OHLTHAVER & LIST
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2018

2018

APPROVAL OF FINANCIAL STATEMENTS

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

The consolidated and separate annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the group's cash flow forecast for the year to 30 June 2019 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the group's external auditors and their report is presented on pages 2 to 3.

The consolidated and separate annual financial statements set out on pages 4 to 116, which have been prepared on the going concern basis, were approved by the board on 28 September 2018 and were signed on their behalf by:

Sven Thieme
Executive Chairman

Günther Hanke
Group Financial Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OHLTHAVER & LIST FINANCE AND TRADING CORPORATION LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of Ohlthaver & List Finance and Trading Corporation Limited ("the Company") and its subsidiaries ("the Group") set out on pages 4 to 116, which comprise the consolidated and separate statements of financial position as at 30 June 2018 and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and the report of the Directors.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Company and the Group as at 30 June 2018 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 independence requirements applicable to performing audits of financial statements in Namibia which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We have fulfilled our other ethical responsibilities in accordance with the ethical requirements applicable to performing audits of financial statements in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the statement of Directors responsibility and approval of the financial statements which we obtained prior to the date of this report and the Annual Integrated Report which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements, report of the Directors and our auditor's report thereon.

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: RH Mc Donald
Partner
Windhoek
28 September 2018

REPORT OF THE **DIRECTORS**

NATURE OF BUSINESS

The Group is engaged in diversified business activities. Details of the Group's activities are set out in Note 6. There have been no material changes to the nature of the group's business from the prior year.

REVIEW OFFINANCIAL RESULTS AND ACTIVITIES

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

The consolidated profit attributable to owners of the parent for the year ended 30 June 2018 was N$124.4 million (2017: N$163.4 million).

DIVIDENDS

An ordinary dividend of 112c per share was declared in respect of the year under review (2017: 112c per share).

PROPERTY, PLANT AND EQUIPMENT

Capital expenditure on property, plant and equipment during the year amounted to N$325.9 million (2017: N$374.2 million), of which N$313.8 million (2017: N$338.1 million) was in respect of plant, equipment and operating assets and N$12.1 million (2017: N$35.6 million) for land and buildings.

Capital expenditure on investment property of N$200.8 million (2017: N$50 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 2018 are set out in Note 18 to the consolidated and separate financial statements.

DIRECTORATE

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

Directors	Designation	Nationality
S Thieme	Executive	Namibian
P Grüttemeyer	Executive	Namibian
G Hanke	Executive	Namibian
B Mukuahima	Executive	Namibian
G Shilongo	Executive	Namibian
P Hoeksema (alternate to S Thieme)	Executive	Namibian
U Stritter	Non-executive	Namibian
C-L List	Non-executive	Namibian
H-H Müseler	Non-executive Independent	Namibian
E Ender	Non-executive Independent	German
L Mcleod-Katjirua	Non-executive	Namibian
Willem Hanse	Non-executive	Namibian

There have been no changes to the directorate for the year under review.

SECRETARY

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

Postal address:	P O Box 16 Windhoek Namibia
Business address:	7th Floor - South Block Alexander Forbes House 23-33 Fidel Castro Street Windhoek

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)	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
Assets					
Non-Current Assets					
Property, plant and equipment	2	3 555 904	3 462 736	-	-
Investment property	3	2 272 049	1 980 714	-	-
Biological assets	4	51 676	45 264	-	-
Intangible assets	5	42 494	46 197	-	-
Investments in subsidiaries	6	-	-	974 710	948 924
Investments in associates	7	417 641	473 227	-	21 119
Investments in joint ventures	8	3 748	3 038	-	-
Other financial assets	9	20 147	16 189	-	-
Non-current receivables	10	35 127	39 538	-	-
Deferred tax	11	13 043	4 615	-	-
Loans to related parties	12	4 896	4 531	4 896	4 531
		6 416 725	6 076 049	979 606	974 574
Current Assets					
Inventories	13	521 427	496 281	-	-
Trade and other receivables	14	657 859	546 258	705	79
Other financial assets	9	7 964	6 984	-	-
Current tax receivable	41	41 112	36 204	-	-
Cash and cash equivalents	15	563 444	475 026	397	17 749
Loans to related parties	12	122 030	77 624	-	-
Property units for sale	16	15 728	33 615	-	-
		1 929 564	1 671 992	1 102	17 828
Non-current assets held for sale	17	21 119	53 898	21 119	-
Total Assets		**8 367 408**	**7 801 939**	**1 001 827**	**992 402**
Equity and Liabilities					
Equity					
Issued share capital and share premium	18	3 391	3 391	3 391	3 391
Reserves		864 502	870 298	54 949	54 949
Retained income		2 157 480	2 039 122	493 858	532 400
Equity Attributable to Equity Holders of Parent		3 025 373	2 912 811	552 198	590 740
Non-controlling interest		1 380 179	1 215 781	-	-
Total Equity		**4 405 552**	**4 128 592**	**552 198**	**590 740**

STATEMENTS OF **FINANCIAL POSITION AS AT 30 JUNE**

	Note(s)	Group 2018 N$'000	Group 2017 N$'000	Company 2018 N$'000	Company 2017 N$'000
Liabilities					
Non-Current Liabilities					
Other financial liabilities	22	1 586 565	1 627 428	293 040	300 000
Finance lease liabilities	23	58 092	56 135	-	-
Deferred tax	11	554 396	513 095	-	-
Provisions	24	57 868	53 868	-	-
Non-current payables	25	6 670	6 500	-	-
Loans from related parties	12	7 325	7 604	6 185	6 548
Deferred income	26	2 559	3 139	-	-
		2 273 475	2 267 769	299 225	306 548
Current Liabilities					
Trade and other payables	27	1 043 439	876 380	2 372	2 135
Other financial liabilities	22	452 927	413 086	127 406	86 853
Finance lease liabilities	23	26 802	25 789	-	-
Provisions	24	511	678	-	-
Current tax payable	41	8 989	1 856	-	-
Dividend payable	40	1 127	1 057	1 127	1 057
Loans from related parties	12	23 010	22 800	1 769	1 408
Bank overdraft	15	131 576	63 932	17 730	3 661
		1 688 381	1 405 578	150 404	95 114
Total Liabilities		**3 961 856**	**3 673 347**	**449 629**	**401 662**
Total Equity and Liabilities		**8 367 408**	**7 801 939**	**1 001 827**	**992 402**

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

		Group		Company	
	Note(s)	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
Revenue	28	6 333 068	6 406 980	30 174	24 699
Cost of sales	29	(4 050 018)	(4 113 099)	-	-
Gross profit		**2 283 050**	**2 293 881**	**30 174**	**24 699**
Other income	30	99 691	105 468	10 270	19 276
Fair value adjustments	34	87 464	97 646	-	-
Operating expenses	31	(1 643 836)	(1 622 217)	(65 418)	790
Operating Profit/ (loss)	**32**	**826 369**	**874 778**	**(24 974)**	**44 765**
Investment income	33	36 967	22 264	37 977	39 020
Share of (loss)/ profit from associates - ongoing operations	7	(29 250)	(151 698)	-	150
Share of profit from joint ventures - ongoing operations	8	1 217	709	-	-
Finance costs	35	(217 346)	(223 505)	(45 393)	(44 599)
Profit/ (loss) before taxation		**617 957**	**522 548**	**(32 390)**	**39 336**
Taxation	36	(213 909)	(130 388)	-	-
Profit/ (loss) for the year		**404 048**	**392 160**	**(32 390)**	**39 336**
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Remeasurements on net defined benefit liability/asset		374	(4 910)	-	-
Gains on property revaluation		695	179 509	-	-
Income tax relating to items that will not be reclassified		(1 126)	(40 272)	-	-
Total items that will not be reclassified to profit or loss		**(57)**	**134 327**	-	-
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		(258)	(89)	-	-
Other comprehensive income for the year net of taxation	**37**	**(315)**	**134 238**	-	-
Total comprehensive income/ (loss) for the year		**403 733**	**526 398**	**(32 390)**	**39 336**

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

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
Profit/ (loss) attributable to:				
Owners of the parent	124 443	163 351	(32 390)	39 336
Non-controlling interest	279 605	228 809	-	-
	404 048	**392 160**	**(32 390)**	**39 336**
Total comprehensive income/ (loss) attributable to:				
Owners of the parent	124 295	239 117	(32 390)	39 336
Non-controlling interest	279 438	287 281	-	-
	403 733	**526 398**	**(32 390)**	**39 336**

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

	Share capital N$'000	Share premium N$'000	Total share capital N$'000	Foreign currency translation reserve N$'000	Revaluation reserve N$'000	Changes in ownership N$'000	Equity settled share based payment reserve N$'000	Total non distributable reserves N$'000	Retained income N$'000	Total attributable to equity holders of the company N$'000	Non-controlling interest N$'000	Total equity N$'000
Group												
Balance at 01 July 2016	**2 746**	**645**	**3 391**	**74**	**743 833**	**(11 654)**	**54 949**	**787 202**	**1 891 930**	**2 682 523**	**1 042 756**	**3 725 279**
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
Total comprehensive income for the year	**-**	**-**	**-**	**(27)**	**79 794**	**-**	**-**	**79 767**	**159 350**	**239 117**	**287 281**	**526 398**
Changes in ownership interest - control not lost (note 6)	-	-	-	-	-	3 764	-	3 764	-	3 764	(4 960)	(1 196)
Transfer between reserves	-	-	-	-	(435)	-	-	(435)	435	-	-	-
Prior year adjustment	-	-	-	-	-	-	-	-	(6 441)	(6 441)	-	(6 441)
Business combinations	-	-	-	-	-	-	-	-	-	-	576	576
Dividends paid by subsidiary	-	-	-	-	-	-	-	-	-	-	(109 872)	(109 872)
Dividends declared on ordinary shares	-	-	-	-	-	-	-	-	(6 152)	(6 152)	-	(6 152)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(435)**	**3 764**	**-**	**3 329**	**(12 158)**	**(8 829)**	**(114 256)**	**(123 085)**
Balance at 01 July 2017	**2 746**	**645**	**3 391**	**47**	**823 192**	**(7 890)**	**54 949**	**870 298**	**2 039 122**	**2 912 811**	**1 215 781**	**4 128 592**
Profit for the year	-	-	-	-	-	-	-	-	124 443	124 443	279 605	404 048
Other comprehensive income (note 37)	-	-	-	(76)	617	-	-	541	(689)	(148)	(167)	(315)
Total comprehensive income for the year	**-**	**-**	**-**	**(76)**	**617**	**-**	**-**	**541**	**123 754**	**124 295**	**279 438**	**403 733**
Transfer between reserves	-	-	-	-	3 865	-	-	3 865	756	4 621	(505)	4 116
Dividends paid by subsidiaries (Note 40)	-	-	-	-	-	-	-	-	-	-	(118 354)	(118 354)
Dividends declared on ordinary shares (Note 40)	-	-	-	-	-	-	-	-	(6 152)	(6 152)	-	(6 152)
Changes in ownership interest - control not lost	-	-	-	-	-	(10 202)	-	(10 202)	-	(10 202)	3 819	(6 383)
Business combinations	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**3 865**	**(10 202)**	**-**	**(6 337)**	**(5 396)**	**(11 733)**	**(115 040)**	**(126 773)**
Balance at 30 June 2018	**2 746**	**645**	**3 391**	**(29)**	**827 674**	**(18 092)**	**54 949**	**864 502**	**2 157 480**	**3 025 373**	**1 380 179**	**4 405 552**
Note(s)	18	18	18	19&37	20&37		21		37			

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

	Share capital N$'000	Share premium N$'000	Total share capital N$'000	Foreign currency translation reserve N$'000	Revaluation reserve N$'000	Changes in ownership N$'000	Equity settled share based payment reserve N$'000	Total non distributable reserves N$'000	Retained income N$'000	Total attributable to equity holders of the company N$'000	Non-controlling interest N$'000	Total equity N$'000
Company												
Balance at 01 July 2016	**2 746**	**645**	**3 391**	**-**	**-**	**-**	**54 949**	**54 949**	**499 216**	**557 556**	**-**	**557 556**
Profit for the year	-	-	-	-	-	-	-	-	39 336	39 336	-	39 336
Total comprehensive income for the year	-	-	-	-	-	-	-	-	**39 336**	**39 336**	-	**39 336**
Dividends declared on ordinary shares (Note 40)	-	-	-	-	-	-	-	-	(6 152)	(6 152)	-	(6 152)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	-	-	-	**(6 152)**	**(6 152)**	-	**(6 152)**
Balance at 01 July 2017	**2 746**	**645**	**3 391**	**-**	**-**	**-**	**54 949**	**54 949**	**532 400**	**590 740**	**-**	**590 740**
Loss for the year	-	-	-	-	-	-	-	-	(32 390)	(32 390)	-	(32 390)
Total comprehensive loss for the year	-	-	-	-	-	-	-	-	**(32 390)**	**(32 390)**	-	**(32 390)**
Dividends declared on ordinary shares (Note 40)	-	-	-	-	-	-	-	-	(6 152)	(6 152)	-	(6 152)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	-	-	-	**(6 152)**	**(6 152)**	-	**(6 152)**
Balance at 30 June 2018	**2 746**	**645**	**3 391**	**-**	**-**	**-**	**54 949**	**54 949**	**493 858**	**552 198**	**-**	**552 198**
Note(s)	18	18	18	19&37	20&37		21		37			

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

		Group		Company	
	Note(s)	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
Cash flows from operating activities					
Cash generated from operations	39	1 105 677	1 133 721	29 070	39 128
Interest income		36 967	22 264	37 977	39 020
Finance costs		(217 346)	(223 505)	(45 393)	(44 599)
Tax paid	41	(179 938)	(138 992)	-	-
Employer benefit payments on provisions		(4 588)	(2 718)	-	-
Net cash from operating activities		**740 772**	**790 770**	**21 654**	**33 549**
Cash flows from investing activities					
Purchase of property, plant and equipment	2	(325 893)	(374 205)	-	-
Sale of property, plant and equipment	2	14 748	8 241	-	-
Purchase of investment property	3	(200 838)	(50 009)	-	-
Additions to land and buildings under construction		-	(38 261)	-	-
Purchase of other intangible assets	5	(4 945)	(17 467)	-	-
Sale of other intangible assets	5	95	-	-	-
Acquisition of subsidiary/ business combination		-	(10 921)	-	-
Repayment / (Advances) of investments and loans		(4 938)	(4 717)	-	-
Sale of biological assets	4	21	-	-	-
Acquisition of additional shares in subsidiaries		(7)	(1 196)	(7)	(1 187)
Sale of non-current receivables		(438)	-	-	-
Sale of property units for sale		17 887	-	-	-
Acquisition of shares in associate		-	(9 978)	-	-
Repayment of joint venture loan		507	1 474	-	-
Repayment of loan to associate		-	16 544	-	-
Net cash from investing activities		**(503 801)**	**(480 495)**	**(7)**	**(1 187)**
Cash flows from financing activities					
Proceeds from other financial liabilities		326 837	309 667	125 000	40 000
Repayment of other financial liabilities		(332 563)	(321 966)	(91 407)	(36 062)
Movement in non-current payables		170	844	-	-
Loans to related parties repaid / (advanced)		(44 771)	(16 492)	-	-
(Repayment) / proceeds from loans from related parties		(70)	(9 772)	(367)	(1 801)
Net finance lease receipts / (payments)		(38 606)	9 049	-	-
Net repayment of loans to group companies		-	-	(80 212)	(3 200)
Dividends paid	40	(124 436)	(116 198)	(6 082)	(6 326)
Acquisition of subsidiary/ business combination		(2 500)	-	-	-
Net cash from financing activities		**(215 939)**	**(144 868)**	**(53 068)**	**(7 389)**

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

		Group		Company	
	Note(s)	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
Total cash and cash equivalents movement for the year		**21 032**	**165 407**	**(31 421)**	**24 973**
Cash and cash equivalents at the beginning of the year		411 094	245 776	14 088	(10 885)
Net foreign exchange difference		(258)	(89)	-	-
Total cash and cash equivalents at the end of the year	**15**	**431 868**	**411 094**	**(17 333)**	**14 088**

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

ACCOUNTING POLICIES (CONTINUED)

1.5 Investment property (continued)

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.

<u>Intangible assets acquired in a business combination</u>

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.

<u>Derecognition of intangible assets</u>

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, and 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	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 43.

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 is realised or the

ACCOUNTING POLICIES (CONTINUED)

1.20 Taxation (continued)

Deferred taxation assets and liabilities (continued)

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

ACCOUNTING POLICIES (CONTINUED)

1.22 Financial instruments (continued)

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

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

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, 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 designated and effective as an

ACCOUNTING POLICIES (CONTINUED)

1.21 Financial instruments (continued)

Derivatives (continued)

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 44.

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 andequity

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 50.

Asset lives and residual values

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

Taxation

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

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

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% (2017: 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

	2018			2017		
	Cost/ Valuation N$'000	**Accumulated depreciation N$'000**	**Carrying value N$'000**	**Cost/ Valuation N$'000**	**Accumulated depreciation N$'000**	**Carrying value N$'000**
Freehold land and buildings	2 070 831	(41 528)	2 029 303	1 987 639	(33 725)	1 953 914
Leasehold land and buildings	130 584	(20 030)	110 554	126 817	(15 337)	111 480
Plant and machinery	1 515 952	(850 626)	665 326	1 477 344	(765 352)	711 992
Furniture and fixtures	483 284	(281 112)	202 172	449 491	(237 598)	211 893
Vehicles	233 404	(134 805)	98 599	231 066	(123 588)	107 478
Office equipment	44 934	(35 330)	9 604	41 210	(31 184)	10 026
Spare parts	14 105	(2 484)	11 621	13 122	(1 421)	11 701
Containers	409 150	(223 850)	185 300	353 284	(174 856)	178 428
Fishing vessels	238 879	(130 034)	108 845	210 673	(118 584)	92 089
Construction in progress	134 580	-	134 580	73 735	-	73 735
Total	**5 275 703**	**(1 719 799)**	**3 555 904**	**4 964 381**	**(1 501 645)**	**3 462 736**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2018

	Opening balance N$'000	Additions N$'000	Disposals N$'000	Transfers from classified as held for sale N$'000	Transfers N$'000	Revaluations N$'000	Depreciation N$'000	Impairment loss N$'000	Total N$'000
Freehold land and buildings	1 953 914	12 094	(5)	43 814	26 621	695	(7 830)	-	2 029 303
Leasehold land and buildings	111 480	688	-	-	1 423	-	(3 037)	-	110 554
Plant and machinery	711 992	57 077	(2 821)	-	9 817	-	(108 683)	(2 056)	665 326
Furniture and fixtures	211 893	51 136	(997)	-	3 072	-	(62 868)	(64)	202 172
Vehicles	107 478	41 800	(9 076)	-	(528)	-	(41 075)	-	98 599
Office equipment	10 026	4 091	(24)	-	136	-	(4 625)	-	9 604
Spare parts	11 701	1 491	(4)	-	-	-	(1 567)	-	11 621
Containers	178 428	62 502	(5 375)	-	-	-	(50 255)	-	185 300
Fishing vessels	92 089	19 228	-	-	19 209	-	(21 681)	-	108 845
Construction in progress	73 735	117 362	-	-	(56 517)	-	-	-	134 580
	3 462 736	**367 469**	**(18 302)**	**43 814**	**3 233**	**695**	**(301 621)**	**(2 120)**	**3 555 904**

Additions during the year consist of leased motor vehicles amounting to N$ 41 576 000 which had a non-cash movement.

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 acquisition 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
	3 256 234	**376 983**	**11 041**	**(9 303)**	**(43 814)**	**(6 842)**	**179 509**	**(271 716)**	**(29 356)**	**3 462 736**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Property, plant and equipment (continued)

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
Pledged as security				
Carrying value of assets pledged as security:				
Freehold land and buildings	1 105 089	1 011 281	-	-
Plant and machinery	48 859	48 333	-	-
Vehicles	71 524	73 870	-	-
Furniture, fixtures, equipment and spare parts	105 816	97 963	-	-
Fishing vessels	76 901	57 471	-	-

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 valuators and the valuation methods below:

Valuations performed in 2018:

Land & buildings were valued in 2018 as per the O&L group revaluation policy.

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

Freehold land and buildings of Hangana Abalone (Erf No. Rem 514 Lüderitz) was revalued on 25 April 2018 since management had reason to believe that their fair values significantly exceeded their carrying values at year end. The valuation was performed by Jurie Scholtz who has a National Diploma: Property Valuations (Technicon SA) of Property Valuations Namibia.

The valuation was arrived at by reference to market evidence of transaction prices of similar properties on a discounted cash flow basis and comparative sales basis, with a capitalization rate of 10%. These assumptions were based on current market conditions.

Valuations performed in 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 valuators:
- 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 valuators:
- 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: PropertyValuation and BSc Town & Reg. Planning),
- F. Löhnert (National Diploma in Property Valuation (UNISA)) and A. Schröder (Namibia Estate Agents Roard 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 properly.

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%
- Capitalsation 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 appaisers 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%.

O&L Leisure (Proprietary) Limited – Strand Hotel property - 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)

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

The effective date of valuation was 30 June 2017. The valuation was performed by an independent valuer, Pieter Kotze of Propcor who is a professional/sworn Appraiser (Appointed as appraiser by the Ministry of Justice on 17/11/1997 ref 23/1/7/1/4).
Propcor is not connected to the company and has recent experience in location and category of the investment property being valued.
- Income capitalisation method used to value the property with a capitalisation rate used of 9.4%.

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

The effective date of valuation was 30 June 2017. The valuations were performed by Gert Hamman Property Valuers CC, who are sworn appraisers in terms of section 6 (1) of the Administration and Estate Act, 1995 and are qualified in terms of Section 14 of the Valuers Act 1982. The valuers have 7 years of experience in their field.
The Direct Comparable approach method was used to determine the market value, with the following assumptions:
- Bulk of 3.5, and
- N$ 8,000 per square metre.

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

The effective date of valuation was 30 June 2017. The valuations were performed by Gert Hamman Property Valuers CC, who are sworn appraisers in terms of section 6 (1) of the Administration and Estate Act, 1995 and are qualified in terms of Section 14 of the Valuers Act 1982. The valuers have 7 years of experience in their field.
The Discounted cashflow method was used to determine the market value, with the following assumptions:
- Capitalisation rate 8.5%, and
- N$ 125 to N$ 220 per square metre, and
- Vacancy factor of 5%, and
- 20% of expense ratio to gross income.

Chobe Water Villas (Proprietary) Limited:

The effective date of valuation was 30 June 2017. The valuation was performed by an independent valuer, Pieter Kotze of Propcor who is a professional/sworn Appraiser (Appointed as appraiser by the Ministry of Justice on 17/11/1997 ref 23/1/7/1/4). Propcor is not connected to the company and has recent experience in location and category of the property being valued. Since the Chobe Water Villas is only in operation for one year, the valuer opted to use the Cost Approach to determine the value of the subject property.

Namibia Dairies (Proprietary) Limited properties:

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 of 7 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%
The key unobservable inputs, together with the weighted average range of probabilities, are as follows:
Between 325 and 1,104 per square metre for land; and
Between 850 and 11,500 per square metre for buildings.

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

UPI KINGSD100001 of Kasika Communual 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 Schlachterei (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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Property plant and equipment (continued)

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.

Other details:

The valuators 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

Hangana Seafood (Proprietary) Limited has a notarial bond of N$20 million (2017: N$20 million) registered over its moveable assets.

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

Marine Bonds registered over the following Motor Fishing Vessels (MFV)
MFV Begonia N$18 million (2017: N$18 million)
MFV Otterbank N$12 million (2017: N$12 million)
MFV Erica N$18 million (2017: N$18 million)
MFV Fisherbank N$12 million (2017: N$12 million)
MFV Resplendent N$30 million
MFV Zogi N$3 million

First Continuing Covering Mortgage Bond N$65,000,000 (2017: N$65,000,000) over Erf 4606 (a consolidation of Erf 3614 & 2942) no. 19 Ben Amathila street, Walvis Bay in respect of Kuiseb Fish Products (Proprietary) Limited.

Second Continuing Covering Mortgage Bond N$10,000,000 (2017: N$10,000,000) over Erf 4606 (a consolidation of erven 3614 & 2942) in respect of Kuiseb Fish Products (Proprietary) Limited.

Marsh Insurance (Old Mutual Short Term Insurance) policy number 17787793 insured value buildings N$205,311,950 (2017: N$205,311,950) plant and machinery N$183,353,541 (2017: N$183,353,541) confirmed.

Marsh Insurance (Western National Insurance Company Limited (50%) Devereux Marine CC (50%)) policy number MM/H006/2015.

Cession over fire policy for N$41,720,000 (2017: N$41,720,000) at Western National dated 16/02/2018 for Zogi Resplendent.

Cession over Fire Policy for N$ 52,690,125 (2017: N$ 50,448,668) (Erf 3692 & 14B) at Mutual & Federal dated 16/2/2018.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. Property plant and equipment (continued)

1st, 2nd, 3rd, 4th, and 5th Covering Mortgage Bond for N$8 000 000, N$1 200 000, N$4 782 500, N$10 000 000 and N$32 000 000 over Erf 3682, Walvis Bay.

1st Covering Mortgage Bond for N$2 217 500 over Erf 14B, Walvis Bay.

Seagulls Erf 1300 Walvis Bay Cross bonded at FNB for 1st bond of N$21.6 million for debt held in the books.

Pick and Pay Erf 2817

Swakopmund Cross bonded at FNB for 1st of N$10.7 million for debt held in the books of Wernhil Park (Pty) Ltd (2017: N$10.7 million)

Land and buildings Consolidated Farm Hardap Nedersetting No 607 Bonded at Agribank for 1st bond of N$1.7 million and 2nd bond of N$4.3 million for debt held in the books of W.U.M. Properties (Proprietary) Limited (Erf 2817). Bonded at Agribank for 1st bond of N$15.4 million, a 2nd bond of N$2.8 million and a 3rd bond of N$1.8million for debt held in the books of Namibia Dairies (Proprietary) Limited.

Land and buildings Farm Okatjemisse no.68, Okatjemisse Ptn A no. 68 & Okaramuti Oos no. 142 15,030,000 15,030,000 Bonded at Bank Windhoek for combined 1st of N$2.47 million and 2nd bond of N$13 million for debt held in the books of WUM Properties (Proprietary) Limited.

O&L Leisure (Proprietary) Limited has a mortgage bond of N$ 31.7 million (2017: N$ 24.4 million) registered over its land and buildings in favour of Bank Windhoek and N$ 10 million (2017: N$ 10 million) in favour of ABSA Bank.

O&L Leisure (Proprietary) Limited has registered a third Continuing Covering Mortgage Bond B827/2011 for N$ 10 million (2017: N$ 10 million) over Portion 2 of the farm Klein Begin No 941 Div B (Mokuti Lodge) registered 25 February 2011 held under Deed Of Transfer T902/2008.

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

	Group - 2018 N$ '000	Group - 2017 N$ '000	Company - 2018 N$ '000	Company - 2017 N$ '000
Freehold land and buildings	858 063	809 108	-	-
Leasehold land and buildings	45 001	44 000	-	-
	903 064	**853 108**	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Investment property

Group	2018 At valuation N$'000	2018 Carrying value N$'000	2017 At valuation N$'000	2017 Carrying value N$'000
Investment property	2 272 049	2 272 049	1 980 714	1 980 714

Reconciliation of investment property - Group - 2018

	Opening balance N$'000	Additions N$'000	Transfer to non-current assets held for sale N$'000	Fair value adjustments N$'000	Total N$'000
Investment property	1 980 714	200 838	10 084	80 413	2 272 049

Reconciliation of investment property - Group - 2017

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

Included in investment property is assets under construction of N$ 235 019 284 (2017: N$ 34 183 038), in relation to Wernhil Park (Proprietary) Limited.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

3. Investment property (continued)

Pledged as security

Carrying value of assets pledged as security:

Freehold land and buildings	2 188 705	1 915 625	-	-

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.

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

Details of valuation

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

Valuations performed in 2018:

Wum Properties (Proprietary) Limited and its subsidiaries:

77 On Independence:

- PJJ Wilders (National Diploma in Property Valuations (TechSA)), of Pierewiet Wilders Valuations, performed the valuation on the building. The effective date of the revaluation was 30 June 2018. The property was valued as commercial property using the income capitalisation method and the following assumptions were applied:
  - Capitalisation rate of 8.5%:
  - Vacancy rate of 2%; and
  - Expense rate of 15%.

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

- Erf 990 Windhoek valued at N$ 108 400 000 based on the Comparable Sales Method:
- This approach is based on the selling prices of comparable erven and an estimated demolishing cost of N$ 5 million taken into account.
- Erf 735 Okuryangava valued at N$ 680 000 based on the Replacement Cost Method:
  This method is based on the depreciated replacement costs of the improvements and the market value of land.

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

- Erf 482 Swakopmund valued at N$ 2 900 000 based on Market Value:
  The market value was determined by taking into account the value of improvements, residual land value and rezoning & redevelopment potential of land.

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

- Erf 914 Tsumeb valued at N$ 7 050 000 based on the Investment method (Gross income multiplier/traditional method) with the following major assumptions:
  - Capitalization rate of 13.5%,
  - Potential rental at N$ 55.00/m²,
  - Vacancy and Outgoings rate of 10% and 15% respectively of gross income.
- Erf 1567 Otjiwarongo valued at N$ 34 000 based on Direct Comparable Approach which is based on the values of similar properties within the area.
- Erf 1570 Otjiwarongo valued at N$ 34 000 based on Direct Comparable Approach which is based on the values of similar properties within the area.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Investment property (continued)

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

- Erf 526 Luderitz valued at N$ 2 555 160 based on the Comparable Sales Method which took into account for the value of similar properties recently sold and an annual growth rate of 2%,
- Erf 331 Luderitz valued at N$ 580 932 based on the Comparable Sales Method which took into account for the value of similar properties recently sold and an annual growth rate of 2%,

Bon Quelle - Otavifontein:

An external valuation was performed during 2017 by Mr PJ Scholtz from Property Valuations Namibia. The Comparable Sales Method of Valuation was used to determine the market value of the subject property. The subject property is an agricultural freehold farm utilized for cattle and crop production. Property brokers plus accredited valuators were consulted for market related rates/hectare for farm land in this area. In assessing the value of the subject property, Mr PJ Scholtz is of the opinion that a rate of N$2 500 - N$3 000 p/ha for normal farm land is market related for the area. Mr P J Scholtz is also of the opinion that a rate of N$15 000 - N$25 000 p/ha is achievable for agronomic dry lands and N$100 000 - N$150 000 p/ha for land under pivot irrigations, as well as market related for the area.

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% (2017: 14.50%) and a capitalisation rate of 8.50% (2017: 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% (2017: 14.25%) and 13% (2017: 13.25%) respectively, while a capitalisation rate of 8% (2016: 8.25%) and 7% (2017: 7.25%) were used respectively.

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%.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		**Company**	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

3. Investment property (continued)

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 capitalisation 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% and 13.25% respectively, while a capitalisation rate of 8.25% (2016: 8.50%) and 7.25% (2016: 7.25%) were used respectively.

These valuators 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 7.00% - 12.00% (2017: 7.25% - 12.00%) and discount rates of 13.00% - 14.50% (2017: 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	144 246	139 469	-	-
Direct operating expenses from rental generating property	(30 067)	(26 164)	-	-
	114 179	**113 305**	-	-

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	82 148	91 240	-	-
Recognised lease obligations and assets	(1 753)	(753)	-	-
	80 413	**90 487**	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. Biological assets

Group	**2018**		**2017**	
	At valuation N$'000	Carrying value N$'000	At valuation N$'000	Carrying value N$'000
Work in progress - Agronomy	704	704	792	792
Abalone	17 118	17 118	10 976	10 976
Game	1 736	1 736	849	849
Milk cows	32 118	32 118	32 647	32 647
Total	**51 676**	**51 676**	**45 264**	**45 264**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. Biological assets (continued)

Reconciliation of biological assets - Group - 2018

	Opening balance N$ '000	Disposals and deaths N$ '000	Gains arising from changes in fair value attributable to growth N$'000	Other changes movements N$'000	Total N$ '000
Work in progress - Agronomy	792	-	-	(88)	704
Abalone	10 976	(21)	6 163	-	17 118
Game	849	-	887	-	1 736
Milk cows	32 647	(8 726)	8 197	-	32 118
	45 264	**(8 747)**	**15 247**	**(88)**	**51 676**

Reconciliation of biological assets - Group - 2017

	Opening balance N$ '000	Additions through acquisition of subsidiary N$ '000	Disposals and deaths N$ '000	Gains arising from changes in fair value attributable to growth N$'000	Other changes movements N$'000	Total 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
	38 199	**5 765**	**(11 180)**	**14 844**	**(2 364)**	**45 264**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

4. Biological assets (continued)

Non–financial information

Livestock consisted of the following number of animals:				
Milk cows	2 689	2 713	-	-
Game*	461	379	-	-
Abalone ('000 kg)	34	24	-	-
	3 184	**3 116**	-	-

* 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 the abalone was determined by using current market prices per size range. The market prices are denominated in US Dollars and were converted at an exchange rate of N$13.73 (2017: N$12.96). A fair value gain of N$6,164,471 (2017: 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

	2018			2017		
	Cost N$ '000	**Accumulated amortisation N$ '000**	**Carrying value N$ '000**	**Cost N$ '000**	**Accumulated amortisation N$ '000**	**Carrying value N$ '000**
Software	88 257	(55 045)	33 212	87 113	(50 598)	36 515
Goodwill	6 015	-	6 015	6 015	-	6 015
Trademark	4 000	(733)	3 267	4 000	(333)	3 667
	98 272	**(55 778)**	**42 494**	**97 128**	**(50 931)**	**46 197**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. Intangible assets (continued)

Reconciliation of intangible assets - Group - 2018

	Opening balance	Additions	Transfers from property plant and equipment	Amortisation	Disposals	Total
	N$ '000	N$ '000	N$ '000	N$ '000	N$ '000	N$ '000
Software	36 515	4 945	341	(8 494)	(95)	33 212
Goodwill	6 015	-	-	-	-	6 015
Trademark	3 667	-	-	(400)	-	3 267
	46 197	**4 945**	**341**	**(8 894)**	**(95)**	**42 494**

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
	31 292	**17 467**	**6 842**	**(9 293)**	**(111)**	**46 197**

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	Group Effective holding		Shares at cost		Indebtedness to / (by) the company		Impairment of interest/provision for	
				2018	2017	2018	2017	2018	2017	2018	2017
			N$ '000	%	%	N$ '000	N$ '000	N$ '000	N$ '000	N$ '000	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	97.83 %	97.82 %	3 323	3 315	111 512	111 512	-	-
- Hangana Seafood (Proprietary) Limited	COFI*	Processing of fish	90	94.70 %	94.69 %	-	-	2 688	25 688	-	-
- Kraatz Marine (Proprietary) Limited	COFI*	Marine and industrial fabrication & repair	30 349	97.83 %	97.82 %	-	-	67 335	37 094	(56 896)	(32 532)
Eros Air (Proprietary) Limited	OLFITRA*	Aircraft charter	60	100.00 %	100.00 %	60	60	11 521	11 521	(11 453)	(11 544)
OLC Solar Energy (Proprietary) Limited	OLFITRA*	Energy solutions	-	100.00 %	100.00 %	-	-			-	-
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 %	0.00 %	-	-	-	-	-	-
O&L Centre (Proprietary) Limited	OLFITRA*	Corporate head office	-	100.00 %	100.00 %	-	-	368 968	335 246	(368 968)	(326 430)
O&L Energy (Proprietary) Limited	OLFITRA*	Manufacturing and distribution of all forms of energy	-	100.00 %	100.00 %	-	-	24 679	16 324	(12 072)	(7 675)
- Organic Energy Solutions (Proprietary) Limited	ENERGY*	Manufacturing of products sourced from bush	-	75.00%	75.00%	-	-	2 947	2 727	(2 947)	(2 276)
O&L South Africa (Proprietary) Limited O&L	OLFITRA*	South Africa head office	-	100.00 %	100.00 %	-	-	-	-	-	-
O&L Beverage Company (Proprietary) Limited	OLFITRA*	Investment holding	123	100.00 %	100.00 %	297	297	17 712	(6 495)	-	-
- 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%	29.83%	3 743	3 743	-	-		
Weathermen and Company Advertising (Proprietary) Limited	OLFITRA*	Advertising and marketing	1	50.10 %	50.10 %	1	1	373	373	-	-
- Utterly Social Media (Proprietary) Limited	WCO*	Advertising and Marketing	1	25.10%	0.00%						

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Investments in subsidiaries (continued)

Name of company	Held by	Nature of business	Issued capital	Group Effective holding		Shares at cost		Indebtedness to / (by) the company		Impairment of interest/provision for	
				2018	2017	2018	2017	2018	2017	2018	2017
			N$ '000	%	%	N$ '000	N$ '000	N$ '000	N$ '000	N$ '000	N$ '000
Wernhil Park (Proprietary) Limited	OLFITRA*	Letting of property	16 521	100.00 %	100.00 %	16 521	16 521	(144)	-	-	-
OLC Northern Sun (Proprietary), Limited (Previously Windhoek Parking)	OLFITRA*	Dormant	-	100.00 %	100.00 %	-	-	-	483	-	(483)
Windhoek Schlachterei (Proprietary) Limited	OLFITRA*	Processing of meat	31 580	90.00 %	90.00 %	32 938	32 938	35 518	35 518	-	-
WUM Properties (Proprietary) Limited	OLFITRA*	Retail, property management and investment holding	-	97.85 %	97.85 %	1 807	1 807	46 974	72 477	-	-
- Namibia Dairies (Proprietary) Limited	WUM*	Manufacturing and distribution of dairy products	2	97.85 %	97.85 %	35 000	35 000	56 181	56 181	-	-
- 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 %	-	-	581 081	534 017	-	-
						93 699	**93 691**	**1 351 322**	**1 254 148**	**(470 311)**	**(398 915)**

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

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 Kraatz Marine (Proprietary) Limited, Khan Construction Company (Proprietary) Limited, O&L Centre (Proprietary) Limited, Eros Air (Proprietary) Limited, OLC Northern Sun (Proprietary) Limited, O&L Energy (Proprietary) Limited, OLC Solar Energy Corporation (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 & List Finance and Trading Corporation Limited
COFI - Consortium Fisheries Limited (only significant subsidiaries are disclosed)
NBLIH - NBL Investment Holdings (Proprietary) Limited (only significant subsidiaries are disclosed)
WUM - WUM Properties (Proprietary) Limited (only significant subsidiaries are disclosed)
BEV - O&L Beverages (Proprietary) Limited
KHAN - Khan Construction (Proprietary) Limited
WCO - Weathermen and Company Advertising (Proprietary) Limited
ENERGY - O&L Energy (Proprietary) Limited

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'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$ 1 042 million (2017: N$ 366.7 million) by certain subsidiaries until the assets of these subsidiaries, fairly valued, exceeded their liabilities. At 30 June 2018, these subsidiaries' liabilities exceed their assets, fairly valued, by N$ 474.0 million (2017: N$ 391.8 million).

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

	Group 2018 N$'000	Group 2017 N$'000	Company 2018 N$'000	Company 2017 N$'000
Aggregate profits/(losses) of subsidiaries				
Aggregate profits	-	-	535 304	475 695
Aggregate losses	-	-	(168 325)	(63 663)
	-	-	**366 979**	**412 032**
Investments in subsidiaries comprises of:				
Investments in subsidiaries at cost	-	-	93 699	93 691
Loans to Group companies	-	-	1 744 283	1 622 530
Impairment of investments in subsidiaries	-	-	(470 311)	(398 915)
Loans from Group companies	-	-	(392 961)	(368 382)
	-	-	**974 710**	**948 924**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018	2017	2018	2017
	N$'000	N$'000	N$'000	N$'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:

	Group 2018 N$'000	Group 2017 N$'000	Company 2018 N$'000	Company 2017 N$'000
Acquisition of 20 shares in Chobe Water Villas (Proprietary) Limited from non-controlling interest, increasing ownership from 78.28% to 97.85%	3 789	-	-	-
Acquisition of 678 shares in 2017 in WUM Properties (Proprietary) Limited from non-controlling interest, increasing effective shareholding from 97.93% to 98.09%.	-	569	-	-
Acquisition of 264 (2017: 40 161) shares in Consortium Fisheries Limited from non-controlling interest, increasing effective shareholding from 97.82% to 97.83% (2017: 96.80% to 97.82%).	30	4 390	-	-

2018:

The consideration paid of N$ 6 383 670 plus the increase of N$ 3 818 813 of equity attributable to owners of the group resulted in a loss on change of ownership of N$ 10 202 483 which is included in changes in ownership reserve

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Investments in subsidiaries (continued)

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

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

The summarised financial information is provided prior to intercompany eliminations.

Subsidiary	Country of incorporation	% Ownership interest held by non-controlling interest 2018	2017
O&L Beverages Group	Namibia	49,99%	49,99%

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

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

Summarised statement of financial position

	2018 N$'000	**2017 N$'000**
Assets		
Non-current assets	2 055 571	2 055 571
Current assets	1 250 246	1 250 246
Total assets	3 305 817	3 305 817
Liabilities		
Non-current liabilities	586 994	586 994
Current liabilities	606 905	606 905
Total liabilities	1 193 899	1 193 899
Total net assets (liabilities)	2 111 918	2 111 918
Carrying amount of non-controlling interest	1 360 858	1 360 858

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Investments in subsidiaries (continued)

O&L Beverages Group

	Group 2018 N$'000	Group 2017 N$'000
Summarised statement of profit or loss and other comprehensive income		
Revenue	2 687 174	2 708 978
Other income and expenses	(2 124 991)	(2 396 576)
Profit before tax	**562 183**	**312 402**
Tax expense	(170 058)	(103 660)
Profit (loss)	**392 125**	**208 742**
Other comprehensive income	702	80 065
Total comprehensive income	**392 827**	**288 807**
Profit (loss) allocated to non-controlling interest	275 983	220 223
Summarised statement of cash flows		
Net cash flows from operating activities	576 760	526 995
Net cash flows from investing activities	(166 778)	(139 284)
Net cash flows from financing activities	(338 603)	(233 288)
Net increase(decrease) in cash and cash equivalents	71 379	154 423
Dividends paid to non-controlling interest	(118 488)	(109 320)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7. Investments in associates

Group

Name of company

	Nature of business	% holding 2018	% holding 2017	Carrying amount 2018 N$ '000	Carrying amount 2017 N$ '000
Dimension Data Namibia (Proprietary) Limited	Consulting services to communication	49.00 %	49.00 %	3 454	3 883
Mobicash Payment Solutions (Proprietary) Limited	Provider of mobile payment solutions	30.00 %	30.00 %	-	21 119
Heineken South Africa (Proprietary) Limited	Manufacturing and distribution of beer	25.00 %	25.00 %	404 824	438 265
OLC Arandis Solar Energy (Proprietary) Limited	Solar energy producer	35.00 %	35.00 %	9 363	9 960
				417 641	**473 227**

Company

Name of company

	Nature of business	% holding 2018	% holding 2017	Carrying amount 2018 N$ '000	Carrying amount 2017 N$ '000
Mobicash Payment Solutions (Proprietary) Limited	Provider of mobile payment solutions	30.00 %	30.00 %	-	21 119

Mobicash Payment Solutions (Proprietary) Limited is currently held for sale.

Carrying value	**Group 2018 N$'000**	**Group 2017 N$'000**
Cost of investment	603 778	623 078
Acquisition cost adjustment	-	(16 544)
Share of associate's reserves		
Beginning of the year	(151 671)	23 291
Transfer from joint venture	-	-
(Loss) for the year - ongoing operations	(29 250)	(155 723)
Deferred tax asset write back	-	58 829
Statutory audit adjustment and impairment	-	(54 804)
Dividends received	(5 216)	(4 900)
	417 641	**473 227**

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 2018	% Ownership interest 2017
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 associate

Summarised Statement of Comprehensive Income

	Heineken South Africa (Proprietary) Limited	
	30 June 2018 N$'000	30 June 2017 N$'000
Revenue	7 070 927	5 293 126
Other income and expenses	(7 250 885)	(5 932 097)
Loss before tax	(179 958)	(638 971)
Tax expense	46 197	235 315
Loss from continuing operations	(133 761)	(403 656)
Total comprehensive loss	**(133 761)**	**(403 656)**

Summarised Statement of Financial Position

	Heineken South Africa (Proprietary) Limited	
	30 June 2018 N$'000	30 June 2017 N$'000
Assets		
Non-current	5 228 939	4 410 885
Current	2 009 420	1 738 000
Total assets	**7 238 359**	**6 148 885**
Liabilities		
Non-current	1 568 264	2 909 000
Current	3 974 014	1 442 000
Total liabilities	**5 542 278**	**4 351 000**
Total net assets	**1 696 081**	**1 797 885**

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7. Investments in associates (continued)

Aggregated individually immaterial associates accounted for using the equity method

	2018 N$'000	2017 N$'000
Total assets	159 043	206 909
Total liabilities	(115 820)	(170 063)
Revenue	131 855	205 515
Profit	8 067	6 685
Group's share of associate's net assets	63 645	68 460
Group's share of profit for the year	4 191	3 499
Dividend income from associate	5 216	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. During the period under review, the company's yearend changed from 30 September to 31 March to be in line with Dimension Data Holdings Plc, the ultimate holding company.

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 2018	% effective ownership interest 2017	Carrying amount 2018 N$'000	Carrying amount 2017 N$'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 %	3 748	3 083
				3 748	**3 083**

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$ 146,708 for the year ended 30 June 2018 (2017: N$ 90,842). The unrecognised share of profits/(loss) of SIP Project Management Namibia (Proprietary) Limited for the group for 2018 amounts to N$ 152,573 (2017: N$ 90,842), while the cumulative unrecognised share of losses as at 30 June 2018 amounts to N$ 168,437 (2017: N$315,145).

The unaudited share of total comprehensive (loss) as per Brandtribe Proprietary Limited financial statements amounts to N$ 273 136 for the year ended 30 June 2018 (2017: (N$ 99 552)). The unrecognised share of profit/(loss) of Brandtribe Proprietary Limited for the group for 2018 amounts to N$ 273 136 (2017: (N$ 99 552)), while the cumulative unrecognised share of losses amounts to N$ 1 212 278 as at 30 June 2018 (2017: N$ 923 595).

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

	Carrying amount 2018 N$'000	Carrying amount 2017 N$'000
Share of profit or loss from continuing operations	1 217	709
Share of total comprehensive income	1 217	709

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'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	3 038	3 803	-	-
Share of joint venture reserves				
Beginning of the year	-	-	-	-
Profit / (loss) for the year from ongoing operations	1 217	709	-	-
Loan (repayment) / advance	(507)	(1 474)	-	-
	3 748	**3 038**	**-**	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
9. Other financial assets				
At fair value through profit or loss - held for trading				
Foreign exchange contract	2 535	2 384	-	-
Available-for-sale				
Unlisted investments	1	17	-	-
Loans and receivables				
L Heydenrich	493	493	-	-
The loan to L Heydenrich bears interest at 0% (2017:0%) and there are no repayment terms. The group holds a right of execution over the Farm Leeudrink, No. 940. The fair value of the farm exceeds the carrying amount of the loan.				
Token Fisheries (Proprietary) Limited	16 735	15 679	-	-
The loan bears interest at Nedbank Prime less 4% and has a term of not more than 10 years which started from September 2013.				
J.L Erasmus	3 128	-	-	-
The loan to J.L Erasmus represents the present value of future amounts receivable. The loan is repayable at N$44,053 per month and bears interest at a prime interest rate. The remaining period of the loan is 10 years. J.L Erasmus is a shareholder of Hangana Abalone.				
Women of Destiny	5 219	4 600	-	-
The loan is fully repayable within 12 months and bears interest at a fixed rate of 12.75%.				
	25 575	**20 772**	**-**	**-**
Total other financial assets	**28 111**	**23 173**	**-**	**-**
Non-current assets				
Available-for-sale	1	17	-	-
Loans and receivables	20 146	16 172	-	-
	20 147	**16 189**	**-**	**-**
Current assets				
At fair value through profit or loss - held for trading	2 535	2 384	-	-
Loans and receivables	5 429	4 600	-	-
	7 964	**6 984**	**-**	**-**
	28 111	**23 173**	**-**	**-**

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 - 2018	Group - 2017	Company - 2018	Company - 2017
	N$ '000	N$ '000	N$ '000	N$ '000
Level 2				
Foreign exchange contracts	2 535	2 384	-	-

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 44 for derivative financial instruments information.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'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:

	Group 2018 N$'000	Group 2017 N$'000	Company 2018 N$'000	Company 2017 N$'000
Tenant commission	2 473	3 895	-	-
Tenant allowances	2 902	3 793	-	-
Deferred rental	29 752	31 850	-	-
	35 127	**39 538**	-	-

Refer to note 49 for the credit risk management.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		Group		Company	
		2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

11. Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction.

		Group 2018 N$'000	Group 2017 N$'000	Company 2018 N$'000	Company 2017 N$'000
Deferred tax liability		(554 396)	(513 095)	-	-
Deferred tax asset		13 043	4 615	-	-
Total net deferred tax liability		**(541 353)**	**(508 480)**	**-**	**-**
Deferred tax liability					
Fixed asset allowances		(674 023)	(639 262)	-	-
Provisions		7 635	6 224	-	-
Retirement benefit obligations		22 391	11 322	-	-
Tax losses available for set off against future taxable income		89 387	117 506	-	-
Customer deposits		24 593	34 415	-	-
Prepayments		(2 962)	(21 038)	-	-
Deferred rentals		1 358	(9 399)	-	-
Unrealised foreign exchange differences		393	2 734	-	-
Consumables		(7 995)	(9 249)	-	-
Intangible assets		(2 772)	(3 697)	-	-
Other deferred taxation		(12 401)	(2 651)	-	-
Total deferred tax liability		**(554 396)**	**(513 095)**	**-**	**-**
Deferred tax asset					
Provisions		610	461	-	-
Fixed asset allowances		(1 410)	(868)	-	-
Prepayments		-	560	-	-
Deferred tax balance from temporary differences other than unused tax losses		(800)	153	-	-
Tax losses available for set off against future taxable income		13 843	4 462	-	-
Total deferred tax asset		**13 043**	**4 615**	**-**	**-**
Reconciliation of deferred tax asset / (liability)					
At beginning of year		(508 480)	(452 371)	-	-
Charge to profit and loss for the year		(31 747)	(15 837)	-	-
Charge to other comprehensive income for the year	37	(1 126)	(40 272)	-	-
		(541 353)	**(508 480)**	**-**	**-**
Unrecognised deferred tax asset					
Unused tax losses not recognised as deferred tax assets		159 821	120 739	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

12. Loans to/(from) related parties

Non-current assets	4 896	4 531	4 896	4 531
Current assets	122 030	77 624	-	-
Non-current liabilities	(7 325)	(7 604)	(6 185)	(6 548)
Current liabilities	(23 010)	(22 800)	(1 769)	(1 408)
	96 591	**51 751**	**(3 058)**	**(3 425)**
Directors and past directors	(7 099)	(7 323)	(7 133)	(7 347)
Dimension Data Namibia (Proprietary) Limited	(5 838)	(3 582)	-	-
Natural Value Foods Namibia (Proprietary) Limited	(217)	(1 559)	-	-
Heineken South Africa (Proprietary) Limited	120 248	74 633	-	-
List Trust Company (Proprietary) Limited	4 896	4 531	4 896	4 531
Ohlthaver & List Holdings (Proprietary) Limited	(821)	(609)	(821)	(609)
Sinco Investments Seventy Three (Proprietary) Limited	(10 015)	(14 460)	-	-
The Werner List Trust	63	119	-	-
The Jupiter Drawing Room (Cape Town) (Proprietary) Limited	(411)	(405)	-	-
Ohlthaver & List Employee Catastrophe Fund Trust	(1 361)	(1 348)	-	-
OLC Arandis Solar Energy (Proprietary) Limited	5	245	-	-
SIP South Africa (Proprietary) Limited	460	2 402	-	-
Broll South Africa (Proprietary) Limited	(221)	(36)	-	-
Cape Advanced Engineering (Proprietary) Limited	(1 140)	(1 056)	-	-
Brandtribe (Proprietary) Limited	(357)	199	-	-
Cronimet Mining Solutions GMBH	(1 601)	-	-	-
	96 591	**51 751**	**(3 058)**	**(3 425)**

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% (2017: prime less 1%) and are repayable in monthly instalments of N$ 89 833 (2017: N$ 231 287) over an average remaining period of 77 months (2017: 89 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% (2017: 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 45.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
12. Loans to/(from) related parties (continued)				
Loans to/(from) related parties are analysed as:				
Non-current assets				
List Trust Company (Proprietary) Limited	4 896	4 531	4 896	4 531
Current assets				
Directors and past directors	34	26	-	-
Heineken South Africa (Proprietary) Limited (formerly DHN Drinks (Proprietary) Limited)	120 248	74 633	-	-
Dimension Data Namibia (Proprietary) Limited	31	-	-	-
Ohlthaver & List Holdings (Proprietary) Limited	-	-	-	-
OLC Arandis Solar Energy (Proprietary) Limited	5	245	-	-
The Werner List Trust	63	119	-	-
Brandtribe (Proprietary) Limited	-	199	-	-
SIP Project Managers (Namibia) (Proprietary) Limited	657	2 402	-	-
Broll South Africa (Proprietary) Limited	627	-	-	-
Natural Value Foods Namibia (Proprietary) Limited	365	-	-	-
	122 030	**77 624**	**-**	**-**
Non-current liabilities				
Directors and past directors	6185	6 548	6 185	6 548
Cape Advanced Engineering (Proprietary) Limited	1 140	1 056	-	-
	7 325	**7 604**	**6 185**	**6 548**
Current liabilities				
Directors and past directors	948	801	948	801
Dimension Data Namibia (Proprietary) Limited	5 869	3 582	-	-
Natural Value Foods Namibia (Proprietary) Limited	582	1 559	-	-
Broll South Africa (Proprietary) Limited	848	36	-	-
Ohlthaver & List Employee Catastrophe Fund Trust	1 361	1 348	-	-
Ohlthaver & List Holdings (Proprietary) Limited	821	609	821	609
Sinco Investments Seventy Three (Proprietary) Limited	10 015	14 460	-	-
The Jupiter Drawing Room (Cape Town) (Proprietary) Limited	411	405	-	-
SIP Project Managers (Namibia) (Proprietary) Limited	197	-	-	-
Cronimet Mining Solutions GMBH	1 601	-	-	-
Brandtribe (Proprietary) Limited	357	-	-	-
	23 010	**22 800**	**1 769**	**1 410**

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

12. Loans to/(from) related parties (continued)

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	120 248	74 633	-	-

These assets are encumbered to secure liabilities as per Note 22

13. Inventories

Raw materials	110 600	77 186	-	-
Work in progress	24 005	16 404	-	-
Finished goods	125 442	150 938	-	-
Merchandise	134 827	144 603	-	-
Consumable stores	139 170	119 743	-	-
	534 044	508 874	-	-
Provision for obsolete stock	(12 617)	(12 593)	-	-
	521 427	**496 281**	-	-

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	1 795	1 387	-	-

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)	431 558	360 812	150	-
Prepayments	49 016	32 775	-	-
Deposits	19 406	15 714	-	-
Value-added taxation	103 554	84 582	555	79
Deferred rental	-	-	-	-
Promotional and buying incentives	16 613	15 357	-	-
Fuel rebate	2 343	3 983	-	-
Tenant allowances and commissions	3 565	3 344	-	-
Other receivables	31 804	29 691	-	-
	657 859	**546 258**	**705**	**79**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

15. Trade and other receivables (continued)

Trade and other receivables pledged as security

N$ 538 034 222 (2017: N$ 272 800 063) 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 45 days (2017: 46 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 2018, N$ 105 793 664 (2017: N$ 140 145 000) 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:

	Group 2018	Group 2017	Company 2018	Company 2017
30 – 60 days	38 271	57 326	-	-
60 – 90 days	12 494	15 987	-	-
> 90 days	55 029	66 832	-	-
	105 794	**140 145**	-	-

Trade and other receivables impaired

As of 30 June 2018, trade and other receivables of N$ 17 476 698 (2017: N$ 17 619 477) 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:

	Group 2018	Group 2017	Company 2018	Company 2017
10 – 90 days	756	4 297	-	-
90 – 120 days	405	2 100	-	-
120+ days	16 316	11 222	-	-
	17 477	**17 619**	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

14. Trade and other receivables (continued)

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(17 619)	(19 852)	-	-
Impairment losses recognised	(3 228)	(6 786)	-	-
Amounts written off as uncollectable	3 004	4 174	-	-
Amounts recovered during the year	366	4 845	-	-
	(17 477)	**(17 619)**	-	-

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	22 097	23 069	-	-
Bank balances	274 378	293 027	262	12 739
Short-term deposits	266 969	158 930	135	5 010
Bank overdrafts	(131 576)	(63 932)	(17 730)	(3 661)
	431 868	**411 094**	**(17 333)**	**14 088**
Current assets	563 444	475 026	397	17 749
Current liabilities	(131 576)	(63 932)	(17 730)	(3 661)
	431 868	**411 094**	**(17 333)**	**14 088**

The carrying amount of these assets approximates their fair value. The overdrafts are unsecured, except for those of the Company and Consortium Fisheries Limited Group as follows:

Company
Unlimited suretyship provided by O&L Holdings (Proprietary) Limited.

Unlimited suretyship provided by List Trust Company (Proprietary) Limited.

Consortium Fisheries Limited Group:
First Covering Mortgage Bond for N$ 1 665 000 over Erf 1239, Tsumeb.

Cession over Fire Policy for N$ 1 397 500 at OMSIC dated 17/10/2014.

First and second Covering Mortgage Bond for N$ 6 400 000 and N$ 9 000 000 over Erf 4895, Walvis Bay.

Cession over Fire Policy for N$ 31 440 000 at OMSIC dated 18/04/2017.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

16. Property units for sale

Carrying value				
Work in progress - development and construction contracts	-	-	-	-
Property units for sale	15 728	33 615	-	-
	15 728	**33 615**	-	-

Reconciliation of Work in progress				
Opening balance	-	150 862	-	-
Additions	-	38 261	-	
Transfer to cost of sales	-	(155 508)	-	
Transfer to investment property	-	-	-	
Transfer to residential apartments stock	-	(33 615)	-	-
	-	-	-	-

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
17. Non-current assets held for sale				
Non-current assets held for sale				
Property, plant and equipment	-	43 814	-	-
Investment property	-	10 084	-	-
	-	**53 898**	-	-
Non-current assets classified as held for sale consist of:				
Erf 3570 and Erf 637 - Swakopmund	-	43 814	-	-
Erf 256 - Lüderitz / !Nami-nüs	-	2 236	-	-
Erf 331 - Lüderitz / !Nami-nüs	-	528	-	-
Erf 914 - Tsumeb	-	7 320	-	-
	-	**53 898**	-	-
Assets of disposal groups				
Investments in associates	21 119	-	21 119	-
Disposal groups classified as held for sale consist of:				
Mobicash Payment Solutions (Pty) Ltd	21 119	-	-	-

The Erf 526 Luderitz, Erf 914 Tsumeb and Erf 331
Luderitz properties were reclassified back to Investment Property as the group was not successful to find potential buyers over the past 2 years, despite actively marketing these assets. The decision was made that the property will be leased should a prospective tenant be found.

The Erf 3570 and Erf 637
Swakopmund property no longer meets the criteria of IFRS 5 and was therefore reclassified back to land and buildings.

The group is currently in the process of selling the 30% interest in Mobicash Payment Solutions (Proprietary) Limited to Standard Bank Namibia Limited.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

18. Issued share capital and share premium

Authorised				
12 000 000 (2017: 12 000 000) Ordinary shares of N$ 0.50 each	6 000	6 000	6 000	6 000
Issued				
5 492 917 (2017: 5 492 917) Ordinary shares of N$ 0.50 each	2 746	2 746	2 746	2 746
Share premium	645	645	645	645
	3 391	**3 391**	**3 391**	**3 391**

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

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	47	74	-	-
Exchange differences arising on translating foreign subsidiaries	(258)	(89)	-	-
Exchange differences attributable to non-controlling interest	182	62	-	-
	(29)	**47**	-	-

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 Increase	823 192	743 833	-	-
arising on revaluation of properties Deferred tax	695	179 509	-	-
liability arising on revaluation	(63)	(41 181)	-	-
Revaluation attributable to non-controlling interest	(14)	(58 534)	-	-
Transferred (to) / from retained earnings	(251)	(435)	-	-
Other transfers	4 115	-	-	-
	827 674	**823 192**	-	-

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
22. Other financial liabilities				
At fair value through profit or loss				
Foreign exchange contracts	8 392	3 688	-	-
Held at amortised cost				
Short term borrowings (22.1)	-	49 138	-	-
Medium Term Loans (22.2)	783 951	529 740	118 909	40 000
Instalment sale creditors (22.6)	121 992	198 259	-	-
Promissory notes (22.5)	301 537	301 568	301 568	301 568
Preference share capital (22.3)	254 704	312 378	-	-
Mortgage bond (22.4)	564 726	600 458	-	-
Unsecured Domestic Medium Term notes (22.5)	-	45 285	-	45 285
Note payable (22.7)	4 190	-	-	-
	2 031 100	**2 036 826**	**420 446**	**386 853**
	2 039 492	**2 040 514**	**420 446**	**386 853**

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% (2017: between prime and prime + 1%) and are renegotiated every year.

Medium term loans consist of:

Standard Bank Namibia Limited

N$ 112.5 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$ 118.9 million with a maximum principal amount of N$ 125.0 million bears interest at 1 month JIBAR +3.8% and expires on 11 December 2020. 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 - N$ 150.0 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.

First National Bank Namibia Limited

Bridging loan facility of N$ 193.9 million with a maximum principal amount of N$ 425.0 million. 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$ 14.0 million with a maximum principal amount of N$ 14.0 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 R14.8m, 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	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

22. Other financial liabilities (continued)

Non-current liabilities				
At amortised cost	1 586 565	1 627 428	293 040	300 000
Current liabilities				
Fair value through profit or loss	8 392	3 688	-	-
At amortised cost	444 535	409 398	127 406	86 853
	452 927	**413 086**	**127 406**	**86 853**
	2 039 492	**2 040 514**	**420 446**	**386 853**

Fair value of the financial liabilities carried at amortised cost

Mortgage bond - First National Bank of Namibia Limited	287 728	284 130	-	-

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 2018 (2017: 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	276 720	467 395	81 401	33 094

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

US Dollar	1 209	679	-	-
EURO	7 183	3 009	-	-
	8 392	**3 688**	-	-

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

Namibia Dollar	1 728 276	1 657 638	420 446	341 568
South Africa Rand	302 825	391 487	-	45 285
	2 031 101	**2 036 826**	**420 446**	**386 853**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'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 44 for derivative financial instruments information.

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

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

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

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

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

Level 2				
Foreign exchange contracts	8 392	3 688	-	-

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% (2017: between prime and prime + 1%) and are renegotiated every year.

22.2 Medium term loans consist of:

Standard Bank Namibia Limited

N$ 112.5 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$ 118.9 million with a maximum principal amount of N$ 125.0 million bears interest at 1 month JIBAR +3.8% and expires on 11 December 2020.

FirstRand Bank Limited
Capex Facility N$ 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 N$ 150.0 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.

First National Bank Namibia Limited
Bridging loan facility of N$ 193.9 million with a maximum principal amount of N$ 425.0 million. 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$ 14.0 million with a maximum principal amount of N$ 14.0 million and bears interest at the higher of the repo rate plus 2% or prime rate plus 2% per annum.

Bank Windhoek
Loan with no fixed repayment terms of N$ 12 million. The loan bears interest at the prime rate.
N$ 49.1 million repayable at N$ 1.5 million monthly, and bears interest at the prime rate.
N$ 18.7 million repayable at N$ 1.5 million monthly and bears interest at prime plus 0.5%.

Industrial Development Corporation
Loan with no fixed repayment terms of N$ 14.8 million. The loan bears interest at the South African prime rate less 2%.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
22. Other financial liabilities (continued)				
Preference share capital				
Authorised				
200 (2017: 200) variable rate, redeemable cumulative preference shares of N$0.0002 each	-	-	-	-
3 000 (2017: 3 000) variable rate, redeemable cumulative preference shares of N$1.00 each	2	2	-	-
10 000 (2017: 10 000) variable rate redeemable cumulative preference shares of N$0.01 each	-	-	-	-
	2	**2**	**-**	**-**
Issued				
153 (2017: 64) variable rate, redeemable, cumulative preference shares of N$0.0002 each	-	-	-	-
2 000 (2017: 2 000) variable rate, redeemable cumulative preference shares of N$1.00 each	2	2	-	-
210 (2017: 360) variable rate, redeemable cumulative preference shares of N$0.01 each	-	-	-	-
Share premium	253 098	310 398	-	-
Accrued preference share dividend	1 604	1 978	-	-
	254 704	**312 378**	**-**	**-**

The preference shares (including accrued interest) can be allocated as follows:	**Interest rate 2018 %**	**Interest rate 2017 %**	**Group 2018 N$'000**	**Group 2017 N$'000**
Bank Windhoek Limited	**73-76% of prime**	**73-76% of prime**	174 575	201 220
Standard Bank of Namibia Limited	**73% of JIBAR**	**73% of JIBAR**	58 994	74 920
Bank Windhoek Limited	**74.5% of prime**	**74.5% of prime**	21 135	36 238
			254 704	**312 378**

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

N$ 29.0 million (2017: N$ 29.0 million), N$ 44.5 million (2017: N$ 44.5 million), N$ 15.0 million (2017: N$ 15.0 million), N$ 32.5 million (2017: N$32.5 million) and N$ 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 months, 72 months and over 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 each and subsequently issued 510 shares at a premium of N$99 999.99.

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

The unissued 47 (2017: 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 2018.

The unissued 1 000 (2017: 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 9 790 (2017: 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 2018 %	Interest rate 2017 %	Group 2018 N$ '000	Group 2017 N$ '000
Agribank of Namibia				
N$ 316 351 (2017: N$ 316 351) half-yearly	Prime - 0.5%	Prime - 0.5%	-	316
N$ 9 431 452 (2017: N$ 4 246 627) annually	4.00% 8.25%	Prime - 0.75%	52 410	58 433
			52 410	**58 749**
Bank Windhoek Limited				
N$ 190 962 monthly	Prime	-	13 938	-
N$ 191 861 (2017: N$ 160 005) monthly	Prime + 1%	Prime + 1%	13 076	14 054
N$ 436 174 (2017: N$ 436 838) monthly	Prime - 2%	Prime - 2%	1 395	3 817
N$ 132 437 (2017: N$ 132 767) monthly	Prime	Prime	-	2 772
N$ 269 723 (2017: N$ 272 079) monthly	Prime	Prime	16 394	17 853
			44 803	**38 496**
First National Bank of Namibia Limited				
Variable instalments monthly	9.2 - 12.75%	9.2 - 12.75%	423 813	445 175
Standard Bank of Namibia Limited				
N$573 087 (2017: N$573 087) monthly	Prime – 1.25%	Prime - 1%	16 128	21 563
N$ 95 059 (2017: N$ 95 059) monthly	Prime - 0.5%	Prime - 0.5%	1 899	2 801
			18 027	**24 364**
Development Bank of Namibia				
N$ 486 637 (2017: N$ 387 613) monthly	Prime - 2%	Prime - 2%	22 847	26 921
ABSA Bank Limited				
R 368 941(2017: R 368 941) monthly	SA Prime	SA Prime	2 825	6 753
Total Group				
Total mortgage and other secured loans			**564 726**	**600 458**

First National Bank of Namibia Limited
The shareholders distribution loan has a maximum principal amount of N$ 80 million that has been distributed to the shareholder of Wernhil Olfitra and forms part of the aggregate loan relating to the Wernhil Phase 4 development. Alexander Forbes house parkade loan forms part of this loan and has a maximum principal amount of N$ 42 million.

The initial loan of N$ 475 million received from FNB Namibia was to be repaid over a 10 year term at fluctuating installments which commenced December 2011 with a N$ 140 million bullet payment as a final installment. For the period 1 March 2019 till 30 November 2021 interest was hedged at a fixed rate of 12.49% per annum. The current interest rate is 11.17% (2017: 11.17%) hedged until 31 October 2018.

Standard Bank of Namibia Limited
This loan is secured by 1st continuing covering mortgage bond of N$ 30 million plus an additional sum of N$ 7,5 million over erf A/282 known as "Town Square Building", 2nd continuing covering mortgage bond of N$ 140 million plus an additional sum of N$ 35 million over erf A/282 known as "Town Square Building", 2nd continuing covering and 3rd continuing covering mortgage bond of N$ 20 million plus an additional sum of N$ 5 million over erf A/282 known as "Town Square Building". The loan bears interest at prime less 0.5% and repayable over 60 months.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22. Other financial liabilities (continued)

Domestic medium term notes and promissory notes

Group & Company

	Interest rate 2018 %	Interest rate 2017 %	2018 N$ '000	2017 N$ '000
DMT Notes OL005 (Unsecured)	JIBAR + 5.5%	JIBAR + 5.5%	-	45 285
Promissory notes 31-50 (Secured)	JIBAR + 3.0%	JIBAR + 3.0%	100 499	100 510
Promissory notes 51-70 (Secured)	JIBAR + 3.0%	JIBAR + 3.0%	100 499	100 510
Promissory notes 71-100 (Unsecured)	JIBAR + 3.8%	JIBAR + 3.8%	100 539	100 548
			301 537	**346 853**

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 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 was repaid at maturity. The holder of the Notes was Momentum Asset Management.

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 2018. 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 2018 %	Interest rate 2017 %	Group 2018 N$ '000	Group 2017 N$ '000
Bank Windhoek Limited				
N$ 1 275 019 (2017: N$ 1 275 019) monthly	Prime	Prime	-	46 935
N$ 39 440 (2017: N$ 39 440) monthly	Prime + 0.5%	Prime + 0.5%	1 203	1 526
N$ 170 172 (2017: N$ 170 172) monthly	Prime	Prime	6 854	8 109
N$ 761 861 (2017: N$ 905 310) monthly	Prime + 0.5%	Prime + 0.5%	-	28 850
N$ 163 202 (2017: N$ Nil) monthly	Prime + 0.5%	Prime + 0.5%	10 361	11 104
			18 418	**96 524**
Nedbank Namibia Limited				
N$ 1 526 797 (2017: N$ 1 526 797) monthly	Prime - 1.0%	Prime - 1.0%	75 101	65 191
N$ 275 851 (2017: N$ 275 851) monthly	Prime - 1.25%	Prime - 1.25%	1 902	5 408
N$ 828 329 (2017: N$ 828 329) monthly	Prime - 1.5%	Prime - 1.5%	2 320	11 329
N$ 76 530 monthly	Prime		445	-
N$ 193 809 monthly	Prime - 2.0%		3 982	-
			83 750	**81 928**
First National Bank of Namibia Limited				
N$ 6 291 (2017: N$6 291)	Prime	Prime	37	105
N$ 0 (2017: N$4 503)	Prime	Prime	-	48
			37	**153**
Standard Bank of Namibia Limited				
N$ 393 466 (2017: N$ 260 098) monthly	Prime	Prime	10 753	7 661
N$ 267 009 (2017: N$ 404 047) monthly	Prime - 2%	Prime - 2%	8 357	10 530
			19 110	**18 191**
Wesbank Limited				
N$ 80 266 (2017: N$ 75 430) monthly	Prime	Prime	677	1 464
Total Group				
Instalment sale creditors			**121 992**	**198 260**

Note payable

During the financial year ending 30 June 2018, an agreement was entered into, between O&L Leisure and Brett McDonald in respect of the non-controlling interest in Chobe. The agreement involved the purchase of the 20 shares which were held by Brett McDonald.

The total consideration of N$ 7 000 000 is/was payable in three tranches as follows:

- First tranche: N$ 2 500 000 on the closing date (8 September 2017)
- Second tranche: N$ 2 500 000 on 1 September 2018
- Third tranche: N$ 2 000 000 on 1 September 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
22. Other financial liabilities (continued)				
Details of current portions				
Fair value through profit or loss				
Foreign exchange contracts	8 392	3 688	-	-
At amortised cost				
Bank overdrafts	-	49 138	-	-
Bank loan facility	159 710	140 000	25 869	40 000
Redeemable preference shares	70 004	59 278	-	-
Mortgage bond	73 468	69 852	-	-
Unsecured Domestic Medium Term notes	-	45 285	-	45 285
Promissory notes	101 537	1 568	101 537	1 568
Instalment sale creditors	37 735	44 278	-	-
Note payable	2 081			
	444 535	**409 399**	**127 406**	**86 853**

23. Finance lease liabilities

	Group 2018	Group 2017	Company 2018	Company 2017
Non-current liabilities	58 092	56 135	-	-
Current liabilities	26 802	25 789	-	-
	84 894	**81 924**	**-**	**-**
Minimum lease payments due				
- within one year	36 790	33 317	-	-
- in second to fifth year inclusive	70 965	69 963	-	-
- later than five years	-	78	-	-
	107 755	103 358	-	-
less: future finance charges	(22 861)	(21 434)	-	-
Present value of minimum lease payments	**84 894**	**81 924**	**-**	**-**

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:

	Group 2018	Group 2017	Company 2018	Company 2017
Namibia Dollar	84 868	81 481	-	-
Botswana Pula	-	360	-	-
Rand	26	-	-	-
US Dollar	-	83	-	-
	84 894	**81 924**	**-**	**-**

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

Avis Fleet Services	Interest rate 2018 %	Interest rate 2017 %	Group 2018 N$ '000	Group 2017 N$ '000
N$ 1 215 118 (2017: N$ 1 073 351) monthly	Prime	Prime	37 352	34 595
N$ 454 420 (2017: N$ 420 807) monthly	Prime	Prime	14 695	13 856
N$ 147 354 (2017: N$ 141 368) monthly	Prime - 2%	Prime - 2%	4 291	3 726
N$ 737 568 (2017: N$ 649 603) monthly	Prime	Prime	9 503	14 020
N$ 11 976 (2017: N$ 11 976) monthly	Prime	Prime	341	428
N$ 14 894 (2017: N$ 16 268) monthly	Prime - 1,5%	Prime - 1,5%	375	461
N$ 24 838 (2017: N$ 14 072) monthly	Prime +0.5%	Prime +0.5%	757	491
			67 314	**67 577**
Forklift & Allied				
N$ 139 062 (2017: N$ 30 110) monthly	Prime	Prime	4 795	1 061
Omatemba Fleet Services				
N$ 591 143 (2017: N$ 713 598) monthly	Prime	Prime	9 731	13 203
Micros SA				
N$ 5 197 (2017: N$ 5 197)	9.3%	9.3%	25	83
Bank Windhoek Limited				
N$ 16 587 (2017: N$ Nil)	Prime	-	468	-
Polyoak machines				
N$ 26 846 (2017: N$ Nil)	10.25%	-	1 277	-
Omnitel services				
N$ 62 824 (2017: N$ Nil)	13.35%	-	723	-
Exigrade Feeds				
N$ 49 905 (2017: N$ Nil)	Prime	-	561	-
Total Group Total lease creditors			**84 894**	**81 924**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
24. Provisions				
Non-current liabilities	57 868	53 868	-	-
Current liabilities	511	678	-	-
	58 379	**54 546**	-	-

Reconciliation of provisions - Group - 2018

	Opening balance N$ '000	Amounts charged to profit or loss N$ '000	Employer benefit payments N$ '000	Amounts charged to Other comprehensive Income N$ '000	Total N$ '000
Provision for post-employment medical aid costs	15 606	1 320	(1 167)	(1 893)	13 866
Provision for severance pay	38 940	7 475	(3 421)	1 519	44 513
	54 546	**8 795**	**(4 588)**	**(374)**	**58 379**

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 comprehensive 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
	45 697	**6 657**	**(2 718)**	**4 910**	**54 546**

An independent actuarial valuation of the provision for post-retirement medical aid costs and the provision for severance pay was performed by Strategic Actuarial Partners Namibia (Pty) Ltd at 30 June 2018.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

24. Provisions (continued)

Amounts charged to profit or loss consist of:

Group - 2018

	Provision for post-employment medical aid costs N$'000	Provision for severance pay N$'000	Total N$ '000
Interest cost	1 320	4 048	5 368
Service costs	-	3 492	3 492
Prior year severance accrual	-	(65)	(65)
	1 320	**7 475**	**8 795**

Group – 2017

	Provision for post-employment 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
	1 206	**5 451**	**6 657**

Amounts charged to profit or loss consist of:

Group - 2018

	Provision for post-employment medical aid costs N$ '000	Provision for severance pay N$ '000	Total N$ '000
Actuarial loss / (gain)	(1 893)	1 519	(374)

Group - 2017

	Provision for post-employment 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 9.50% (2017: 8.90%) and a health care cost inflation rate of 7.70% (2017: 8.00%). 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	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'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 2018 will decrease by N$ 0.853 million (2017: N$ 1.158 million) or increase by N$ 0.965 million (2017: N$ 1.315 million) respectively; and

The current service cost and interest cost will decrease by N$ 0.077 million (2017: N$ 0.103 million) or increase by N$ 0.087 million (2017: N$ 0.117 million) respectively.

Provision for severance pay

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

Valuation method and assumptions

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

The most significant assumptions used are a discount rate of 9.90% (2017: 9.70%) an inflation rate of 6.30% (2017: 6.70%) and a salary increase rate of 6.30% (2017: 6.70%)

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 2018 will decrease by N$ 4.132 million (2017: N$ 4.319 million) or increase by N$ 4.869 million (2017: N$ 5.088 million) respectively; and

Discount rate

The accrued liability as at 30 June 2018 will decrease by N$ 4.132 million (2017: N$ 4.0633 million) or increase by N$ 4.869 million (2017: N$ 4.842 million) respectively.

25. Non-current payables

Consists of:

Tenant deposits	6 670	6 500	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

26. Deferred income

O&L Energy (Proprietary) Limited received a grant of N$ 2 559 355 (2017: N$3 139 000) 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 compensated for by the grant.

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	2 559	3 139	-	-

27. Trade and other payables

Trade payables	593 179	462 914	-	949
Amounts received in advance	-	63	-	-
Crates control account	8 476	6 003	-	-
Value-added taxation	6 445	8 653	-	-
Accrued leave pay	40 073	39 742	-	-
Accrued bonus	87 976	89 049	-	-
Excise duties	60 483	59 677	-	-
Accrued audit fees	5 674	3 566	1 514	-
Deposits received	53 470	43 485	-	-
Quota levies	6 807	3 963	-	-
Other payables	34 626	62 650	35	62
Other accrued expenses	146 230	96 615	823	1 124
	1 043 439	**876 380**	**2 372**	**2 135**

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	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
28. Revenue				
Sale of goods	5 900 248	6 030 941	-	-
Rendering of services	179 560	131 039	-	-
Insurance premiums received	-	-	63	750
Royalty income	103 342	98 918	-	-
Rental income	148 023	144 707	-	-
Dividends received	-	-	30 111	23 949
Other revenue	1 895	1 375	-	-
	6 333 068	**6 406 980**	**30 174**	**24 699**
Inclusive of:				
Export sales	1 282 512	1 292 214	-	-
Revenue from subsidiaries and other related parties (Note 45)	880 850	878 752	30 174	24 699
	2 163 362	**2 170 966**	**30 174**	**24 699**
29. Cost of sales				
Sale of goods				
Cost of goods sold	4 124 011	4 165 361	-	-
Cost of rendering of service	13 163	31 581	-	-
Gains on biological assets and agricultural produce	(87 156)	(83 843)	-	-
	4 050 018	**4 113 099**	**-**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
30. Other gains and losses				
Administration and management fees received	-	501	-	-
Gain on bargain purchase	-	2 308	-	-
Discount received	7 149	7 426	-	-
Farming income	7 456	12 337	-	-
Grant income	579	665	-	-
Charter income	16 400	15 300	-	-
Sundry income	26 002	29 421	10 270	19 276
Loss / profit on exchange differences	11 312	9 202	-	-
Profit on sale of assets and liabilities	(3 554)	555	-	-
NTA Training levy refund	2 437	-	-	-
Quota usage, berthing and sundry income	17 537	12 751	-	-
Recoveries	2 859	3 357	-	-
Rental income	1 629	3 382	-	-
Launching services	440	-	-	--
Insurance claim	832	-	-	
Profit on joint venture	8 613	8 263	-	-
	99 691	**105 468**	**10 270**	**19 276**
31. Operating expenses				
Costs by function				
Distribution costs	8 068	6 494	-	-
Administrative expenses	702 561	666 948	10 985	5 398
Other expenses	933 207	948 775	54 433	(6 188)
	1 643 836	**1 622 217**	**65 418**	**(790)**

32. Operating profit/(loss)

Operating profit/(loss) for the year is stated after accounting for the following:

	Group 2018 N$'000	Group 2017 N$'000	Company 2018 N$'000	Company 2017 N$'000
Income from related parties				
Dividends	-	-	30 111	23 949
Insurance premiums received	1	16	62	750
Management fees received	1 861	1 528	-	-
Royalties	96 201	94 000	-	-
Sales	880 850	879 262	-	-
Know-how payments	7 141	5 380	-	-
Expenses to related parties				
Directors' remuneration	30 916	33 183	634	864
Management fees	6 065	5 227	-	-
Purchases	20 243	139 834	-	295
Royalties	1 109	1 307	-	-
Insurance claims paid	-	-	-	786
Technical fees paid	1 983	1 753	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
32. Operating profit/(loss) (continued)				
Fees for professional services				
Administrative services	6 204	-	7 152	-
Technical services	47	50	47	1
Audit fees - current year	10 466	10 219	1 671	1 357
Audit fees - other services	1 194	706	-	-
Operating lease charges				
Premises				
• Contractual amounts	68 111	66 097	-	-
Motor vehicles				
• Contractual amounts	5 192	5 687	-	-
Equipment				
• Contractual amounts	1 635	1 419	-	-
• Contingent amounts	1 396	433	-	-
Other material items				
Loss on disposal of property, plant and equip - ment	3 554	555	-	-
Loss on sale of tenant allowance and commission	(2)	-	-	-
Acquisition costs related to business combination	-	702	-	-
Impairment on property plant and equipment	2 120	29 356	-	-
Impairment on intangible assets	-	111	-	-
(Reversal)/impairment of subsidiaries, joint ventures and associates	(45 906)	(735)	54 433	(6 189)
Amortisation of tenant allowances	3 975	3 433	-	-
Impairment on trade and other receivables	702	3 551	-	-
Loss on exchange differences	(15 429)	32 207	-	-
Bad debts recovered	(1 668)	(3 855)	-	-
Amortisation on intangible assets	8 894	9 293	-	-
Depreciation on property plant and equipment	301 621	271 716	-	-
Employee costs	1 069 452	994 997	-	-
33. Investment income				
Interest income				
Loans and receivables - Bank and other	28 164	14 586	367	539
Loans and receivables - Related parties	8 144	7 337	-	-
Loans and receivables - Group companies	-	-	37 610	38 481
Other interest	659	341	-	-
	36 967	**22 264**	**37 977**	**39 020**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
34. Fair value adjustments				
Investment property	80 413	90 487	-	-
Biological assets	7 051	3 664	-	-
Non-current assets held for sale	-	3 495	-	-
	87 464	**97 646**	**-**	**-**
35. Finance costs				
Related parties	998	1 126	699	755
Preference dividends	17 943	20 988	-	-
Trade and other payables	1 373	1 140	-	-
Bank and other	161 410	167 964	10 501	5 467
Domestic Medium Term notes	4 005	6 457	2 576	6 457
Promissory notes	31 617	31 920	31 617	31 920
Less: Amounts included in the cost of qualifying assets (77 on Independence)	-	(6 090)	-	-
	217 346	**223 505**	**45 393**	**44 599**
36. Taxation				
Major components of the taxation expense				
Current				
Local income taxation - prior period	(38)	469	-	-
Local income taxation - current period	165 421	134 587	-	-
Foreign income taxation or withholding tax - prior period	(2 310)	(31 194)	-	-
Foreign income taxation or withholding tax- current period	19 090	10 690	-	-
	182 163	**114 552**	**-**	**-**
Deferred				
Originating and reversing temporary differences	37 513	24 579	-	-
Benefit of unrecognised tax loss	(78)	-	-	-
Deferred tax loss utilised	(6 249)	(8 743)	-	-
Arising from prior period adjustments	560	-	-	-
	31 746	**15 836**	**-**	**-**
	213 909	**130 388**	**-**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 %	2017 %	2018 %	2017 %

36. Taxation (continued)

Reconciliation of the taxation expense

Reconciliation between applicable tax rate and average effective tax rate.

	Group 2018 %	Group 2017 %	Company 2018 %	Company 2017 %
Applicable tax rate	32.00%	32.00%	32.00%	32.00%
Exempt income	(7,42)%	(7.07)%	(39.91)%	(39.91)%
Incentive allowances	(4.55) %	(8.07)%	-%	-%
Timing differences not provided for	4.08 %	1.19 %	-%	-%
Tax rate differential between tax jurisdictions	(3.67) %	(4.18) %	-%	-%
Disallowable charges	5.97 %	14.81 %	-%	-%
Adjustments relating to prior periods	2.52 %	(5.75)%	-%	-%
Current year's tax losses available for use against future taxable income	5.05 %	5.45 %	7.91 %	7.91 %
Use of tax losses relating to prior periods	0.64 %	(3.43)%	-%	-%
Tax rate change	-%	-%	-%	-%
	34,62 %	**24.95 %**	**-%**	**-%**

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$ 1 317 343 855 (2017 Group: N$ 1 211 396 4331) and Company: N$ 90 518 158 (2017: N$ 77 840 195).

37. Other comprehensive income

Components of other comprehensive income - Group - 2018

	Gross N$'000	Tax N$'000	Net before non-controlling interest N$'000	Non-controlling interest N$'000	Net N$'000
Items that will not be reclassified to profit or loss					
Remeasurements on net defined benefit liability/asset					
Remeasurements on net defined benefit liability	374	(1 063)	(689)	-	(689)
Movements on revaluation					
Gains (losses) on property revaluation	695	(63)	632	(14)	618
Total items that will not be reclassified to profit or loss	**1 069**	**(1 126)**	**(57)**	**(14)**	**(71)**
Items that may be reclassified to profit or loss					
Exchange differences on translating foreign operations					
Exchange differences arising during the year	(258)	-	(258)	181	(77)
Total	**811**	**(1 126)**	**(315)**	**167**	**(148)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

37. Other comprehensive income (continued)

Components of other comprehensive income - Group - 2017

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
38. Retirement benefit information				
Retirement fund				
The total value of contributions to the Ohlthaver & List Retirement Fund during the year amounted to:				
Member's contribution	34 987	32 538	-	-
Employer contribution	76 875	69 875	-	-
	111 862	**102 413**	-	-

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.

	Group 2018 N$'000	Group 2017 N$'000	Company 2018 N$'000	Company 2017 N$'000
Employer contributions to medical aid funds	42 826	43 372	-	-
39. Cash generated from operations				
Profit (loss) before taxation	617 957	522 548	(32 390)	39 336
Adjustments for:				
Depreciation and amortisation	310 515	281 009	-	-
Profit) on disposal of Property, plant and equipment	3 554	(1 716)	-	-
Profit on disposal of non-current assets held for sale	(1 217)	(709)	-	-
Gain on purchase of subsidiary/ business combination	-	(2 309)	-	-
Loss / (profit) from equity accounted investments	29 250	151 698	-	(150)
Dividends received / (paid)	5 215	4 900	-	-
Interest received - investment	(36 967)	(22 264)	(37 977)	(39 020)
Finance costs	217 346	223 505	45 393	44 599
Fair value adjustments on investment properties non-current assets held for sale and derivative financial instruments	(80 413)	(93 982)	-	-
Net impairment (profits)/losses	2 120	26 235	54 433	(6 189)
Movements in provisions	8 796	6 657	-	-
Movement in tenant allowances	3 975	(239)	-	-
Movement on deferred rental	2 098	2 247	-	-
Fair value adjustment on biological assets	(15 247)	(14 844)	-	-
Changes in Oat fields	88	2 364	-	-
Loss on livestock due to deaths	8 726	11 180	-	-
Unrealised losses/(profits) on financial liabilities at fair value	-	(2 722)	-	-
Unrealised losses/(profits) on financial asset at fair value	151	2 046	-	-
Loss on sale of tenant allowances and commission	(2)	-	-	-
Changes in working capital:				
Decrease / (increase) in inventories	(25 146)	119 528	-	-
Trade and other receivables	(111 601)	56 367	(626)	31
Trade and other payables	167 059	(138 142)	237	521
Deferred income	(580)	364	-	-
	1 105 677	**1 133 721**	**29 070**	**39 128**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
40. Dividends paid				
Balance at the beginning of the year	(1 057)	(1 231)	(1 057)	(1 231)
Dividend paid to outside shareholders	(118 354)	(109 872)	-	-
Dividends declared on ordinary shares	(6 152)	(6 152)	(6 152)	(6 152)
Balance at the end of the year	1 127	1 057	1 127	1 057
	(124 436)	**(116 198)**	**(6 082)**	**(6 326)**
41. Taxation paid				
Balance receivable at the beginning of the year	36 204	11 175	-	-
Balance owing at the beginning of the year	(1 856)	(1 267)	-	-
Current taxation for the year recognised in profit or loss	(182 163)	(114 552)	-	-
Balance owing at the end of the year	8 989	1 856	-	-
Balance receivable at the end of the year	(41 112)	(36 204)	-	-
	(179 938)	**(138 992)**	-	-
42. Commitments				
Authorised capital expenditure				
Already contracted for but not provided for				
- Property, plant and equipment	41 650	104 725	-	-
- Investment property	-	414 000	-	-
Not yet contracted for	591 018	187 763	-	-
Total	**632 668**	**706 488**	-	-

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

Working capital	273 959	249 553	-	-
Long-term credit facilities	358 709	456 935	-	-
	632 668	**706 488**	-	-
Operating leases – as lessee (expense)				
Operating lease commitments				
Land and buildings	340 032	376 270	-	-
Other	3 341	30 398	-	-
	343 373	**406 668**	-	-
Minimum lease payments due				
- within one year	50 604	55 061	-	-
- in second to fifth year inclusive	216 663	234 885	-	-
- later than five years	76 106	116 722	-	-
	343 373	**406 668**	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

42. 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 which was subsequently extended on a yearly basis. This lease agreement was extended from 1 April 2018 to 31 March 2019 and the monthly rental adjusted with the Namibian inflation rate of 3.5% to the amount of N$ 8,898 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 2017 to June 2018 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 3.5% was used as the inflation rate to determine the commitments for the 2019 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. Rental for the months of July 2017 April 2018 rental of N$ 160 514 (Excluding VAT) was paid and for May and June 2018 an amount of N$ 163 640 and N$ 166 133 was paid. The rental is subject to an annual increase linked to the increase of the Consumer Price Index. An estimate of 3.5% was used as the inflation rate to determine the commitments for the 2019 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.

43. Contingent liabilities

Performance guarantees	8 438	6 899	-	-
Guarantees of loans, overdrafts and other banking facilities of certain subsidiaries and associate	-	-	1 176 726	1 047 166
Less: Provision for losses already provided for	-	-	(470 311)	(398 883)
	8 438	**6 899**	**706 415**	**648 283**

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. It expired on 3 April 2017, but was still held with Bank Windhoek up to 2 July 2018.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

43. 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 2018 have been included in the above amounts and all deficits between the assets and liabilities of the subsidiaries at 30 June 2018 have been provided for.

In favour of:	For subsidiary / associate / other	Suretyship N$ '000
Agribank of Namibia	Namibia Dairies (Proprietary) Limited	Unlimited
	WUM Properties (Proprietary) Limited	N$26 400
Bank Windhoek Limited	Dimension Data Namibia (Proprietary) Limited	N$2 000
	Hangana Seafood (Proprietary) Limited	Unlimited
	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
	Chobe Water Villas (Proprietary) Limited	N$20 000
First National Bank of Namibia	O&L Property Security (Proprietary) Limited	N$631 714
Nedbank Namibia Limited	Hangana Seafood (Proprietary) Limited	Unlimited
	Consortium Fisheries (Proprietary)	Unlimited
Standard Bank of Namibia Limited	ICT Holdings (Proprietary) Limited	N$15 900
	Kraatz Marine (Proprietary)Limited	Unlimited
	WUM Properties (Proprietary) Limited	N$132 500
ABSA Bank Limited	WUM Properties (Proprietary) Limited	N$25 000
	O&L Leisure (Proprietary) Limited	N$10 000
Development Bank of Namibia	Namibia Dairies (Proprietary) Limited	Unlimited
Tetra Pak	Namibia Dairies (Proprietary) Limited	N$6 268

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

44. 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:

	2018		2017	
Group	**Assets N$ '000**	**Liabilities N$ '000**	**Assets N$ '000**	**Liabilities N$ '000**
Forward foreign exchange contracts - fair value hedges	2 535	8 392	2 384	3 688
Current portion	2 535	8 392	2 384	3 688

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 2018 '000**	**Foreign amount 2017 '000**	**Average rate 2018**	**Average rate 2017**
Euro - Sell	6 700	4 706	15.44	14.87
US Dollar - Sell	600	1 904	11.96	13.31
Euro - Buy	2 673	2 700	15.83	17.28
Namibia Dollar amount				
Euro - Sell	103 448	69 983	-	-
US Dollar - Sell	7 176	25 342	-	-
Euro - Buy	42 308	41 337	-	-
	152 932	**136 662**	-	-

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

45. 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
Significant influence on O&L Holdings (Proprietary) Limited	EPIA Investment Holdings (Proprietary) Limited
Directors/shareholders of EPIA Investment Holdings (Proprietary) Limited	Reverend WS Hanse
	TZM Hijarunguru
	Hon. Governor LV Mcleod-Katjirua
Members of key management	S Bartsch
	P Grüttemeyer
	G Hanke
	P Hoeksema
	T Makari
	B Mukuahima
	M Reilly
	G Shilongo
	H Theron
	S Thieme
	H van der Westhuizen
	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

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
45. Related parties (continued)				
Related party transactions				
Interest paid to/(received from) related parties				
The Werner List Trust	(8)	(157)	-	-
Heineken South Africa (Proprietary) Limited	(7 080)	(7 177)	-	-
O&L Leisure (Proprietary) Limited	-	-	(31 307)	(32 256)
Brandtribe (Proprietary) Limited	-	(3)	-	-
Token Fisheries (Proprietary) Limited	(1 056)	-	-	-
Namibia Dairies (Proprietary) Limited	-	-	(5 509)	(5 509)
Kraatz Marine (Proprietary) Limited	-	-	(794)	(716)
Subtotal	**(8 144)**	**(7 337)**	**(37 610)**	**(38 481)**
Directors and past directors	698	755	699	754
Dimension Data Namibia (Proprietary) Limited	168	254	-	-
Ohlthaver & List Employee Catastrophe Fund Trust	115	117	-	-
The Werner List Trust	17	-	-	-
Weathermen & Co Advertising (Proprietary) Limited	-	-	-	1
Subtotal	**998**	**1 126**	**699**	**755**
Purchases from/(sales to) related parties				
Heineken South Africa (Proprietary) Limited	(870 793)	(861 539)	-	-
Hangana-Merlus Joint Venture (Proprietary) Limited	(5 724)	(5 796)	-	-
Exigrade Feeds (Proprietary) Limited	(4 083)	(11 199)	-	-
Heineken South Africa Export Company (Proprietary) Limited	-	-	-	-
Dimension Data Namibia (Proprietary) Limited	(250)	(271)	-	-
Natural Value Foods Namibia (Proprietary) Limited	-	(457)	-	-
Subtotal	**(880 850)**	**(879 262)**	-	-
Natural Value Foods Namibia (Proprietary) Limited	-	107 600	-	-
Dimension Data Namibia (Proprietary) Limited	19 722	31 823	-	-
Jupiter Drawing Room (Cape Town) (Proprietary) Limited	521	410	-	-
Weathermen & Co Advertising (Proprietary) Limited	-	-	-	295
Brandtribe (Proprietary) Limited	-	1	-	-
Subtotal	**20 243**	**139 834**	-	**295**
Management fees paid to/(received from) related parties				
Dimension Data Namibia (Proprietary) Limited	(816)	(690)	-	-
The Werner List Trust	(104)	(104)	-	-
Brandtribe (Proprietary) Limited	(808)	(657)	-	-
SIP Project Managers (Namibia) (Proprietary) Limited	(63)	(46)	-	-
OLC Arandis Solar Energy (Proprietary) Limited	(70)	(31)	-	-
Subtotal	**(1 861)**	**(1 528)**	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
45. Related parties (continued)				
Management fees paid to/(received from) related parties (continued)				
Jupiter Drawing Room (Cape Town) (Proprietary) Limited	382	326	-	-
Heineken International B.V.	4 168	3 841	-	-
Broll South Africa (Proprietary) Limited	1 515	1 386	-	-
Subtotal	**6 065**	**5 553**	**-**	**-**
Dividends received from related parties				
ICT Holdings (Proprietary) Limited	-	-	2 900	3 000
Namibia Breweries Limited	-	-	38	35
NBL Share Purchase Trust	-	-	174	162
Ohlthaver & List Beverage Company (Proprietary) Limited	-	-	27 000	20 000
Broll and List Property Management (Namibia) (Proprietary) Limited	-	-	-	752
Subtotal	**-**	**-**	**30 112**	**23 949**
Insurance premiums received from related parties				
Broll and List Property Management (Proprietary) Limited	-	-	-	8
O&L Leisure (Proprietary) Limited	-	-	6	72
Dimension Data Namibia (Proprietary) Limited	1	16	1	16
Eros Air (Proprietary) Limited	-	-	-	-
Hangana Seafood (Proprietary) Limited	-	-	4	48
Organic Energy Solutions (Proprietary) Limited	-	-	1	7
Kraatz Marine (Proprietary) Limited	-	-	5	56
Namibia Dairies (Proprietary) Limited	-	-	31	372
Ohlthaver & List Centre (Proprietary) Limited	-	-	8	93
Wernhil Park (Proprietary) Limited	-	-	-	2
Weathermen & Co. Advertising (Proprietary) Limited	-	-	-	2
WUM Properties (Proprietary) Limited	-	-	5	65
Kraatz Steel a division of WUM (Proprietary) Limited	-	-	1	7
Chobe Water Villas (Proprietary) Limited	-	-	-	2
Subtotal	**1**	**16**	**62**	**750**
Royalties paid to/(received from) related parties				
Heineken South Africa (Proprietary) Limited	(96 201)	(94 000)	-	-
Heineken International B.V.	1 109	1 307	-	-
Subtotal	**(95 092)**	**(92 693)**	**-**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000
45. Related parties (continued)				
Insurance claims paid to/(received from) related parties				
Hangana Seafood (Proprietary) Limited	-	-	-	220
Ohlthaver & List Centre (Proprietary) Limited	-	-	-	123
Kraatz Marine (Proprietary) Limited	-	-	-	74
Namibia Dairies (Proprietary) Limited	-	-	-	317
O&L Leisure (Proprietary) Limited	-	-	-	44
WUM Properties (Proprietary) Limited	-	-	-	8
Subtotal	-	-	-	**786**
Know-how payments to/(from) related parties				
Heineken South Africa (Proprietary) Limited	(7 141)	(5 380)	-	-
Technical fees paid to related parties				
Dimension Data Namibia (Proprietary) Limited	1 983	1 753	-	-

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	(58 813)	(61 856)	-	-

46. Directors' emoluments

Executive - for managerial services

Company - 2018

	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	**25 008**	**4 274**	**1 000**	**30 282**

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**

* Other benefits comprise retirement medical and other benefits

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

46. Directors' emoluments (continued)

Non-executive - for services as directors

Company - 2018

	Directors' fees N$ '000	Total N$ '000
Non-executive directors	**634**	**634**

Company - 2017

	Directors' fees N$ '000	Total N$ '000
Non-executive directors	**864**	**864**

47. Financial assets by category

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

Group - 2018

	Loans and receivables N$ '000	Fair value through profit or loss - held for trading N$ '000	Total N$ '000
Loans to related parties	126 926	-	126 926
Other financial assets	25 576	2 535	28 111
Trade and other receivables	501 724	-	501 724
Cash and cash equivalents	563 444	-	563 444
	1 217 670	**2 535**	**1 220 205**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

47. Financial assets by category (continued)

Group - 2017

	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	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
	1 003 510	**2 384**	**17**	**1 005 911**

Company - 2018

	Loans and receivables N$ '000	Total N$ '000
Loans to Group companies	881 011	881 011
Loans to shareholders	4 896	4 896
Cash and cash equivalents	397	397
Trade and other receivables	150	150
	886 454	**886 454**

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
	877 511	**877 511**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

48. Financial liabilities by category

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

Group - 2018

	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	30 335	-	30 335
Other financial liabilities	2 031 100	8 392	2 039 492
Trade and other payables	908 939	-	908 939
Bank overdraft	131 576	-	131 576
Finance lease obligation	84 894	-	84 894
Non-current payables	6 670	-	6 670
Dividend payable	1 127	-	1 127
	3 194 641	**8 392**	**3 203 033**

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
	2 959 574	**3 688**	**2 963 262**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

48. Financial liabilities by category (continued)

Company - 2018

	Financial liabilities at amortised cost N$ '000	Total N$ '000
Loans from Group companies	392 961	392 961
Loans from related parties	7 955	7 955
Other financial liabilities	420 447	420 447
Trade and other payables	2 372	2 372
Bank overdraft	17 730	17 730
Dividend payable	1 127	1 127
	842 592	**842 592**

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
	770 045	**770 045**

49. 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	
		2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

49. 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 2018 and 2017 respectively, were as follows:

Total borrowings

Other financial liabilities	22	2 039 492	2 040 514	420 446	386 853
Finance lease obligation	23	84 894	81 924	-	-
Loans from related parties	12	30 335	30 404	7 954	7 956
Trade and other payables	27	908 938	875 471	-	-
Non-current payables	25	6 670	6 500	-	-
Bank overdraft	15	131 576	63 932	17 730	3 661
Dividend payable	40	1 127	1 057	-	-
		3 203 032	**3 099 802**	**446 130**	**398 470**
Less: Cash and cash equivalents	15	563 444	475 026	397	17 749
Net debt		**2 639 588**	**2 624 776**	**445 733**	**380 721**
Total equity		4 405 552	4 128 592	552 198	590 740
Total capital		**7 045 140**	**6 753 368**	**997 931**	**971 461**
Net debt to equity ratio		37%	39%	45%	39%

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

49. 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 2018	**1 year N$ '000**	**2 - 5 years N$ '000**	**> 5 years N$ '000**	**Less: Interest N$ '000**	**Total N$ '000**
Non-interest-bearing liabilities	30 335	-	-	-	30 335
Bank overdrafts	131 576	-	-	-	131 576
Trade payables and provisions	911 315	5 420	-	-	916 735
Derivative financial liabilities	8 392	-	-	-	8 392
Variable interest rate instruments	520 077	1 180 183	79 301	(292 544)	1 487 017
Fixed interest rate instruments	75 283	345 140	302 070	(93 515)	628 978
	1 676 978	**1 530 743**	**381 371**	**(386 059)**	**3 203 033**

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	113 071	-	-	-	113 071
Trade payables and provisions	741 096	5 390	-	-	746 486
Derivative financial liabilities	3 688	-	-	-	3 688
Variable interest rate instruments	469 068	1 382 075	148 068	(392 243)	1 606 968
Fixed interest rate instruments	70 202	527 226	-	(134 784)	462 644
	1 427 530	**1 914 691**	**148 068**	**(527 027)**	**2 963 262**

Company

At 30 June 2018	**1 year N$ '000**	**2 - 5 years N$ '000**	**> 5 years N$ '000**	**Less: Interest N$ '000**	**Total N$ '000**
Non-interest-bearing liabilities	400 916	-	-	-	400 916
Dividends payable	1 127	-	-	-	1 127
Bank overdrafts	17 730	-		-	17 730
Trade payables and provisions	2 372	-	-	-	2 372
Variable interest rate instruments	146 798	348 648	5 129	(80 128)	420 447
	568 943	**348 648**	**5 129**	**(80 128)**	**842 592**

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	376 339	-	-	-	376 339
Dividends payable	1 057	-	-	-	1 057
Bank overdrafts	3 661	-	-	-	3 661
Trade payables and provisions	2 135	-	-	-	2 135
Variable interest rate instruments	114 677	376 743	-	(104 567)	386 853
	497 869	**376 743**	**-**	**(104 567)**	**770 045**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

49. Risk management (continued)

Risk from biological assets

Milk Cows
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.

Abalone

Although the group is exposed to risks arising from changes in the price of abalone it does not anticipate that abalone prices will decline significantly in the foreseeable future. The group reviews its outlook for the price of abalone regularly in considering the need for active risk management.

Risk management strategy related to aquacultural activities

The company is exposed to the following risks related to aquacultural activities:

(i) Exchange rate risks

The company is subject to changes in the exchange rate as abalone sales prices are denominated in US Dollar and biological assets are measured at fair value which is also based on the US Dollar market price.

(ii) Mechanical risks

Reliance on plant and equipment to sustain a living environment for the abalone exposes the company to certain risks. This risk is managed by allowing for redundancy of key equipment and generators, and shortage of electricity supply.

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 2018 and 2017, 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 2018, 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$ 10 093 105 (2017: N$ 10 927 386) lower/higher for the Group and N$ 2 859 038 (2017: 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

49. 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 - 2018 N$ '000	Group - 2017 N$ '000	Company - 2018 N$ '000	Company - 2017 N$ '000
Cash and cash equivalents	563 444	475 026	397	17 749
Derivative financial instruments	2 535	2 384	-	-
Trade and other receivables	501 724	425 557	705	79
Loans to related parties	126 568	82 531	-	-
Loans and receivables	25 575	20 771	-	-
Unlisted investments	1	17	-	-
Loans to Group companies	-	-	881 011	855 233

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	18 %	21 %	-%	-%
Trading industry	14 %	16 %	-%	-%
Manufacturing industry	68 %	63 %	-%	-%
	100 %	**100 %**	**-%**	**-%**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

49. Risk management (continued)

Foreign exchange risk

At 30 June 2018, 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$ 1 419 982 (2017: N$ 1 028 108) 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 2018, if the currency had weakened/strengthened by 5% against the Euro with all other variables held constant, post-tax profit for the year would have been N$ 1 680 682 (2017: N$ 2 305 821) 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 2018, if the currency had weakened/strengthened by 5% against the Pound Sterling with all other variables held constant, post-tax profit for the year would have been N$ 8 057 (2017: N$ 7 453) 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 2018, if the currency had weakened/strengthened by 5% against the Botswana Pula with all other variables held constant, post-tax profit for the year would have been N$ 127 549 (2017: N$ 120 676) 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..

Foreign currency exposure at the end of the reporting period

	Group 2018 N$'000	Group 2017 N$'000	Company 2018 N$'000	Company 2017 N$'000
Assets				
Euro-denominated receivables	46 359	61 724	-	-
US Dollar-denominated receivables	41 764	30 238	-	-
Pound Sterling-denominated receivables	237	229	-	-
Botswana Pula-denominated receivables	3 751	3 549	-	-
Liabilities				
Euro-denominated payables	3 342	6 301	-	-
Pound Sterling-denominated payables	-	10	-	-

Exchange rates used for conversion of foreign items were:

	N$	N$
USD	13.83	12.96
GBP	18.10	16.80
Euro	16.00	14.78
Pula	1.30	1.26

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		Group		Company	
		2018 N$'000	2017 N$'000	2018 N$'000	2017 N$'000

50. 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

	Note(s)	Group 2018 N$'000	Group 2017 N$'000	Company 2018 N$'000	Company 2017 N$'000
Assets					
Financial assets at fair value through profit or loss - held for trading					
Foreign exchange contracts	9	2 535	2 384	-	-
Liabilities					
Financial liabilities at fair value through profit or loss - held for trading					
Foreign exchange contracts	22	8 392	3 688	-	-
Total financial liabilities at fair value through profit or loss - held for trading		**10 927**	**6 072**	**-**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note(s)	Group 2018 N$'000	Group 2017 N$'000	Company 2018 N$'000	Company 2017 N$'000
50. Fair value information (continued)					
Level 3					
Recurring fair value measurements					
Assets					
Biological assets	4				
Work in progress - Agronomy		704	792	-	-
Abalone		17 118	10 976	-	-
Game		1 736	849	-	-
Milk cows		32 118	32 647	-	-
Total biological assets		**51 676**	**45 264**	-	-
Investment property	3				
Investment property		2 272 049	1 980 714	-	-
Property plant and equipment	2			-	-
Freehold land and buildings		2 029 303	1 953 914		
Available for sale financial assets	9				
Unlisted shares		1	17	-	-
Total		**4 353 029**	**3 979 909**	-	-
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	-	-
Investments in associates		21 119	-	-	-
Total		**21 119**	**53 898**	-	-

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 2018 and for the year ended 30 June 2017.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

50. Fair value information (continued)

Reconciliation of assets and liabilities measured at level 3

	Note(s)	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
Group - 2018												
Assets												
Biological assets	4											
Work in progress - Agronomy		792	-	-	-	-	-	-	(88)	-	704	-
Abalone		10 976	6 163	-	-	(21)	-	-	-	-	17 118	6 163
Game		849	887	-	-	-	-	-	-	-	1 739	887
Milk cows		32 647	8 197	-	-	(8 726)	-	-	-	-	32 118	8 197
Total biological assets		**45 264**	**15 247**	**-**	**-**	**(8 747)**	**-**	**-**	**(88)**	**-**	**51 676**	**15 247**
Investment property	3											
Investment property		1 980 714	80 413	-	200 838	-	10 084	-	-	-	2 272 049	-
Property, plant and equipment	2											
Freehold land and buildings		1 953 914	695	-	12 094	(5)	26 621	43 814	-	(7 830)	2 029 303	-
Available for sale financial assets	9											
Unlisted shares		17	-	-	-	(16)	-	-	-	-	1	-
Non-current assets held for sale												
Non-current assets held for sale		53 898	-	-	-	-	-	(32 779)	-	-	21 119	-
Total		**4 033 807**	**96 355**	**-**	**212 932**	**(8 768)**	**36 705**	**11 035**	**(88)**	**(7 830)**	**4 374 148**	**15 247**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

50. Fair value information (continued)

Reconciliation of assets and liabilities measured at level 3

	Note(s)	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
Group - 2017												
Assets Biological assets	4											
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
Total biological assets		**38 199**	**14 844**	**-**	**5 765**	**(11 180)**	**-**	**-**	**(2 364)**	**-**	**45 264**	**14 844**
Investment property	3											
Investment property		1 845 382	90 487	-	50 009	-	-	(5 164)	-	-	1 980 714	-
Property, plant and equipment	2											
Freehold land and buildings		1 791 196	(25 652)	179 509	35 572	-	15 859	(43 814)	8 250	(7 006)	1 953 914	-
Available for sale financial assets	9											
Unlisted shares		15	-	-	2	-	-	-	-	-	17	-
Non-current assets held for sale												
Non-current assets held for sale		1 425	3 495	-	-	-	48 978	-	-	-	53 898	-
Total		**3 676 217**	**83 174**	**179 509**	**91 348**	**(11 180)**	**64 837**	**(48 978)**	**5 886**	**(7 006)**	**4 033 807**	**14 844**

* 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

50. Fair value information (continued)

Valuation techniques used to derive level 2 fair values

Level 2 fair values of land, office buildings and shopping malls have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

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 7.00% 12.00% (2017: 7.25% 12.00%) and discount rates of 13.75% 14.50% (2017: 13.75% 14.50%) were used.

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

Biological assets - livestock

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

Biological assets - abalone

The value of the abalone was determined using current market prices per size range indicated. The USD rate were converted at an exchange rate of N$13.73 (2017: N$12.96). A fair value gain of N$6 164 471 (2017: N$5 210 643) was recognized as a result of the strengthening of the exchange rate and increased mass of the abalone since the last valuation was done. The higher the timber price and yield per hectare, the higher the fair value. The lower the discount rate, the higher the fair value.

Freehold land and buildings

Freehold land and buildings were valued using the discounted cash flow, comparable sales, replacement cost method. The 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

50. 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 values. Land and buildings are revalued at least every 3 years, while investment property is valuated 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.

51. Net current liability position

The company is in a net current liability position of N$ 149 302 000 (2017: N$ 76 692 000) 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 and the group have continued to be going concerns up to and including the current financial year;
- Since the year ended 30 June 2015 and every year since, OLFITRA has generated significant positive cash from operating activities. The budget for the year ended 30 June 2019 has been prepared on the basis that this will continue;
- OLFITRA has significant undrawn facilities which are disclosed in note 22. The availability of these secured facilities demonstrates the continuing commitment from financial institutions to ensure the company continues as a going concern.

Based on the actions 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 financial statements are prepared on a going concern basis as the directors have reviewed the company's cashflow projections for the 2019 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.

52. 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.

53. Approval of financial statements

The financial statements were approved by the Board of Directors on 28 September 2018.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

54. New and revised standards

i) Adoption of new and revised standards

The following new standards and interpretations that were applicable were adopted during the year and did not lead to any changes in the Group's accounting policies:

International Financial Reporting Standards		Effective for annual periods beginning on or after
IAS 7	Statement of Cash Flows Amendments as result of the Disclosure initiative	1 January 2017
IAS12	Income Taxes Amendments regarding the recognition of deferred tax assets for unrealised losses	1 January 2017

ii) Standards and amendments issued but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective:

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	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
IAS 28	Investments in Associates and Joint Ventures Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying certain fair value measurements)	1 January 2018
IAS 40	Investment Property Amendments to clarify transfers or property to, or from, investment property	1 January 2018
IFRS 15	Revenue from Contracts from Customers Changes to revenue recognition criteria and additional disclosure requirements	1 January 2018
IFRS 16	Leases Introduction of a single lease accounting model and enhancements of disclosures.	1 January 2019
IFRIC 22	Foreign Currency Transactions and Advance Consideration IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.	1 January 2018

The Directors are assessing the impact of adopting these standards but does not currently expect the adoption of any of these standards to have a significant impact on these accounts. These standards and interpretations will be adopted at the respective effective dates.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Total		**Eliminations**		**Beer & soft drinks**		**Fresh Produce**		**Fishing**		**Retail**		**Properties**		**Leisure**		**Other**	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	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
55. Business segmentation																		
Revenue	6 333 068	6 406 980			2 679 036	2 699 534	579 415	582 510	583 221	547 615	2 027 477	1 981 109	180 388	332 450	182 400	183 502	101 131	80 260
Inter-segment revenue	-	1	(178 203)	(176 868)	8 137	9 445	2 786	862	2 358	1 608	2 421	2 526	18 500	18 252	4 048	3 939	139 953	140 237
Total	**6 333 068**	**6 406 981**	**(178 203)**	**(176 868)**	**2 687 173**	**2 708 979**	**582 201**	**583 372**	**585 579**	**549 223**	**2 029 898**	**1 983 635**	**198 888**	**350 702**	**186 448**	**187 441**	**241 083**	**220 497**
Segment result	863 189	923 275	-	-	611 735	608 304	11 892	13 876	68 794	50 297	(4 489)	8 775	211 562	238 656	(14 551)	(12 336)	(21 754)	15 703
Unallocated costs	(28 705)	(23 522)	-	-													-	
Finance costs	(217 346)	(223 505)	43 716	44 208	(61 268)	(71 910)	(23 200)	(21 935)	(14 785)	(9 747)	(13 026)	(11 498)	(53 387)	(59 821)	(37 563)	(42 021)	(57 834)	(50 781)
Income/(loss) from Joint Ventures	(28 033)	(150 989)	-	-	(33 441)	(155 717)	-	-	-	-	1 217	710	-	-	-	-	4 191	4 018
Net Impairment (losses) / reversal	(8 112)	(24 975)	-	-	(2 636)	(111)	(169)	-	93	-	134	-	(1 913)	-	(3 227)	(29 467)	(394)	4 603
Income from investments	36 967	22 264	(43 716)	(44 208)	32 623	18 304	997	132	1 711	2 086	72	176	1 531	3 459	239	5 278	43 510	37 037
Taxation	(213 911)	(130 388)		-	(170 058)	(103 560)	3 413	18 022	(18 122)	(12 558)	4 870	(23)	(30 338)	(32 529)	-	(1 982)	(3 676)	2 242
Net profit for the year	**404 048**	**392 161**	**-**	**-**	**376 955**	**295 310**	**(7 067)**	**10 095**	**37 691**	**30 078**	**(11 222)**	**(1 860)**	**127 455**	**149 765**	**(55 102)**	**(80 528)**	**(35 956)**	**12 823**
Non-cash expenses per segment																		
Depreciation	301 621	271 716	-	-	155 085	144 735	23 397	22 162	43 634	33 601	40 021	35 031	2 403	2 368	24 644	23 201	12 437	10 618
Amortisation of intangibles	8 894	9 293	-	-	5 738	4 677	343	281	631	1 078	-	-	-	-	859	761	1 323	2 496
Reversal of impairment losses	(2 766)	(5 956)	-	-	(350)	(1 353)	(169)	-	93	-	134	-	(1 913)	-	(167)	-	(394)	(4 603)
Impairment losses	(5 346)	(28 003)	-	-	(2 286)	1 464	-	-	-	-	-	-	-	-	(3 060)	(29 467)	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

56. Business segmentation (continued)

	Total		Eliminations		Beer & soft drinks		Fresh Produce		Fishing		Retail		Properties		Leisure		Other	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	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
ASSETS																		
Property, plant and equipment	3 555 904	3 462 736	(14 305)	(14 305)	1 362 988	1 302 439	366 570	380 789	729 521	692 116	162 427	163 425	139 455	140 479	595 595	585 678	213 653	212 115
Investment property	2 272 049	1 980 714	-	-	-	-	-	-		-	-	-	2 235 209	1 943 874			36 840	36 840
Biological assets	51 676	45 264	-	-	-	-	32 822	33 439	17 118	10 975	-	-	-	-	1 736	850	-	-
Intangible assets	42 494	46 197	(7 000)	(7 000)	37 544	41 873	544	730	1 522	1 643	1 252	1 252	4	-	1 562	1 621	7 066	6 078
Inventories and property units for sale	537 155	529 896	-	-	289 949	277 373	64 602	54 224	27 246	24 490	125 319	131 924	15 935	33 615	3 298	3 233	10 806	5 037
Trade receivables and other financial assets	721 098	608 969	-	-	366 923	272 800	75 588	66 707	144 832	138 740	33 043	27 787	65 609	57 974	8 010	8 284	27 093	36 677
Assets held for sale	21 119	53 898	-	-	-	43 814	-	-	-	-		-	-	10 084	-	-	21 119	
Segment assets	7 201 495	6 727 675	(21 305)	(21 305)	2 057 404	1 938 299	540 126	535 889	920 239	867 964	322 041	324 388	2 456 212	2 186 026	610 201	599 666	316 577	296 747
Deferred tax assets	13 043	4 615	-	-	16	16	11 929	4 057	558	206	-	-	539	336	-	-	-	-
Investment in associate companies and joint ventures	421 389	476 264	-	-	404 824	438 266	-	-	-	-	3 748	3 037	-	-	-	-	12 818	34 961
Taxation	41 112	36 204	-	-	41 046	36 095	-	-	-	-		-	-	-	-	-	66	109
Cash and cash equivalents	563 444	475 026	-	-	424 190	352 935	2 216	2 882	40 784	31 596	27 342	28 113	44 516	28 979	9 534	3 718	14 862	26 803
Related parties	126 926	82 155	-	-	120 248	74 633	-	-	-	-	34	26	1 639	3 000	-	-	5 005	4 496
Consolidated total assets	**8 367 408**	**7 801 939**	**(21 305)**	**(21 305)**	**3 047 728**	**2 840 244**	**554 271**	**542 828**	**961 581**	**899 766**	**353 165**	**355 564**	**2 502 906**	**2 218 341**	**619 735**	**603 384**	**349 327**	**363 116**
LIABILITIES																		
Trade and other payables and dividend payable (incl non-current payable)	1 051 233	883 936	-	-	457 384	367 140	83 103	113 447	112 902	99 132	249 439	222 149	52 429	37 314	32 393	32 329	63 585	12 425
Provisions	58 379	54 546	-	-	22 827	21 811	5 982	5 889	13 593	12 685	4 244	5 354	1 049	779	1 540	1 267	9 144	6 761
Segment Liabilities	1 109 612	938 481	-	-	480 212	388 951	89 085	119 336	126 495	111 817	253 683	227 503	53 478	38 093	33 933	33 596	72 727	19 185
Other financial liabilities	2 039 493	2 040 514	-	-	558 210	498 737	126 556	135 361	103 139	134 998	67 826	76 144	693 322	544 700	35 916	24 442	454 524	626 132
Finance lease creditors	84 894	81 924	-	-	32 849	30 398	10 512	13 775	9 839	4 948	6 606	7 836	1 082	1 379	4 921	4 663	19 085	18 925
Deferred taxation liabilities	554 396	513 095	-	-	278 687	280 753	17 797	22 361	67 225	49 167		-	107 794	89 266	-	-	82 893	71 548
Taxation	8 989	1 856	-	-	7 502	-	-	-	-	-	-	-	1 294	1 856	-	-	193	
Deferred income	2 559	3 139	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 559	3 139
Related parties	30 335	30 404	-	-	1 215	820	1 139	1 056	322	159	1 444	2 779	11 534	15 110	1 499	918	13 182	9 562
Bank overdraft	131 576	63 932	-	-	-	-	24 163	11 183	23 706	-	23 642	24 080	20 760	13 470	9 610	9 754	29 695	5 445
Consolidated total liabilities	**3 961 856**	**3 673 347**	-	-	**1 358 674**	**1 199 659**	**269 252**	**303 072**	**330 726**	**301 089**	**353 201**	**338 342**	**889 264**	**703 874**	**85 879**	**73 373**	**674 859**	**753 936**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Total		Eliminations		Beer & soft drinks		Fresh Produce		Fishing		Retail		Properties		Leisure		Other	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	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	367 469	376 983	-	(11 041)	180 092	166 853	14 792	32 995	79 989	99 438	40 601	51 326	1 439	5 141	34 063	18 039	16 493	14 232
Investment property	200 838	50 009	-	-	-	-	-	-	-	-	-	-	200 838	50 009	-	-	-	-
Biological assets	-	5 765	-		-	-	-	-	-	5 765	-	-	-	-	-	-	-	-
Acquisition of subsidiary	2 507	10 921	-	-	-	-	-	-	-	10 921	-	-	-	-	2 500	-	7	-
Intangible assets	4 946	17 467	-	-	1 194	14 529	156	656	471	510	-	-	-	-	690	1 286	2 435	486
Investments and loans	4 938	4 717	-	-	-	-	-	-	4 938	115	-	-	-	-	-	-	-	4 602
Investment in associate companies and joint ventures	-	9 978	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9 978
GEOGRAPHICAL SEGMENTS																		
Revenue																		
- Local	5 058 367	5 130 422	(178 203)	(176 868)	1 955 935	1 928 618	582 201	583 372	42 116	53 026	2 029 898	1 983 635	198 888	350 702	186 448	187 441	241 083	220 496
- Export	1 274 701	1 276 558	-	-	731 238	780 360	-	-	543 463	496 198	-	-	-	-	-	-	-	-
Total segment revenue	6 333 068	6 406 980	(178 203)	(176 868)	2 687 174	2 708 978	582 201	583 372	585 579	549 224	2 029 898	1 983 635	198 888	350 702	186 448	187 441	241 083	220 496

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.

	Total 2018	Total 2017	Eliminations 2018	Eliminations 2017	Beer & soft drinks 2018	Beer & soft drinks 2017	Fresh Produce 2018	Fresh Produce 2017	Fishing 2018	Fishing 2017	Retail 2018	Retail 2017	Properties 2018	Properties 2017	Leisure 2018	Leisure 2017	Other 2018	Other 2017
CARRYING AMOUNT OF SEGMENT ASSETS																		
- Local	8 085 855	7 635 405	(21 305)	(21 305)	2 816 795	2 748 870	554 271	542 828	910 961	824 657	353 165	355 564	2 502 906	2 218 341	619 735	603 384	349 327	363 065
- Export	281 553	166 534	-	-	230 933	91 374	-	-	50 620	75 109	-	-	-	-	-	-	-	51
Total segment assets	8 367 408	7 801 939	(21 305)	(21 305)	3 047 728	2 840 244	554 271	542 828	961 581	899 766	353 165	355 564	2 502 906	2 218 341	619 735	603 384	349 327	363 116