the Lodge. The amount is not repayable provided that the company operates the Lodge for the next 20 years. During 30 June 2016, the full amount was recognised and included in other income as per note 30.

Non-current liabilities	3 139	2 775	-	-
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### 27. Trade and other payables

Trade payables	462 914	544 971	949	-
Amounts received in advance	63	74	-	-
Crates control account	6 003	5 184	-	-
Value-added taxation	8 653	6 998	-	-
Accrued leave pay	39 742	37 118	-	-
Accrued bonus	89 049	115 082	-	-
Excise duties	59 677	54 956	-	-
Accrued audit fees	3 566	3 376	-	-
Deposits received	43 485	49 597	-	-
Quota levies	3 963	1 328	-	-
Other payables	62 650	60 938	62	62
Other accrued expenses	96 615	131 899	1 124	1 552
	<b>876 380</b>	<b>1 011 521</b>	<b>2 135</b>	<b>1 614</b>

### 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	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000
<b>28. Revenue</b>				
Sale of goods	6 030 941	5 307 610	-	-
Rendering of services	131 039	123 880	-	-
Insurance premiums received	-	-	750	688
Royalty income	98 918	88 615	-	-
Rental income	144 707	138 772	-	-
Dividends received	-	-	23 949	29 476
Other revenue	1 375	1 209	-	-
	<b>6 406 980</b>	<b>5 660 086</b>	<b>24 699</b>	<b>30 164</b>

### Inclusive of:

Export sales	1 292 214	1 095 018	-	-
Revenue from subsidiaries and other related parties (Note 45)	878 752	532 105	24 699	30 164

The rental income from Wernhil Park and Alexander Forbes House has been pledged as further security for the mortgage bonds held by First National Bank of Namibia.

## 29. Cost of sales

### Sale of goods

Cost of goods sold	4 165 361	3 667 867	-	-
Cost of rendering of service	31 581	39 836	-	-
Gains on biological assets and agricultural produce	(83 843)	(80 996)	-	-
	<b>4 113 099</b>	<b>3 626 707</b>	<b>-</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000
<b>30. Other income</b>				
Administration and management fees received	501	1 875	-	-
Gain on bargain purchase	2 308	-	-	-
Discount received	7 426	7 132	-	-
Farming income	12 337	5 667	-	-
Grant income	665	5 153	-	-
Charter income	15 300	12 000	-	-
Sundry income	29 421	1 820	19 276	3 697
Loss / profit on exchange differences	9 202	-	-	-
Profit on sale of assets and liabilities	555	2 470	-	-
Quota usage, berthing and sundry income	12 751	28 659	-	-
Recoveries	3 357	1 542	-	-
Rental income	3 382	3 612	-	-
Profit on joint venture	8 263	-	-	-
	<b>105 468</b>	<b>69 930</b>	<b>19 276</b>	<b>3 697</b>

## 31. Operating expenses

### Costs by function

Distribution costs	6 494	9 332	-	-
Administrative expenses	666 948	658 606	5 398	3 778
Other expenses	948 775	716 846	(6 188)	29 820
	<b>1 622 217</b>	<b>1 384 784</b>	<b>(790)</b>	<b>33 598</b>

## 32. Operating profit

Operating profit for the year is stated after accounting for the following:

### Income from related parties

Dividends	-	-	23 949	29 323
Insurance premiums received	16	16	750	688
Management fees received	1 528	1 467	-	-
Royalties	94 000	88 615	-	-
Sales	879 262	532 105	-	-
Know-how payments	5 380	1 926	-	-

### Expenses to related parties

Directors' remuneration	33 183	28 466	864	718
Management fees	5 227	5 015	-	-
Purchases	139 834	122 614	295	376
Royalties	1 307	1 627	-	-
Insurance claims paid	-	-	786	713
Technical fees paid	1 753	31	-	-

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 32. Operating profit (continued)

#### Fees for professional services

Technical services	50	149	1	149
Audit fees - current year	10 219	8 696	1 357	1 386
Audit fees - other services	706	1 152	-	-

#### Operating lease charges

Premises				
• Contractual amounts	66 097	61 051	-	-
Motor vehicles				
• Contractual amounts	5 687	8 227	-	-
Equipment				
• Contractual amounts	1 419	2 558	-	-
• Contingent amounts	433	303	-	-

#### Other material items

(Profit) / Loss on disposal of property, plant and equipment	555	(4 105)	-	-
Loss on disposal of biological assets	-	(370)	-	-
Acquisition costs related to business combination	702	-	-	-
Impairment on property plant and equipment	29 356	1 229	-	-
Impairment on intangible assets	111	-	-	-
(Reversal)/impairment of subsidiaries, joint ventures and associates	(735)	60	(6 189)	29 820
Amortisation of tenant allowances	3 433	3 611	-	-
Impairment on trade and other receivables	3 551	5 219	-	-
Loss on exchange differences	32 207	(1 264)	-	-
Bad debts recovered	(3 855)	-	-	-
Amortisation on intangible assets	9 293	9 098	-	-
Depreciation on property plant and equipment	271 716	223 143	-	-
Employee costs	994 997	931 840	-	-

### 33. Investment income

#### Interest income

Loans and receivables - Bank and other	14 586	15 879	539	7 837
Loans and receivables - Related parties	7 337	5 891	-	-
Loans and receivables - Group companies	-	-	38 481	27 927
Other interest	341	67	-	-
	<b>22 264</b>	<b>21 837</b>	<b>39 020</b>	<b>35 764</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 34. Fair value adjustments

Investment property	90 487	231 929	-	-
Biological assets	3 664	(1 859)	-	-
Non-current assets held for sale	3 495	307	-	-
	<b>97 646</b>	<b>230 377</b>	<b>-</b>	<b>-</b>

### 35. Finance costs

Related parties	1 126	1 048	755	1 735
Preference dividends	20 988	19 619	-	-
Trade and other payables	1 140	230	-	-
Bank and other	167 964	144 687	5 467	1 322
Domestic Medium Term notes	6 457	10 362	6 457	10 362
Promissory notes	31 920	27 660	31 920	27 660
Less: Amounts included in the cost of qualifying assets (77 on Independence)	(6 090)	(6 906)	-	-
	<b>223 505</b>	<b>196 700</b>	<b>44 599</b>	<b>41 079</b>

### 36. Taxation

#### Major components of the taxation expense

##### Current

Local income taxation - prior period	469	-	-	-
Local income taxation - current period	134 587	110 027	-	-
Foreign income taxation - prior period	(31 194)	-	-	-
Foreign income taxation - current period	10 690	25 340	-	-
	<b>114 552</b>	<b>135 367</b>	<b>-</b>	<b>-</b>

##### Deferred

Originating and reversing temporary differences	24 579	40 531	-	-
Changes in tax rates	-	(1 063)	-	-
Deferred tax loss utilised	(8 743)	132	-	-
Derecognition of joint venture	-	(37)	-	-
Arising from prior period adjustments	-	210	-	-
	<b>15 836</b>	<b>39 773</b>	<b>-</b>	<b>-</b>
	<b>130 388</b>	<b>175 140</b>	<b>-</b>	<b>-</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 %	2016 %	2017 %	2016 %

### 36. Taxation (continued)

#### Reconciliation of the taxation expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	32.00%	32.00%	32.00%	32.00%
Exempt income	(7.07)%	(7.72)%	(39.91)%	(42.16)%
Incentive allowances	(8.07)%	(5.42)%	-%	-%
Timing differences not provided for	1.19 %	1.26 %	-%	-%
Tax rate differential between tax jurisdictions	(4.18)%	(0.88)%	-%	-%
Disallowable charges	14.81 %	1.77 %	-%	2.39 %
Adjustments relating to prior periods	(5.75)%	(0.21)%	-%	-%
Current year's tax losses available for use against future taxable income	5.45 %	2.33 %	7.91 %	7.77 %
Use of tax losses relating to prior periods	(3.43)%	0.03 %	-%	-%
Tax rate change	-%	(0.33)%	-%	-%
	<b>24.95 %</b>	<b>22.83 %</b>	<b>-%</b>	<b>-%</b>

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\$1 211 396 433 (2016 Group: N\$ 1 180 088 101) and Company: N\$77 840 195 (2016: N\$ 69 813 629).

### 37. Other comprehensive income

#### Components of other comprehensive income - Group - 2017

	Gross N\$'000	Tax N\$'000	Net before non-con- trolling interest N\$'000	Non-con- trolling interest N\$'000	Net N\$'000
<b>Items that will not be reclassified to profit or loss</b>					
<b>Remeasurements on net defined benefit liability/asset</b>					
Remeasurements on net defined benefit liability	(4 910)	909	(4 001)	-	(4 001)
<b>Movements on revaluation</b>					
Gains (losses) on property revaluation	179 509	(41 181)	138 328	(58 534)	79 794
<b>Total items that will not be reclassified to profit or loss</b>	<b>174 599</b>	<b>(40 272)</b>	<b>134 327</b>	<b>(58 534)</b>	<b>75 793</b>
<b>Items that may be reclassified to profit or loss</b>					
<b>Exchange differences on translating foreign operations</b>					
Exchange differences arising during the year	(89)	-	(89)	62	(27)
<b>Total</b>	<b>174 510</b>	<b>(40 272)</b>	<b>134 238</b>	<b>(58 472)</b>	<b>75 766</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 37. Other comprehensive income (continued)

#### Components of other comprehensive income - Group - 2016

	Gross N\$'000	Tax N\$'000	Net before non-con- trolling interest N\$'000	Non-con- trolling interest N\$'000	Net N\$'000
<b>Items that will not be reclassified to profit or loss</b>					
<b>Movements on revaluation</b>					
Gains (losses) on property revaluation	95 316	(10 897)	84 419	(2 727)	81 692
<b>Items that may be reclassified to profit or loss</b>					
<b>Exchange differences on translating foreign operations</b>					
Exchange differences arising during the year	252	-	252	(177)	75
<b>Total</b>	<b>95 568</b>	<b>(10 897)</b>	<b>84 671</b>	<b>(2 904)</b>	<b>81 767</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 38. Basic and headline earnings per ordinary share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary

Calculation of weighted average number of shares for basic earnings per share and dilutive earnings per share:

Shares issued at beginning of period	5 493	5 493	5 493	5 493
Shares issued during the year to ordinary shareholders	-	-	-	-
Weighted average number of shares	<b>5 493</b>	<b>5 493</b>	<b>5 493</b>	<b>5 493</b>
Profit / (loss) attributable to owners of the parent	163 351	329 366	39 336	(4 203)
Accumulated equity accounted losses from ongoing operations	150 989	6 919	(150)	(849)
Net (gain) / loss on the sale of property, plant and equipment (after tax)	(1 716)	(4 105)	-	-
Impairment losses on property, plant and equipment and intangible assets (after tax)	29 467	1 228	-	-
Impairment loss / (reversal) on subsidiaries (after tax)	-	-	(6 189)	29 820
Recognised bargain gain from a business combination, (after tax)	( 2 309)	-	-	-
Loss on sale of Non-Current Assets Held for Sale (after tax)	709	370	-	-
Headline earnings	<b>340 491</b>	<b>333 778</b>	<b>32 997</b>	<b>24 768</b>

#### 38.1 Basic earnings per ordinary share (cents)

Profit / (loss) attributable to ordinary shareholders	163 351	329 366	39 336	(4 203)
Weighted number of shares in issue (000's)	5 493	5 493	5 493	5 493
Basic earnings / (loss) per ordinary share (cents)	<b>2 973.8</b>	<b>5 996.1</b>	<b>716.1</b>	<b>(76.5)</b>

#### 38.2 Headline earnings per ordinary share (cents)

Headline earnings	340 491	333 778	32 997	24 768
Weighted average number of shares in issue (000's)	5 493	5 493	5 493	5 493
Headline earnings per ordinary share (cents)	<b>6 198.6</b>	<b>6 076.4</b>	<b>600.7</b>	<b>450.9</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 39. Retirement benefit information

#### Retirement fund

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

Member's contribution	32 538	28 786	-	-
Employer contribution	69 875	57 841	-	-
	<b>102 413</b>	<b>86 627</b>	<b>-</b>	<b>-</b>

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 2017 and its assets were found to exceed its actuarially calculated liabilities. The next statutory actuarial valuation will be performed at 31 January 2020.

<b>Employer contributions to medical aid funds</b>	43 372	37 135	-	-
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### 40. Cash generated from / (used in) operations

Profit (loss) before taxation	522 548	767 120	39 336	(4 203)
<b>Adjustments for:</b>				
Depreciation and amortisation	281 009	232 241	-	-
Profit) on disposal of Property, plant and equipment	(1 716)	(4 105)	-	-
Profit on disposal of non-current assets held for sale	(709)	(370)	-	-
Gain on purchase of subsidiary/business combination	(2 309)	-	-	-
Loss / (profit) from equity accounted investments	151 698	6 919	(150)	(849)
Dividends received / (paid)	4 900	4 900	-	(29 476)
Interest received - investment	(22 264)	(21 837)	(39 020)	(35 764)
Finance costs	223 505	196 700	44 599	41 079
Fair value adjustments on investment properties non-current assets held for sale and derivative financial instruments	(93 982)	(231 929)	-	-
Net impairment (profits)/losses	26 235	8 906	(6 189)	29 820
Movements in provisions	6 657	702	-	-
Movement in tenant allowances	(239)	(478)	-	-
Movement on deferred rental	2 247	2 736	-	-
Fair value adjustment on biological assets	(14 844)	(10 491)	-	-
Changes in Oat fields	2 364	(2 105)	-	-
Loss on livestock due to deaths	11 180	12 043	-	-
Unrealised losses/(profits) on financial liabilities at fair value	(2 722)	2 463	-	-
Unrealised losses/(profits) on financial asset at fair value	2 046	(3 727)	-	-
<b>Changes in working capital:</b>				
Decrease / (increase) in inventories	119 528	(27 578)	-	-
Trade and other receivables	56 367	(101 641)	31	415
Trade and other payables	(138 142)	127 182	521	(277)
Deferred income	364	(5 153)	-	-
	<b>1 133 721</b>	<b>952 498</b>	<b>39 128</b>	<b>745</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000
<b>41. Dividends paid</b>				
Balance at the beginning of the year	(1 231)	(2 672)	(1 231)	(2 672)
Dividend paid to outside shareholders	(109 872)	(108 764)	-	-
Dividends declared on ordinary shares	(6 152)	(5 603)	(6 152)	(5 603)
Balance at the end of the year	1 057	1 231	1 057	1 231
	<b>(116 198)</b>	<b>(115 808)</b>	<b>(6 326)</b>	<b>(7 044)</b>
<b>42. Taxation paid</b>				
Balance receivable at the beginning of the year	11 175	4 518	-	-
Balance owing at the beginning of the year	(1 267)	(2 805)	-	-
Current taxation for the year recognised in profit or loss	(114 552)	(135 367)	-	-
Balance owing at the end of the year	1 856	1 267	-	-
Balance receivable at the end of the year	(36 204)	(11 175)	-	-
	<b>(138 992)</b>	<b>(143 562)</b>	<b>-</b>	<b>-</b>
<b>43. Commitments</b>				
<b>Authorised capital expenditure</b>				
<b>Already contracted for but not provided for</b>				
- Property, plant and equipment	104 725	88 113	-	-
- Investment property	414 000	900	-	-
<b>Not yet contracted for</b>	187 763	629 658	-	-
<b>Total</b>	<b>706 488</b>	<b>718 671</b>	<b>-</b>	<b>-</b>
This committed expenditure relates to plant and equipment and investment property and will be financed as follows:				
Working capital	249 553	224 592	-	-
Long-term credit facilities	456 935	494 079	-	-
	<b>706 488</b>	<b>718 671</b>	<b>-</b>	<b>-</b>
<b>Operating leases – as lessee (expense)</b>				
<b>Operating lease commitments</b>				
Land and buildings	376 270	156 420	-	-
Other	30 398	24 122	-	-
	<b>406 668</b>	<b>180 542</b>	<b>-</b>	<b>-</b>
<b>Minimum lease payments due</b>				
- within one year	55 061	31 777	-	-
- in second to fifth year inclusive	234 885	103 247	-	-
- later than five years	116 722	45 518	-	-
	<b>406 668</b>	<b>180 542</b>	<b>-</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 43. Commitments (continued)

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 1 April 2010, the Group entered into an operating lease agreement with the Municipal Council of Windhoek whereby the Group leases a parking/slip way to Fruit and Veg (Erf 2611) for the duration of 5 years ending 31 March 2015. This lease agreement was extended from 1 April 2017 to 31 March 2018 and the monthly rental adjusted with the Namibian inflation rate of 8.2% to the amount of N\$ 8 899 per month.

On 31 January 2005, the Group also entered into an operating lease agreement with the Municipal Council of Windhoek whereby the Group is leasing Erf 6871 (northern parking) for the duration of 99 years subject to the right of the parties to terminate the agreement with a 12 month written notice. Rental for the months of July 2016 to June 2017 amounted to N\$136 226 (excluding VAT) per month. The rental is subject to an annual increase linked to the increase of the Consumer Price Index. An estimate of 7.8% was used as the inflation rate to determine the commitments for the 2017 financial year.

On 01 July 2011, the Group also entered into an operating lease agreement with the Municipal Council of Windhoek whereby the Group is leasing a consolidated area of 24 666 square meters (southern 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. For the months of July 2016 - April 2017 a rental of N\$ 146 666 (excluding VAT) was paid and for May and June 2017 an amount of N\$ 158 106 was paid. The rental is subject to an annual increase linked to the Consumer Price Index. An estimate of 7.8% was used as the inflation rate to determine the commitments for the 2017 financial year.

#### Barley project

In 2015 the Group concluded a tripartite agreement with the Ministry of Agriculture, Water and Forestry, as well as the Agricultural Business Development Agency (AgriBusDev). The barley project started with about 370 hectares under irrigation, predominantly in the Kavango region. NBL has committed to buy all the barley harvested, with a 10-year target of 12 000 hectares.

### 44. Contingent liabilities

Labour claim	-	384	-	-
Performance guarantees	6 899	7 420	-	-
Guarantees of loans, overdrafts and other banking facilities of certain subsidiaries and associate	-	-	1 047 166	518 450
Less: Provision for losses already provided for	-	-	(398 883)	(405 104)
	<b>6 899</b>	<b>7 804</b>	<b>648 283</b>	<b>113 346</b>

#### Performance guarantees

Included in the performance guarantees is a performance guarantee issued in favour of Rossing Uranium Limited in respect of a construction services contract for replacement of a Leach Tank.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 44. Contingent liabilities (continued)

#### Suretyships

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 2017 have been included in the above amounts and all deficits between the assets and liabilities of the subsidiaries at 30 June 2017 have been provided for.

In favour of:	For subsidiary / associate / other	Suretyship N\$ '000
Agribank of Namibia	Namibia Dairies (Proprietary) Limited	Unlimited
	WUM Properties (Proprietary) Limited	N\$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
	WUM Properties (Proprietary) Limited	Unlimited
	O&L Energy (Proprietary) Limited	Unlimited
	Natural Value Foods Namibia (Proprietary) Limited	N\$2 000
	WUM Properties (Proprietary) Limited	Unlimited
First National Bank of Namibia	Wernhil Park (Proprietary) Limited	Unlimited
	O&L Property Security (Proprietary) Limited	N\$ 445 175
	Hangana Seafood (Proprietary) Limited	Unlimited
Nedbank Namibia Limited	Consortium Fisheries (Proprietary)	Unlimited
	ICT Holdings (Proprietary) Limited	N\$15 900
Standard Bank of Namibia Limited	Kraatz Marine (Proprietary) Limited	Unlimited
	Namibia Dairies (Proprietary) Limited	Unlimited
	WUM Properties (Proprietary) Limited	N\$11 000
	WUM Properties (Proprietary) Limited	N\$25 000
	O&L Leisure (Proprietary) Limited	N\$10 000
ABSA Bank Limited	Namibia Dairies (Proprietary) Limited	Unlimited
Development Bank of Namibia	Namibia Dairies (Proprietary) Limited	N\$19 589
Tetra Pak	Namibia Dairies (Proprietary) Limited	

## 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:

Group	2017		2016	
	Assets N\$ '000	Liabilities N\$ '000	Assets N\$ '000	Liabilities N\$ '000
Forward foreign exchange contracts - fair value hedges	2 384	3 688	4 430	6 410
Current portion	2 384	3 688	4 430	6 410

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 2017 '000	Foreign amount 2016 '000	Average rate 2017	Average rate 2016
Euro - Sell	4 706	7 384	14.87	17.33
US Dollar - Sell	1 904	1 245	13.31	15.50
Euro - Buy	2 700	8 700	17.28	17.28

#### Namibia Dollar amount

Euro - Sell	69 983	127 963	-	-
US Dollar - Sell	25 342	19 304	-	-
Euro - Buy	41 337	150 336	-	-
	<b>136 662</b>	<b>297 603</b>	<b>-</b>	<b>-</b>

#### 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	Heineken Namibia B.V.
Entities related to Diageo Heineken Namibia B.V.	Heineken International B.V.
	Heineken South Africa Export Company (Proprietary) Limited
	Heineken South Africa (Proprietary) Limited
	EPIA Investment Holdings (Proprietary) Limited
Significant influence on O&L Holdings (Proprietary) Limited	
Directors/shareholders of EPIA Investment Holdings (Proprietary) Limited	Reverend WS Hanse
	TZM Hjarunguru
	Hon. Governor LV Mcleod-Katjirua
	EP Shiimi
	S Bartsch
	J Fitzgerald (until 01 November 2015)
	P Grüttemeyer
	G Hanke
	P Hoeksema
	T Makari
	B Mukuahima
	M Reilly
	G Shilongo
	H Theron
	S Thieme
	H van der Westhuizen
	D van Niekerk
	B Walbaum
	M Wenk
	E Krafft
	L Crous
	G Ling
	N Wurm
	M Theron

#### Related party balances

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	<b>Group</b>		<b>Company</b>	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 46. Related parties (continued)

#### Related party transactions

##### Interest paid to/(received from) related parties

The Werner List Trust	(157)	(184)	-	-
Heineken South Africa (Proprietary) Limited	(7 418)	(5 702)	-	-
O&L Leisure (Proprietary) Limited	-	-	(32 256)	(21 812)
Brandtribe (Proprietary) Limited	(3)	(5)	-	-
Token Fisheries (Proprietary) Limited	-	(1 029)	-	-
Namibia Dairies (Proprietary) Limited	-	-	(5 509)	(5 468)
Kraatz Marine (Proprietary) Limited	-	-	(715)	(647)
<b>Subtotal</b>	<b>(7 578)</b>	<b>(6 920)</b>	<b>(38 480)</b>	<b>(27 927)</b>
Directors and past directors	755	926	755	926
Dimension Data Namibia (Proprietary) Limited	13	11	-	-
Ohlthaver & List Employee Catastrophe Fund Trust	117	111	-	-
O&L Energy (Proprietary) Limited	-	-	-	804
Weathermen & Co Advertising (Proprietary) Limited	-	-	1	5
<b>Subtotal</b>	<b>885</b>	<b>1 048</b>	<b>756</b>	<b>1 735</b>

##### Purchases from/(sales to) related parties

Heineken South Africa (Proprietary) Limited	(861 539)	(530 123)	-	-
Hangana-Merlus Joint Venture (Proprietary) Limited	(5 796)	-	-	-
Exigrade Feeds (Proprietary) Limited	(11 199)	-	-	-
Heineken South Africa Export Company (Proprietary) Limited	-	(1 741)	-	-
Dimension Data Namibia (Proprietary) Limited	(271)	(241)	-	-
Natural Value Foods Namibia (Proprietary) Limited	(457)	-	-	-
<b>Subtotal</b>	<b>(879 262)</b>	<b>(532 105)</b>	<b>-</b>	<b>-</b>
Natural Value Foods Namibia (Proprietary) Limited	107 600	96 273	-	-
Dimension Data Namibia (Proprietary) Limited	31 823	25 728	-	-
Jupiter Drawing Room (Cape Town) (Proprietary) Limited	410	613	-	-
Weathermen & Co Advertising (Proprietary) Limited	-	-	295	376
Brandtribe (Proprietary) Limited	1	-	-	-
<b>Subtotal</b>	<b>139 834</b>	<b>122 614</b>	<b>295</b>	<b>376</b>

##### Management fees paid to/(received from) related parties

Dimension Data Namibia (Proprietary) Limited	(690)	(639)	-	-
The Werner List Trust	(104)	(104)	-	-
Brandtribe (Proprietary) Limited	(657)	(645)	-	-
SIP Project Managers (Namibia) (Proprietary) Limited	(46)	(79)	-	-
OLC Arandis Solar Energy (Proprietary) Limited	(31)	-	-	-
<b>Subtotal</b>	<b>(1 528)</b>	<b>(1 467)</b>	<b>-</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 46. Related parties (continued)

#### Management fees paid to/(received from) related parties (continued)

Diageo Plc	-	1 475	-	-
Heineken International B.V.	3 841	3 540	-	-
Broll South Africa (Proprietary) Limited	1 386	-	-	-
<b>Subtotal</b>	<b>5 227</b>	<b>5 015</b>	<b>-</b>	<b>-</b>

#### Dividends received from related parties

ICT Holdings (Proprietary) Limited	-	-	3 000	2 290
Namibia Breweries Limited	-	-	35	33
NBL Share Purchase Trust	-	-	162	153
Ohlthaver & List Beverage Company (Proprietary) Limited	-	-	20 000	27 000
Broll and List Property Management (Namibia) (Proprietary) Limited	-	-	752	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>23 949</b>	<b>29 476</b>

#### Insurance premiums received from related parties

Broll and List Property Management (Proprietary) Limited	-	-	8	10
O&L Leisure (Proprietary) Limited	-	-	72	59
Dimension Data Namibia (Proprietary) Limited	16	16	16	16
Eros Air (Proprietary) Limited	-	-	-	2
Hangana Seafood (Proprietary) Limited	-	-	48	46
Organic Energy Solutions (Proprietary) Limited	-	-	7	-
Kraatz Marine (Proprietary) Limited	-	-	56	46
Namibia Dairies (Proprietary) Limited	-	-	372	359
Ohlthaver & List Centre (Proprietary) Limited	-	-	93	79
Wernhil Park (Proprietary) Limited	-	-	2	-
Weathermen & Co. Advertising (Proprietary) Limited	-	-	2	-
WUM Properties (Proprietary) Limited	-	-	65	63
Kraatz Steel a division of WUM (Proprietary) Limited	-	-	7	8
Chobe Water Villas (Proprietary) Limited	-	-	2	-
<b>Subtotal</b>	<b>16</b>	<b>16</b>	<b>750</b>	<b>688</b>

#### Royalties paid to/(received from) related parties

DHN Drinks (Proprietary) Limited	-	(49 686)	-	-
Heineken South Africa (Proprietary) Limited	(94 000)	(38 929)	-	-
Heineken International B.V.	1 307	1 627	-	-
<b>Subtotal</b>	<b>(92 693)</b>	<b>(86 988)</b>	<b>-</b>	<b>-</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000
<b>46. Related parties (continued)</b>				
<b>Insurance claims paid to/(received from) related parties</b>				
Hangana Seafood (Proprietary) Limited	-	-	220	-
Ohlthaver & List Centre (Proprietary) Limited	-	-	123	25
Kraatz Marine (Proprietary) Limited	-	-	74	-
Namibia Dairies (Proprietary) Limited	-	-	317	374
O&L Leisure (Proprietary) Limited	-	-	44	258
WUM Properties (Proprietary) Limited	-	-	8	56
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>786</b>	<b>713</b>

### Know-how payments to/(from) related parties

Heineken South Africa (Proprietary) Limited	(5 380)	(1 926)	-	-
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### Technical fees paid to related parties

Dimension Data Namibia (Proprietary) Limited	1 753	31	-	-
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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	61 856	56 936	-	-
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## 47. Directors' emoluments

### Executive - for managerial services

#### Company - 2017

	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 - paid by subsidiaries	22 128	9 191	1 000	32 319

#### Company - 2016

	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 - paid by subsidiaries	23 286	3 462	1 000	27 748

\* Other benefits comprise retirement medical and other benefits

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS****47. Directors' emoluments (continued)****Non-executive - for services as directors****Company - 2017**

	<b>Directors' fees N\$ '000</b>	<b>Total N\$ '000</b>
Non-executive directors	<b>864</b>	<b>864</b>

**Company - 2016**

	<b>Directors' fees N\$ '000</b>	<b>Total N\$ '000</b>
Non-executive directors	<b>718</b>	<b>718</b>

**48. Financial assets by category**

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

**Group - 2017**

	<b>Loans and receivables N\$ '000</b>	<b>Fair value through profit or loss - held for trading N\$ '000</b>	<b>Available-for sale N\$ '000</b>	<b>Total N\$ '000</b>
Loans to related parties	82 155	-	-	82 155
Other financial assets	20 772	2 384	17	23 173
Trade and other receivables	425 557	-	-	425 557
Cash and cash equivalents	475 026	-	-	475 026
	<b>1 003 510</b>	<b>2 384</b>	<b>17</b>	<b>1 005 911</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 48. Financial assets by category (continued)

#### Group - 2016

	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	65 663	-	-	65 663
Other financial assets	16 057	4 430	15	20 502
Trade and other receivables	547 702	-	-	547 702
Cash and cash equivalents	293 701	-	-	293 701
	<b>923 123</b>	<b>4 430</b>	<b>15</b>	<b>927 568</b>

#### Company - 2017

	Loans and receivables N\$ '000	Total N\$ '000
Loans to Group companies	855 231	855 231
Loans to related parties	4 531	4 531
Cash and cash equivalents	17 749	17 749
	<b>877 511</b>	<b>877 511</b>

#### Company - 2016

	Loans and receivables N\$ '000	Total N\$ '000
Loans to Group companies	845 911	845 911
Loans to related parties	3 428	3 428
Cash and cash equivalents	654	654
	<b>849 993</b>	<b>849 993</b>

## 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 - 2017

	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	30 405	-	30 405
Other financial liabilities	1 974 515	3 688	1 978 203
Trade and other payables	738 929	-	738 929
Bank overdraft	126 244	-	126 244
Finance lease obligation	81 924	-	81 924
Non-current payables	6 500	-	6 500
Dividend payable	1 057	-	1 057
	<b>2 959 574</b>	<b>3 688</b>	<b>2 963 262</b>

#### Group - 2016

	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	40 176	-	40 176
Other financial liabilities	2 049 126	6 410	2 055 536
Trade and other payables	852 322	-	852 322
Bank overdraft	47 925	-	47 925
Finance lease obligation	72 875	-	72 875
Non-current payables	5 656	-	5 656
Dividend payable	1 231	-	1 231
	<b>3 069 311</b>	<b>6 410</b>	<b>3 075 721</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 49. Financial liabilities by category (continued)

#### Company - 2017

	Financial liabilities at amortised cost N\$ '000	Total N\$ '000
Loans from Group companies	368 382	368 382
Loans from related parties	7 957	7 957
Other financial liabilities	386 853	386 853
Trade and other payables	2 135	2 135
Bank overdraft	3 661	3 661
Dividend payable	1 057	1 057
	<b>770 045</b>	<b>770 045</b>

#### Company - 2016

	Financial liabilities at amortised cost N\$ '000	Total N\$ '000
Loans from Group companies	501 048	501 048
Loans from related parties	8 654	8 654
Other financial liabilities	382 916	382 916
Trade and other payables	1 614	1 614
Dividend payable	1 231	1 231
	<b>895 463</b>	<b>895 463</b>

### 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 shareholders 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 15, 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 shareholders, 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).



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 50. Risk management (continued)

#### Capital risk management (continued)

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 2017 and 2016 respectively, were as follows:

#### Total borrowings

Other financial liabilities	22	2 036 826	2 049 125	386 853	382 915
Finance lease obligation	23	81 924	72 875	-	-
Current tax payable	42	1 856	1 267	-	-
Provisions	24	54 546	45 697	-	-
Loans from related parties	12	30 404	41 630	7 956	8 654
Trade and other payables	27	875 471	1 011 521	-	-
Non-current payables	25	6 500	5 656	-	-
Dividend payable	41	1 057	1 231	-	-
		<b>3 088 584</b>	<b>3 229 002</b>	<b>394 809</b>	<b>391 569</b>
Less: Cash and cash equivalents	15	411 094	245 776	14 088	(10 885)
<b>Net debt</b>		<b>2 677 490</b>	<b>2 983 226</b>	<b>380 721</b>	<b>402 454</b>
Total equity		4 128 592	3 725 279	590 740	557 556
<b>Total capital</b>		<b>6 806 082</b>	<b>6 708 505</b>	<b>971 461</b>	<b>960 010</b>
Net debt to equity ratio		39%	44%	39%	42%

#### 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 date 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 2017	1 year N\$ '000	2 - 5 years N\$ '000	> 5 years N\$ '000	Less: Interest N\$ '000	Total N\$ '000
Non-interest-bearing liabilities	30 405	-	-	-	30 405
Bank overdrafts	126 244	-	-	-	126 244
Trade payables and provisions	738 929	5 390	-	-	744 319
Derivative financial liabilities	3 688	-	-	-	3 688
Variable interest rate instruments	455 902	1 382 075	148 068	(392 251)	1 593 794
Fixed interest rate instruments	70 202	527 226	-	(134 784)	462 644
	<b>1 425 370</b>	<b>1 914 691</b>	<b>148 068</b>	<b>(527 035)</b>	<b>2 961 094</b>

At 30 June 2016	1 year N\$ '000	2 - 5 years N\$ '000	> 5 years N\$ '000	Less: Interest N\$ '000	Total N\$ '000
Non-interest-bearing liabilities	40 167	-	-	-	40 167
Bank overdrafts	47 925	-	-	-	47 925
Trade payables and provisions	854 976	4 234	-	-	859 210
Derivative financial liabilities	6 410	-	-	-	6 410
Variable interest rate instruments	498 710	1 469 574	205 535	(443 412)	1 730 407
Fixed interest rate instruments	71 291	329 429	177 190	(186 308)	391 602
	<b>1 519 479</b>	<b>1 803 237</b>	<b>382 725</b>	<b>(629 720)</b>	<b>3 075 721</b>

#### Company

At 30 June 2017	1 year N\$ '000	2 - 5 years N\$ '000	> 5 years N\$ '000	Less: Interest N\$ '000	Total N\$ '000
Non-interest-bearing liabilities	368 382	-	-	-	368 382
Dividends payable	1 057	-	-	-	1 057
Trade payables and provisions	2 135	-	-	-	2 135
Variable interest rate instruments	125 685	376 743	-	(104 567)	397 861
	<b>497 259</b>	<b>376 743</b>	<b>-</b>	<b>(104 567)</b>	<b>769 435</b>

#### Company

At 30 June 2016	1 year N\$ '000	2 - 5 years N\$ '000	> 5 years N\$ '000	Less: Interest N\$ '000	Total N\$ '000
Non-interest-bearing liabilities	499 643	-	-	-	499 643
Dividends payable	1 231	-	-	-	1 231
Trade payables and provisions	1 64	-	-	-	1 614
Variable interest rate instruments	79 464	418 698	-	(105 187)	392 975
	<b>581 952</b>	<b>418 698</b>	<b>-</b>	<b>(105 187)</b>	<b>895 463</b>

## 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 2017 and 2016, the Group's borrowings at variable rate were denominated in the Namibia Dollar and South Africa Rand.

The ensuing sensitivity analyses 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 a reasonably possible change in interest rates.

At 30 June 2017, 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\$ 14 073 371 (2016: N\$ 14 498 070) lower/higher for the Group and N\$ 2 672 229 (2016: N\$ 2 672 229) 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

### 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, management 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	Group - 2017 N\$ '000	Group - 2016 N\$ '000	Company - 2017 N\$ '000	Company - 2016 N\$ '000
Cash and cash equivalents	475 026	293 701	17 749	654
Derivative financial instruments	2 384	4 431	-	-
Trade and other receivables	425 557	548 211	79	43
Loans to related parties	82 531	65 663	-	3 428
Loans and receivables	20 771	16 056	-	-
Unlisted investments	17	15	-	-
Loans to Group companies	-	-	1 218 302	1 142 901

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	16 %	17 %	-%	-%
Trading industry	34 %	28 %	-%	-%
Manufacturing industry	50 %	55 %	-%	-%
	<b>100 %</b>	<b>100 %</b>	<b>-%</b>	<b>-%</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 50. Risk management (continued)

#### Foreign exchange risk

At 30 June 2017, 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\$ 1 028 108 (2016: N\$ 1 010 563) 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 2017, if the currency had weakened/strengthened by 5% against the Euro with all other variables held constant, group post-tax profit for the year would have been N\$ 2 305 821 (2016: N\$ 3 615 023) 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 2017, if the currency had weakened/strengthened by 5% against the Pound Sterling with all other variables held constant, group post-tax profit for the year would have been N\$ 7 453 (2016: N\$ 18 588) 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 2017, if the currency had weakened/strengthened by 5% against the Botswana Pula with all other variables held constant, group post-tax profit for the year would have been N\$ 120 676 (2016: N\$ 98 923) higher/lower, mainly as a result of foreign exchange gains or losses on translation of Botswana Pula denominated receivables, Botswana Pula denominated payables and foreign exchange contracts.

#### Foreign currency exposure at the end of the reporting period

##### Assets

Euro-denominated receivables	61 724	85 705	-	-
US Dollar-denominated receivables	30 238	29 722	-	-
Pound Sterling-denominated receivables	229	561	-	-
Botswana Pula-denominated receivables	3 549	2 909	-	-

##### Liabilities

Euro-denominated receivables	6 301	20 619	-	-
Pound Sterling-denominated receivables	10	15	-	-

#### Exchange rates used for conversion of foreign items were:

	N\$	N\$
USD	12.96	17.18
GBP	16.80	20.11
Euro	14.78	15.04
Pula	1.26	1.34

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 assesses the risk and uses fuel options derivatives as and when required, to limit its exposure against changes in the fuel price.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	<b>Group</b>		<b>Company</b>	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 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	2 384	4 430	-	-
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##### Liabilities

#### Financial liabilities at fair value through profit or loss - held for trading

Foreign exchange contracts	3 688	6 410	-	-
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#### Total financial liabilities at fair value through profit or loss - held for trading

	6 072	10 840	-	-
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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2017 N\$'000	2016 N\$'000	2017 N\$'000	2016 N\$'000

### 51. Fair value information (continued)

#### Level 3

#### Recurring fair value measurements

##### Assets

##### Biological assets

Work in progress - Agronomy	792	3 156	-	-
Abalone	10 976	-	-	-
Game	849	845	-	-
Milk cows	32 647	34 198	-	-
<b>Total biological assets</b>	<b>45 264</b>	<b>38 199</b>	<b>-</b>	<b>-</b>

##### Investment property

Investment property	1 980 714	1 845 382	-	-
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##### Property plant and equipment

Freehold land and buildings	1 953 914	1 791 196	-	-
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##### Available for sale financial assets

Unlisted shares	17	15	-	-
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<b>Total</b>	<b>3 979 909</b>	<b>3 674 792</b>	<b>-</b>	<b>-</b>
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#### Non recurring fair value measurements

##### Assets held for sale and disposal groups in accordance with IFRS 5

Non-current assets held for sale	53 898	1 425	-	-
<b>Total</b>	<b>53 898</b>	<b>1 425</b>	<b>-</b>	<b>-</b>

Property, plant and equipment which is currently classified as non current assets held for sale has been recognised at fair value less costs to sell where 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 2017 and for the year ended 30 June 2016.

## 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 com- prehensive income # N\$'000	Purchases / Seeds & fertiliser / additions N\$'000	Sales / herd population changes N\$'000	Transfers N\$'000	Reclass- ifications N\$'000	Other Move- ments N\$'000	Depreciation N\$'000	Closing balance N\$'000	Unrealised gains / losses included in profit or loss ** N\$'000
<b>Group - 2017</b>											
<b>Assets</b>											
<b>Biological assets</b>											
Work in progress - Agronomy	3 156	-	-	-	-	-	-	(2 364)	-	792	-
Abalone	-	5 211	-	5 765	-	-	-	-	-	10 976	5 211
Game	845	4	-	-	-	-	-	-	-	849	4
Milk cows	34 198	9 629	-	-	(11 180)	-	-	-	-	32 647	9 629
<b>Total biological assets</b>	<b>38 199</b>	<b>14 844</b>	<b>-</b>	<b>5 765</b>	<b>(11 180)</b>	<b>-</b>	<b>-</b>	<b>(2 364)</b>	<b>-</b>	<b>45 264</b>	<b>14 844</b>
<b>Investment property</b>											
Investment property	1 845 382	90 487	-	50 009	-	-	(5 164)	-	-	1 980 714	-
<b>Property, plant and equipment</b>											
Freehold land and buildings	1 791 196	(25 652)	179 509	35 572	-	15 859	(43 814)	8 250	(7 006)	1 953 914	-
<b>Available for sale financial assets</b>											
Unlisted shares	15	-	-	2	-	-	-	-	-	17	-
<b>Non-current assets held for sale</b>											
Non-current assets held for sale	1 425	3 495	-	-	-	48 978	-	-	-	53 898	-
<b>Total</b>	<b>3 676 217</b>	<b>83 174</b>	<b>179 509</b>	<b>91 348</b>	<b>(11 180)</b>	<b>64 837</b>	<b>(48 978)</b>	<b>5 886</b>	<b>(7 006)</b>	<b>4 033 807</b>	<b>14 844</b>



## 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 com- prehensive income # N\$'000	Purchases / Seeds & fertiliser / additions N\$'000	Sales / herd population changes N\$'000	Transfers N\$'000	Reclass- ifications N\$'000	Other Move- ments N\$'000	Depreciation N\$'000	Closing balance N\$'000	Unrealised gains / losses included in profit or loss ** N\$'000
<b>Group - 2016</b>											
<b>Assets</b>											
<b>Biological assets</b>											
Work in progress - Agronomy	1 051	-	-	-	-	-	-	2 105	-	3 156	-
Game	538	-	-	-	-	-	-	307	-	845	-
Milk cows	36 057	10 184	-	-	(12 043)	-	-	-	-	34 198	10 184
<b>Total biological assets</b>	<b>37 646</b>	<b>10 184</b>	<b>-</b>	<b>-</b>	<b>(12 043)</b>	<b>-</b>	<b>-</b>	<b>2 412</b>	<b>-</b>	<b>38 199</b>	<b>10 184</b>
<b>Investment property</b>											
Investment property	1 589 504	231 929	-	17 515	-	7 859	(1 425)	-	-	1 845 382	231 293
<b>Property, plant and equipment</b>											
Freehold land and buildings	1 430 265	-	95 316	6 598	-	263 919	-	-	(4 902)	1 791 196	-
<b>Available for sale financial assets</b>											
Unlisted shares	15	-	-	-	-	-	-	-	-	15	-
<b>Non-current assets held for sale</b>											
Non-current assets held for sale	4 500	370	-	-	-	1 425	-	(4 870)	-	1 425	370
<b>Total</b>	<b>3 061 930</b>	<b>242 483</b>	<b>95 316</b>	<b>24 113</b>	<b>(12 043)</b>	<b>273 203</b>	<b>(1 425)</b>	<b>(2 458)</b>	<b>(4 902)</b>	<b>3 676 217</b>	<b>241 847</b>

\* 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.

#### 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 7.25%-12.00% (2016: 7.25%-12.00%) and discount rates of 13.75%-14.50% (2016: 13.75%-14.50%) were used.

The higher the capitalisation and the lower the 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 valued using the discounted cash flow, comparable sales, replacement cost method. The capitalization rate was determined by referring to the market transactions of comparable properties as derived from market analysis. Property experts are of the opinion that investors would require a return of between 9% and 11% for similar properties. Therefore a capitalization rate of 10% was applied to determine the open market value of the properties.

Land and buildings are re-valued independently every 3 years unless management believes that their fair values differ significantly to their carrying amounts at year end.

Properties valued on the depreciated replacement cost method are valued based on estimates of the new replacement costs of buildings, depreciated for age and obsolescence, to which the value of land is added.

Valuations that are based on market evidence of recent transactions for similar properties take into account the highest and best use of the property.

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 51. Fair value information (continued)

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

### 52. Net current liability position

The company is in a net current liability position of N\$ 76 692 000 (2016: N\$ 53 289 000) as at year end.

Due to the following reasons, the directors are of the opinion that the company is a going concern and that all debts and obligations will be settled as and when they fall due during the ordinary course of business:

- Without drawing undue attention to the fact that the company is in a net current liability position, it must be recorded that this situation has existed for a number of years, nonetheless the company has continued to be a going concern up to and including the current financial year;
- Since the year ended 30 June 2015 and every year since, the company has generated significant positive cash from operating activities. The budget for the year ended 30 June 2018 has been prepared on the basis that this will continue;
- The company has significant undrawn facilities which are disclosed in note 22. The availability of these facilities demonstrates the continuing commitment from financial institutions to ensure the company continues as a going concern.

Based on the points discussed above, notably those related to funding, the directors have prepared the financial statements on a going concern basis. However, the directors take cognisance of the fact that the matter outlined above gives rise to uncertainty which may cast doubt about the company's ability to continue as a going concern.

The company financial statements are prepared on a going concern basis as the directors have reviewed the company's cashflow projections for the 2018 financial year and are satisfied that the company and group have access to the necessary financial reserves required to meet its financial obligations as they fall due in the ordinary course of business.

### 53. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 54. Adoption of new and revised Standards

#### 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		Effective for annual periods beginning on or after
IFRS 1	First-time Adoption of International Financial Reporting Standards Amendments resulting from Annual Improvements 2014–2016 Cycle (removing short-term exemptions)	1 January 2018
IFRS 2	Share-based Payment Amendments to clarify the classification and measurement of share-based payment transactions	1 January 2018
IFRS 4	Insurance Contracts Amendments regarding the interaction of IFRS 4 and IFRS 9	
IFRS 16	Leases Introduction of a single lease accounting model and enhancements of disclosures.	1 January 2019
IFRS 15	Revenue from Contracts from Customers Changes to revenue recognition criteria and additional disclosure requirements	1 January 2018
IFRS 9	Financial Instruments Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing recognition requirements	1 January 2018
IFRS 12	Disclosure of Interests in Other Entities Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying scope)	1 January 2017

### 55. Approval of financial statements

The financial statements were approved by the Board of Directors on 28 September 2017.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Total		Eliminations		Beer & soft drinks		Fresh Produce		Fishing		Retail		Properties		Leisure		Other	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
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	N\$ '000	N\$ '000

56. Business segmentation

Revenue	6 406 980	5 660 086	-	-	2 699 534	2 417 744	582 510	568 239	547 615	546 845	1 981 109	1 759 616	332 450	139 583	183 502	138 669	80 260	89 390
Inter-segment revenue	-	-	(176 869)	(166 496)	9 445	8 141	862	1 802	1 608	58	2 526	2 495	18 252	16 387	3 939	2 122	140 237	135 491
Total	6 406 980	5 660 086	(176 869)	(166 496)	2 708 979	2 425 885	583 372	570 041	549 223	546 903	1 983 635	1 762 111	350 702	155 970	187 441	140 791	220 497	224 881
Segment result	923 275	985 777	-	-	608 304	541 416	13 876	36 184	50 297	67 614	8 775	17 211	238 656	348 621	(12 336)	(19 708)	15 703	(5 561)
Unallocated costs	(23 522)	(30 427)																
Finance costs	(223 505)	(196 700)	44 208	35 394	(71 910)	(59 031)	(21 935)	(19 376)	(9 747)	(5 911)	(11 498)	(8 222)	(59 821)	(61 158)	(42 021)	(26 790)	(50 781)	(51 606)
Equity losses from joint ventures and associate	(150 989)	(6 919)	-	-	(155 717)	(11 464)	-	-	-	-	710	918	-	-	-	-	4 018	3 627
Net Impairment losses	(24 975)	(6 448)	-	-	(111)	(1 464)	-	-	-	(1 201)	-	-	-	-	(29 467)	-	4 603	(3 783)
Income from investments	22 264	21 837	(44 208)	(42 804)	18 304	18 315	132	111	2 086	1 129	176	373	3 459	5 032	5 278	33	37 037	39 648
Taxation	(130 388)	(175 140)	-	-	(103 560)	(134 954)	18 022	(123)	(12 558)	(21 629)	(23)	(3 001)	(32 529)	(17 938)	(1 982)	1 770	2 242	735
Net profit for the year	392 160	591 980	-	-	295 310	352 818	10 095	16 796	30 078	40 002	(1 860)	7 279	149 765	274 557	(80 528)	(44 695)	12 822	(16 940)
Non-cash expenses per segment																		
Depreciation	271 716	247 298	-	-	144 735	144 735	22 162	20 513	33 601	28 867	35 031	25 543	2 368	1 929	23 201	15 318	10 618	10 393
Amortisation of intangibles	9 293	9 706	-	-	4 677	4 677	281	1 422	1 078	646	-	44	-	-	761	535	2 496	2 382
Reversal of impairment losses	(5 956)	1 464	-	-	(1 353)	1 464	-	-	-	-	-	-	-	-	-	-	(4 603)	-
Impairment losses	(28 003)	1 201	-	-	1 464	-	-	-	-	1 201	-	-	-	-	(29 467)	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Total		Eliminations		Beer & soft drinks		Fresh Produce		Fishing		Retail		Properties		Leisure		Other	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	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	N\$ '000	N\$ '000
56. Business segmentation (continued)																		
ASSETS																		
Property, plant and equipment	3 462 736	3 256 234	(14 305)	(13 905)	1 302 439	1 236 773	380 789	349 831	692 116	626 374	163 425	147 424	140 479	99 136	585 678	634 750	212 115	175 851
Investment property	1 980 714	1 845 382	-	-	-	-	-	32 240	-	-	-	-	1 943 874	1 813 142	-	-	36 840	-
Biological assets	45 264	38 199	-	-	-	-	33 439	37 354	10 975	-	-	-	-	-	850	845	-	-
Intangible assets	46 197	31 292	(7 000)	(7 000)	41 873	30 277	730	355	1 643	2 211	1 252	1 252	-	-	1 621	985	6 078	3 212
Inventories and property units for sale	529 896	610 162	-	-	277 373	268 139	54 224	51 069	24 490	23 888	131 924	106 324	33 615	150 927	3 233	3 657	5 037	6 158
Trade construction and other receivables and other financial assets	608 969	668 881	-	-	272 800	310 704	66 707	63 348	138 740	137 136	27 787	68 294	57 974	53 393	8 284	13 685	36 677	22 321
Non-current assets held for sale	53 898	1 425	-	-	43 814	-	-	-	-	-	-	-	10 084	1 425	-	-	-	-
Segment assets	6 727 674	6 451 575	(21 305)	(20 905)	1 938 299	1 845 893	535 889	534 197	867 964	789 609	324 388	323 294	2 186 026	2 118 023	599 666	653 922	296 747	207 542
Deferred tax assets	4 615	1 793																
Investments in associates and joint ventures	476 265	640 194	-	-	438 266	610 527	-	-	-	-	3 038	3 803	-	-	-	-	34 961	25 864
Taxation	36 204	11 175																
Cash and cash equivalents	475 026	293 701																
Related parties	82 155	65 663																
Consolidated total assets	7 801 939	7 464 101																
LIABILITIES																		
Trade payables and dividend payable	883 936	1 018 408	-	-	367 140	462 632	113 447	82 216	99 132	106 515	222 149	242 000	37 314	30 439	32 329	34 120	12 425	60 486
Provisions	54 546	45 697	-	-	21 811	19 295	5 889	5 033	12 685	11 195	5 354	4 168	779	523	1 267	866	6 761	4 617
Segment Liabilities	938 482	1 064 105	-	-	388 951	481 927	119 336	87 249	111 817	117 710	227 503	246 168	38 093	30 962	33 596	34 986	19 186	65 103
Other financial liabilities	2 040 515	2 055 535																
Finance lease creditors	81 924	72 875																
Deferred taxation liabilities	513 095	454 164																
Taxation	1 856	1 267																
Deferred income	3 139	2 775																
Related parties	30 404	40 176																
Bank overdraft	63 932	47 925																
Consolidated total liabilities	3 673 347	3 738 822																

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Total		Eliminations		Beer & soft drinks		Fresh Produce		Fishing		Retail		Properties		Leisure		Other	
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
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	N\$ '000	N\$ '000

56. Business segmentation (continued)

Additions to non-current assets

Property, plant and equipment	376 983	481 437	(11 041)	(7 410)	166 853	237 086	32 995	26 659	99 438	32 906	51 326	51 958	5 141	1 537	18 039	116 784	14 232	21 917
Investment property	50 009	17 515	-	-	-	-	-	-	-	-	-	-	50 009	17 515	-	-	-	-
Biological assets	5 765	-	-	-	-	-	-	-	5 765	-	-	-	-	-	-	-	-	-
Acquisition of subsidiary	10 921	-	-	-	-	-	-	-	10 921	-	-	-	-	-	-	-	-	-
Intangible assets	17 467	12 268	-	-	14 529	10 624	656	401	510	-	-	-	-	-	1 286	-	486	126
Trade receivables and other financial assets	4 717	(792)	-	-	-	-	-	-	115	(1 821)	-	-	-	-	-	1 117	4 602	1 029
Investment in associate companies and joint ventures	9 978	593 665	-	-	-	593 665	-	-	-	-	-	-	-	-	-	-	9 978	-

GEOGRAPHICAL SEGMENTS

Revenue

- Local	5 130 422	4 565 068	(176 868)	(166 496)	1 928 618	1 881 693	583 372	567 210	53 026	(1 092)	1 983 635	1 762 111	350 702	155 970	187 441	140 791	220 496	224 881
- Export	1 276 558	1 095 018	-	-	780 360	544 192	-	2 831	496 198	547 995	-	-	-	-	-	0	-	-
Total segment revenue	6 406 980	5 660 086	(176 868)	(166 496)	2 708 978	2 425 885	583 372	570 041	549 224	546 903	1 983 635	1 762 111	350 702	155 970	187 441	140 791	220 496	224 881

The following is 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	6 561 140	5 839 770	(21 305)	(20 905)	1 846 925	1 235 366	535 889	534 197	792 855	789 609	324 388	323 294	2 186 026	2 118 023	599 666	653 922	296 696	206 264
- Export	166 534	611 805	-	-	91 374	610 527	-	-	75 109	-	-	-	-	-	-	-	51	1 278
Total segment revenue	6 727 674	6 451 575	(21 305)	(20 905)	1 938 299	1 845 893	535 889	534 197	867 964	789 609	324 388	323 294	2 186 026	2 118 023	599 666	653 922	296 747	207 542