



**GROUP ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Contents

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	Page
Directors' Responsibilities and Approval	2
Independent Auditor's Report	3 - 5
Directors' Report	6 - 9
Statements of Financial Position	10 - 11
Statements of Profit or Loss and Other Comprehensive Income	12 - 13
Statements of Changes in Equity	14 - 17
Statements of Cash Flows	18 - 19
Accounting Policies	20 - 55
Notes to the Annual Financial Statements	56 - 194

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Directors' Responsibilities and Approval

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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 company and group as at the end of the financial year and the results of their operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and the Companies Act 28 of 2004. The external auditors are engaged to express an independent opinion on the consolidated and separate annual financial statements.

The consolidated and separate annual financial statements are prepared in accordance with International Financial Reporting Standards and the Companies Act 28 of 2004 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.


The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and 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 2021 and, in light of this review and the current financial position, they are satisfied that the company and 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 3 to 5.

The consolidated and separate annual financial statements set out on pages 6 to 194, which have been prepared on the going concern basis, were approved by the board on 27 October 2020 and were signed on their behalf by:

  
\_\_\_\_\_  
Director  
\_\_\_\_\_  
Director

## INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the consolidated and separate financial statements

### Opinion

We have audited the consolidated and separate financial statements of Ohlthaver & List Finance and Trading Corporation Limited ("the Company") and its subsidiaries ("the Group") set out on pages 6 to 194, which comprise the consolidated and separate statements of financial position as at 30 June 2020 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 2020 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 and Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## INDEPENDENT AUDITOR'S REPORT

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

### 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 and the Integrated Annual Report which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements, report of the Directors and our auditor's report thereon.

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

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.

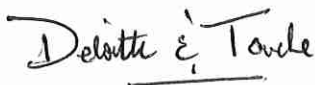
## INDEPENDENT AUDITOR'S REPORT

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

- 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 McDonald  
Partner  
Windhoek  
29 October 2020

# **Ohlthaver & List Finance and Trading Corporation Limited**

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## **Directors' Report**

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The Directors have pleasure in submitting their report on the annual financial statements of Ohlthaver & List Finance and Trading Corporation Limited and the group for the year ended 30 June 2020.

### **1. Nature of business**

The Group is engaged in diversified business activities. Details of the Group's activities are set out in note 8.

There have been no material changes to the nature of the group's business from the prior year other than the business acquisitions set out in point 9 below.

### **2. Review of financial results and activities**

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

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

### **3. Share capital**

There have been no changes to the authorised or issued share capital during the year under review. Full details of the Company's authorised and issued share capital at 30 June 2020 are set out in note 22 to the consolidated and separate financial statements.

### **4. Dividends**

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

An ordinary dividend of 182c per share was declared in respect of the year under review (2019: 123c per share) as well as a special dividend of N\$ 450 million.

### **5. Property, plant and equipment**

Capital expenditure on property, plant and equipment during the year amounted to N\$ 444.5 million (2019: N\$ 321.4 million), of which N\$ 420.7 million (2019: N\$ 298.7 million) was in respect of plant, equipment and operating assets and N\$ 23.8 million (2019: N\$ 22.7 million) for land and buildings.

Capital expenditure on investment property of N\$ 18.4 million (2019: N\$ 238.0 million) was incurred during the year under review.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Directors' Report

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### 6. Directorate

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

Directors	Designation	Nationality	Changes
S Thieme	Executive	Namibian	
H van der Westhuizen	Executive	Namibian	Appointed 01 July 2019
G Hanke	Executive	Namibian	
B Mukuahima	Executive	Namibian	
G Shilongo	Executive	Namibian	
P Hoeksema	Executive	Namibian	
(alternate to S Thieme)			
W J Oosthuizen	Executive	South African	Appointed 09 July 2020
C-L List	Non-executive	Namibian	Resigned 31 August 2019
H-H Museser	Non-executive Independent	Namibian	
E Ender	Non-executive Independent	German	
L Mcleod-Katjirua	Non-executive	Namibian	
W S Hanse	Non-executive	Namibian	Deceased 06 September 2019
P Grüttemeyer	Non-executive	Namibian	
C G N Uushona	Non-executive	Namibian	Appointed 11 July 2019
U Stritter	Non-executive	Namibian	

### 7. Holding company

The group's holding company is Ohlthaver & List Holdings (Proprietary) Limited which holds 50.1% (2019: 50.1%) of the group's equity. Ohlthaver & List Holdings (Proprietary) Limited is incorporated in Namibia.

### 8. Ultimate holding company

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

The ultimate holding company's name was changed effective 13 October 2020.

### 9. Subsidiaries

Details of the Company's investment in subsidiaries are set out in Note 8 of the consolidated and separate annual financial statements.

On 11 November 2019 the Company acquired 68.73% of the issued share capital of Hartlief Corporation Limited (Hartlief), obtaining control of the Hartlief group consisting of 12 fully owned subsidiaries. Hartlief is engaged in livestock slaughtering, meat processing and distribution and operates principally in Namibia.

Subsequently, the company acquired 9,525,432 and 33,339 shares in Hartlief Corporation Limited from non-controlling interest, increasing ownership from 68.73% to 78.87% and from 78.87% to 78.91% respectively.

On 20 February 2020 WUM Properties (Proprietary) Limited acquired 50% of the voting equity interest of O&L Fresh Produce (Proprietary) Limited (previously Natural Value Foods Namibia (Proprietary) Limited) which resulted in the group obtaining control over O&L Fresh Produce (Proprietary) Limited. This was in addition to an existing interest of 50%. O&L Fresh Produce (Proprietary) Limited is principally involved in the fruit and vegetable industry.

The details of the business combinations are set out in Note 47.

### 10. Events after the reporting period

On 31 July 2020 Ohlthaver & List Finance and Trading Corporation Limited acquired 51% of the shareholding in Cronimet Mining Power Solutions GmbH (CRMPS GmbH), obtaining control of the CRMPS GmbH group.



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Directors' Report

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Subsequent to year end the operations of Farmers Meat Market Mariental Abattoir (Proprietary) Limited ceased and will remain closed for an estimated duration of 2 years to give market conditions a chance to recover.

The regulations and restrictions imposed by the Namibian Government to combat COVID-19 has severely impacted the group and company performance in the past financial year and are expected to continue far into the next financial year(s).

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Group and Company for future periods.

### 11. Going concern

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

### The 2019/2020 COVID-19 pandemic and key dates

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time.

Measures have been taken to contain the spread of the virus, including sale of alcohol bans, travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening.

Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

Most, if not all, companies in the Ohlthaver & List Finance and Trading Corporation Limited group were negatively impacted by the restrictions imposed by the Namibian Government, but the companies most severely impacted are Namibia Breweries Limited and O&L Leisure (Proprietary) Limited.

Important dates that affected O&L companies include:

- 14 March 2020: Namibia's Minister of Health and Social Services announced that COVID-19 had reached Namibia.
- 23 March 2020 – 1 June 2020: South Africa entered a national state of lockdown on 23 March. It included a moratorium on alcohol production and sales, as well as inter-provincial and international travel. The ban on alcohol sales partly lifted once lockdown transitioned to level three on 1 June.
- 27 March 2020 – 4 May 2020: Namibia's Khomas and Erongo regions entered a 21-day stage one absolute lockdown on 27 March, which included alcohol prohibition. On 14 April, the lockdown became national and was extended until 4 May.
- 5 May 2020 – 1 June 2020: Namibia entered stage two of its lockdown.
- 2 June 2020: Namibia entered lockdown stage three. Alcohol sales were allowed under stringent trading conditions.
- The international travel ban has been in effect up until 5 August 2020, when the Namibian Government implemented a phased ban process to open Namibian borders to tourists

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Directors' Report

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### Namibia Breweries Limited (NBL):

The initial lockdown in South Africa drastically affected Heineken South Africa's (Heineken SA) business, as well as Namibia Breweries Limited (NBL)'s ability to source inputs from South Africa, and transport products between countries including volumes to South Africa.

The 21-day lockdown of the Khomas and Erongo regions affected NBL as it has offices, production and distribution facilities in these regions. As Namibia's Liquor Act 1998 (No. 6 of 1998) (Liquor Act) currently only applies to liquor containing 3% or more alcohol by volume, NBL could still sell some of its beverages, such as Tafel Radler, Windhoek Non-Alcoholic and Windhoek Light.

When Namibia moved to stage two of lockdown, the Namibian Government prohibited the sale of beverages with any degree of alcohol content, including Tafel Radler, Windhoek Non-Alcoholic and Windhoek Light.

Since Namibia implemented stage 3 from 2 June 2020, NBL could resume their normal production, sales and distribution under stringent trading conditions

### O&L Leisure (Proprietary) Limited

The travel bans have had a severe impact on the revenues for the next financial year from January 2020 onwards, as tourism to Namibia seized, impacting the profitability.

The company has been focusing on the local markets and offering promotions at all properties, whilst driving various cost reduction initiatives to reduce losses and is also actively supporting industry stakeholders in engaging with government on lifting travel bans and quarantine requirements.

## **12. Secretary**

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

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

## **13. Approval of financial statements**

The consolidated and separate annual financial statements have been authorised for issue by the directors on 27 October 2020.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Statements of Financial Position as at 30 June 2020

		Group		Company	
	Note(s)	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	3	3,887,872	3,523,941	-	-
Right-of-use assets	4	247,928	-	-	-
Investment property	5	2,312,341	2,589,247	-	-
Biological assets	6	46,253	56,085	-	-
Intangible assets	7	78,334	42,613	-	-
Investments in subsidiaries	8	-	-	238,821	94,853
Investments in joint ventures	9	-	3,436	-	-
Investments in associates	10	793,701	867,149	-	-
Loans to group companies	11	-	-	929,200	999,344
Loans to related parties	12	-	5,696	-	5,696
Loans receivable	13	13,306	12,701	-	-
Non-current receivables	14	32,949	28,130	-	-
Deferred tax	15	12,016	12,235	-	-
		<b>7,424,700</b>	<b>7,141,233</b>	<b>1,168,021</b>	<b>1,099,893</b>
<b>Current Assets</b>					
Inventories	16	633,551	589,213	-	-
Loans to group companies	11	-	-	117,004	263,102
Loans to related parties	12	44,977	164,816	-	92
Loans receivable	13	-	5,518	-	-
Trade and other receivables	17	800,241	806,154	1,630	1,814
Derivatives	18	9,588	3,025	-	-
Operating lease asset	14	61	110	-	-
Current tax receivable	45	5,813	56,043	-	-
Property units for sale	19	9,052	11,366	-	-
Cash and cash equivalents	20&21	1,231,728	1,992,322	875,586	1,670,640
		<b>2,735,011</b>	<b>3,628,567</b>	<b>994,220</b>	<b>1,935,648</b>
<b>Total Assets</b>		<b>10,159,711</b>	<b>10,769,800</b>	<b>2,162,241</b>	<b>3,035,541</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
<b>Equity Attributable to Equity Holders of Parent</b>					
Share capital	22	3,391	3,391	3,391	3,391
Reserves		949,176	860,522	54,949	54,949
Retained income		3,138,384	3,995,167	1,723,003	2,078,449
		4,090,951	4,859,080	1,781,343	2,136,789
Non-controlling interest		1,491,440	1,619,399	-	-
		<b>5,582,391</b>	<b>6,478,479</b>	<b>1,781,343</b>	<b>2,136,789</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Statements of Financial Position as at 30 June 2020

		Group		Company	
	Note(s)	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Loans from related parties	27	1,433	1,302	-	-
Borrowings	28	1,893,916	1,714,023	100,000	281,175
Derivatives	18	83,306	-	-	-
Finance lease liabilities	4	264,898	60,758	-	-
Deferred tax	15	541,699	554,243	-	-
Provisions	29	59,051	61,748	-	-
Non-current payables	30	8,300	7,372	-	-
		<b>2,852,603</b>	<b>2,399,446</b>	<b>100,000</b>	<b>281,175</b>
<b>Current Liabilities</b>					
Trade and other payables	31	843,589	1,131,191	2,305	1,848
Loans from group companies	26	-	-	78,579	477,128
Loans from related parties	27	22,131	19,939	2,237	1,322
Borrowings	28	575,891	526,543	192,880	126,075
Derivatives	18	32,395	1,436	-	-
Finance lease liabilities	4	79,317	33,916	-	-
Deferred income	32	1,400	1,980	-	-
Current tax payable	45	244	19,304	-	-
Dividend payable	44	4,897	1,229	4,897	1,229
Bank overdraft	20	164,853	156,337	-	9,975
		<b>1,724,717</b>	<b>1,891,875</b>	<b>280,898</b>	<b>617,577</b>
<b>Total Liabilities</b>		<b>4,577,320</b>	<b>4,291,321</b>	<b>380,898</b>	<b>898,752</b>
<b>Total Equity and Liabilities</b>		<b>10,159,711</b>	<b>10,769,800</b>	<b>2,162,241</b>	<b>3,035,541</b>



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Statements of Profit or Loss and Other Comprehensive Income

	Note(s)	Group		Company	
		2020	2019	2020	2019
		N\$ '000	Restated* N\$ '000	N\$ '000	N\$ '000
Revenue		7,223,119	7,787,024	152,732	143,704
Excise duties		(746,644)	(869,969)	-	-
<b>Net revenue</b>	33	<b>6,476,475</b>	<b>6,917,055</b>	<b>152,732</b>	<b>143,704</b>
Cost of sales	34	(4,340,177)	(4,495,590)	-	-
<b>Gross profit</b>		<b>2,136,298</b>	<b>2,421,465</b>	<b>152,732</b>	<b>143,704</b>
Other operating income**	35	123,561	1,637,465	-	1,577,308
Other operating (losses)/gains**	36	(221,066)	133,278	156,960	27,305
Other operating expenses		(1,875,141)	(1,787,641)	(200,944)	(157,431)
<b>Operating profit</b>	37	<b>163,652</b>	<b>2,404,567</b>	<b>108,748</b>	<b>1,590,886</b>
Investment income	38	51,960	41,673	34,844	45,980
Finance costs	39	(297,330)	(226,829)	(42,272)	(45,242)
(Losses)/Income from equity accounted investments		(73,556)	454,197	-	-
<b>(Loss) profit before taxation</b>		<b>(155,274)</b>	<b>2,673,608</b>	<b>101,320</b>	<b>1,591,624</b>
Taxation	40	(29,245)	(176,667)	-	-
<b>(Loss) profit for the year</b>		<b>(184,519)</b>	<b>2,496,941</b>	<b>101,320</b>	<b>1,591,624</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Remeasurements on net defined benefit liability/asset		6,697	1,311	-	-
Gains (losses) on property revaluation		41,633	(2,152)	-	-
Income tax relating to items that will not be reclassified		15,422	(427)	-	-
<b>Total items that will not be reclassified to profit or loss</b>		<b>63,752</b>	<b>(1,268)</b>	<b>-</b>	<b>-</b>
<b>Items that may be reclassified to profit or loss:</b>					
Exchange differences on translating foreign operations		(445)	(6)	-	-
<b>Other comprehensive income (loss) for the year net of taxation</b>	41	<b>63,307</b>	<b>(1,274)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive (loss) income for the year</b>		<b>(121,212)</b>	<b>2,495,667</b>	<b>101,320</b>	<b>1,591,624</b>
<b>(Loss) profit attributable to:</b>					
Owners of the parent		(357,588)	1,847,198	101,320	1,591,624
Non-controlling interest		173,069	649,743	-	-
		<b>(184,519)</b>	<b>2,496,941</b>	<b>101,320</b>	<b>1,591,624</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Statements of Profit or Loss and Other Comprehensive Income

	Group		Company	
	2020	2019	2020	2019
		Restated*		
	N\$ '000	N\$ '000	N\$ '000	N\$ '000
<b>Total comprehensive (loss) income attributable to:</b>				
Owners of the parent	(266,461)	1,845,852	101,320	1,591,624
Non-controlling interest	145,249	649,815	-	-
	<b>(121,212)</b>	<b>2,495,667</b>	<b>101,320</b>	<b>1,591,624</b>

\* Restated figures relate to disclosure of revenue and net revenue. No other figures have been affected. For detailed disclosure refer Note 46.

\*\* Reclassified foreign exchange gains/losses and profit/loss from sale of assets from other income to other operating gains/losses for enhanced disclosure.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Statements of Changes in Equity

	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Revaluation reserve	Changes in ownership	Equity settled share based payment reserve	Total reserves	Retained income	Total attributable to owners of the parent	Non- controlling interest	Total equity
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000
<b>Group</b>												
<b>Balance at 01 July 2018</b>	<b>2,746</b>	<b>645</b>	<b>3,391</b>	<b>(29)</b>	<b>827,674</b>	<b>(18,092)</b>	<b>54,949</b>	<b>864,502</b>	<b>2,152,481</b>	<b>3,020,374</b>	<b>1,379,449</b>	<b>4,399,823</b>
Profit for the year	-	-	-	-	-	-	-	-	1,847,198	1,847,198	649,743	2,496,941
Other comprehensive income	-	-	-	(2)	(2,228)	-	-	(2,230)	884	(1,346)	72	(1,274)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>(2,228)</b>	<b>-</b>	<b>-</b>	<b>(2,230)</b>	<b>1,848,082</b>	<b>1,845,852</b>	<b>649,815</b>	<b>2,495,667</b>
Transfer (to) / from non-distributable reserve to retained earnings	-	-	-	-	(756)	-	-	(756)	756	-	-	-
Dividends	-	-	-	-	-	-	-	-	(6,152)	(6,152)	(409,704)	(415,856)
Changes in ownership interest - control not lost	-	-	-	-	-	(994)	-	(994)	-	(994)	(161)	(1,155)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(756)</b>	<b>(994)</b>	<b>-</b>	<b>(1,750)</b>	<b>(5,396)</b>	<b>(7,146)</b>	<b>(409,865)</b>	<b>(417,011)</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Statements of Changes in Equity

	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Revaluation reserve	Changes in ownership	Equity settled share based payment reserve	Total reserves	Retained income	Total attributable to owners of the parent	Non- controlling interest	Total equity
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000
Opening balance as previously reported	2,746	645	3,391	(31)	824,690	(19,086)	54,949	860,522	3,995,167	4,859,080	1,619,399	6,478,479
Adjustments												
Change in accounting policy	-	-	-	-	-	-	-	-	(48,016)	(48,016)	728	(47,288)
<b>Balance at 01 July 2019 as restated</b>	<b>2,746</b>	<b>645</b>	<b>3,391</b>	<b>(31)</b>	<b>824,690</b>	<b>(19,086)</b>	<b>54,949</b>	<b>860,522</b>	<b>3,947,151</b>	<b>4,811,064</b>	<b>1,620,127</b>	<b>6,431,191</b>
Loss for the year	-	-	-	-	-	-	-	-	(357,588)	(357,588)	173,069	(184,519)
Other comprehensive income	-	-	-	(132)	86,327	-	-	86,195	4,932	91,127	(27,820)	63,307
<b>Total comprehensive Loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(132)</b>	<b>86,327</b>	<b>-</b>	<b>-</b>	<b>86,195</b>	<b>(352,656)</b>	<b>(266,461)</b>	<b>145,249</b>	<b>(121,212)</b>
Sale of subsidiary	-	-	-	-	-	-	-	-	(110)	(110)	(107)	(217)
Transfer between reserves	-	-	-	-	(755)	-	-	(755)	755	-	-	-
Dividends	-	-	-	-	-	-	-	-	(456,756)	(456,756)	(324,577)	(781,333)
Changes in ownership interest - control not lost	-	-	-	-	-	3,214	-	3,214	-	3,214	(26,546)	(23,332)
Business combinations	-	-	-	-	-	-	-	-	-	-	77,294	77,294
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(755)</b>	<b>3,214</b>	<b>-</b>	<b>2,459</b>	<b>(456,111)</b>	<b>(453,652)</b>	<b>(273,936)</b>	<b>(727,588)</b>
<b>Balance at 30 June 2020</b>	<b>2,746</b>	<b>645</b>	<b>3,391</b>	<b>(163)</b>	<b>910,262</b>	<b>(15,872)</b>	<b>54,949</b>	<b>949,176</b>	<b>3,138,384</b>	<b>4,090,951</b>	<b>1,491,440</b>	<b>5,582,391</b>
Note(s)	22	22	22	24&41	25&41	41	23		41			



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Statements of Changes in Equity

	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Revaluation reserve	Changes in ownership	Equity settled share based payment reserve	Total reserves	Retained income	Total attributable to owners of the parent	Non- controlling interest	Total equity
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000
<b>Company</b>												
<b>Balance at 01 July 2018</b>	<b>2,746</b>	<b>645</b>	<b>3,391</b>	-	-	-	<b>54,949</b>	<b>54,949</b>	<b>492,977</b>	<b>551,317</b>	-	<b>551,317</b>
Profit for the year	-	-	-	-	-	-	-	-	1,591,624	1,591,624	-	1,591,624
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	-	<b>1,591,624</b>	<b>1,591,624</b>	-	<b>1,591,624</b>
Dividends	-	-	-	-	-	-	-	-	(6,152)	(6,152)	-	(6,152)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	-	-	-	-	-	-	-	-	<b>(6,152)</b>	<b>(6,152)</b>	-	<b>(6,152)</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Statements of Changes in Equity

	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Revaluation reserve	Changes in ownership	Equity settled share based payment reserve	Total reserves	Retained income	Total attributable to owners of the parent	Non- controlling interest	Total equity
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000
<b>Balance at 01 July 2019</b>	<b>2,746</b>	<b>645</b>	<b>3,391</b>	-	-	-	<b>54,949</b>	<b>54,949</b>	<b>2,078,439</b>	<b>2,136,779</b>	-	<b>2,136,779</b>
Profit for the year	-	-	-	-	-	-	-	-	101,320	101,320	-	101,320
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101,320</b>	<b>101,320</b>	<b>-</b>	<b>101,320</b>
Dividends	-	-	-	-	-	-	-	-	(456,756)	(456,756)	-	(456,756)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(456,756)</b>	<b>(456,756)</b>	<b>-</b>	<b>(456,756)</b>
<b>Balance at 30 June 2020</b>	<b>2,746</b>	<b>645</b>	<b>3,391</b>	-	-	-	<b>54,949</b>	<b>54,949</b>	<b>1,723,003</b>	<b>1,781,343</b>	-	<b>1,781,343</b>
Note(s)	22	22	22	24&41	25&41	41	23		41			

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Statements of Cash Flows

	Note(s)	Group		Company	
		2020	2019	2020	2019
		N\$ '000	Restated* N\$ '000	N\$ '000	N\$ '000
<b>Cash flows from operating activities</b>					
Cash receipts from customers **		7,229,029	7,638,729	152,915	142,596
Cash received from other operating income **		123,563	1,770,743	156,960	1,604,613
Cash paid to suppliers and employees **		(6,816,613)	(6,893,050)	(116,615)	(19,830)
Cash generated from operations **	43	535,979	2,516,422	193,260	1,727,379
Interest income		51,960	41,673	34,844	45,980
Finance costs		(297,330)	(226,829)	(42,272)	(45,242)
Tax paid	45	(49,619)	(181,056)	-	-
Employer benefit payments on provisions		(6,973)	(4,873)	-	-
<b>Net cash from operating activities</b>		<b>234,017</b>	<b>2,145,337</b>	<b>185,832</b>	<b>1,728,117</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	3	(444,500)	(275,133)	-	-
Sale of property, plant and equipment	3	28,279	51,880	-	-
Purchase of investment property	5	(18,385)	(238,008)	-	-
Purchase of other intangible assets	7	(13,576)	(2,868)	-	-
Sale of other intangible assets	7	365	-	-	-
Business combinations	47	(127,372)	-	(129,177)	-
Movement in investments (incl subs, JVs & Assoc)		-	(10,000)	-	-
Sale of businesses		(149)	23,000	-	23,000
Loans to group companies repaid		-	-	14	-
Loans advanced to group companies		-	-	(376,414)	-
Sale of investments at fair value		-	1	-	-
Receipts from loans receivable at amortised cost		4,913	7,356	-	-
Purchase of biological assets	6	(17,663)	(4,000)	-	-
Sale of biological assets	6	13,494	664	-	-
Sale of property units for sale		2,314	4,362	-	-
Acquisition of shares in associate		-	(214)	-	-
Proceeds from loans from related parties***		6,504	5,594	915	501
Repayment of loans from related parties***		(4,181)	(14,690)	-	(7,134)
Loans advanced to shareholders		(27)	(44,342)	-	-
Loans to related parties repaid		125,562	756	5,785	(892)
Dividends received		-	-	-	-
<b>Net cash (to) from investing activities</b>		<b>(444,422)</b>	<b>(495,642)</b>	<b>(498,877)</b>	<b>15,475</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Statements of Cash Flows

	Note(s)	Group		Company	
		2020	2019	2020	2019
		N\$ '000	Restated* N\$ '000	N\$ '000	N\$ '000
<b>Cash flows from financing activities</b>					
Repayment of loans from group companies		-	-	(29)	(45,192)
Proceeds from borrowings		994,530	490,959	-	100,679
Repayment of borrowings		(792,042)	(288,448)	(114,370)	(113,876)
Movement in non-current payables		928	702	-	-
Payment on lease liabilities		(71,363)	(31,876)	-	-
Dividends paid	44	(777,665)	(415,754)	(453,088)	(6,050)
Acquisition of additional shares in subsidiary from non-controlling interest		(23,332)	(1,155)	(14,792)	(1,155)
<b>Net cash to financing activities</b>		<b>(668,944)</b>	<b>(245,572)</b>	<b>(582,279)</b>	<b>(65,594)</b>
<b>Total cash movement for the year</b>		<b>(879,349)</b>	<b>1,404,123</b>	<b>(895,324)</b>	<b>1,677,998</b>
Cash at the beginning of the year		1,835,985	431,868	1,660,665	(17,333)
Effect of exchange rate movement on cash balances		110,239	(6)	110,245	-
<b>Total cash at end of the year</b>	20	<b>1,066,875</b>	<b>1,835,985</b>	<b>875,586</b>	<b>1,660,665</b>

\* Restated figures relate to disclosure on cash receipts from customers and cash paid to suppliers and employees. The reallocation does not affect the final figures. For detailed disclosure refer Note 46.

\*\* Displayed cash generated from operations as separately from cash generated from customers, cash and cash received from other operating income and cash paid to suppliers for enhanced disclosure.

\*\*\* The loans from related parties were reclassified from Financing activities in the prior year to Investing activities in the current year.



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1. Significant accounting policies

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

#### 1.1 Basis of preparation

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

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

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

#### 1.2 Fair value measurement

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

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

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

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

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

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.2 Fair value measurement (continued)

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

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

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

### 1.3 Consolidation

#### Basis of consolidation

The consolidated 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 intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.3 Consolidation (continued)

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

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

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

#### **Business combinations**

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

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

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

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

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

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.3 Consolidation (continued)

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

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

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

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

### Investment in associates

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

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

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

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

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.3 Consolidation (continued)

#### Joint ventures

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

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

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

#### Joint operations

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

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

### 1.4 Investments in subsidiaries

#### Company financial statements

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

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

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.5 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

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

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

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.5 Property, plant and equipment (continued)

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

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

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

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

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

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

### 1.6 Investment property

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

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

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.6 Investment property (continued)

#### Fair value

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

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

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

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

#### Transfers

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

### 1.7 Impairment of assets

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

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

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

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

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

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

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

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

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

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



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.7 Impairment of assets (continued)

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

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

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

### 1.8 Intangible assets

An intangible asset is recognised when:

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

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

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

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

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

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

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

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

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.8 Intangible assets (continued)

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

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

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

#### Intangible assets acquired in a business combination

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

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

#### Derecognition of intangible assets

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

### 1.9 Inventories

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

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

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

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

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

### 1.10 Biological assets

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

The group is also involved in agronomy and its activities relate to the cultivation of oats.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.10 Biological assets (continued)

An entity shall recognise a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

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

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

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

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

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

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

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

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

### 1.11 Provisions and contingencies

Provisions are recognised when:

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 49.

#### Onerous contracts:

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.12 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

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

### 1.13 Government grants

Government grants are recognised when there is reasonable assurance that:

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

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

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

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

### 1.14 Revenue from contracts with customers

The group recognises revenue from the following major sources:

- Sales of sports goods
- Rendering of services
- Construction contracts

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

#### **Sale of goods**

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

#### ***Timing of revenue from exported goods***

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.14 Revenue from contracts with customers (continued)

#### *Variable consideration*

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

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

#### *Rendering of services*

Revenue from services is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services, allocated to each specific performance obligation. Revenue is measured at the fair value of consideration received or receivable.

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

#### *Construction contracts*

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

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

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

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

#### *Variations to a contract*

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

#### *Incentive payments*

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.14 Revenue from contracts with customers (continued)

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

#### *Combining and segmenting construction contracts*

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

Assets covered by a single contract are treated separately when:

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

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

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

#### **Other revenue**

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

### 1.15 Revenue other than from contracts with customers

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

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

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

### 1.16 Cost of sales

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.17 Leases IFRS 16

#### The group as lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined the Group uses its incremental borrowing rate.

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

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

The lease liability is presented as a separate line in the consolidated and separate statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

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

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.17 Leases IFRS 16 (continued)

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

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

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

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

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

#### The Group as lessor

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

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

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

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

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

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

### 1.18 Leases: IAS 17 Comparatives

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 statement 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.



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.18 Leases: IAS 17 Comparatives (continued)

#### Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement 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 statement 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.

#### 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 leases is disclosed under revenue in profit or loss.

#### 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.

The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

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

### 1.19 Translation of foreign currencies

#### Functional and presentation currency

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.19 Translation of foreign currencies (continued)

#### Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

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

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

In order to hedge its exposure to certain foreign exchange risks, the group enters into forward contracts and options (refer to 1.23 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 Dollars by applying to the foreign currency amount the exchange rate between the Namibia Dollar and the foreign currency at the date of the cash flow.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.20 Borrowing costs

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

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

The capitalisation of borrowing costs commences when:

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

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

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

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

### 1.21 Employee benefits

#### Short-term employee benefits

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

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

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

#### Retirement benefits

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

#### Medical benefits

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.21 Employee benefits (continued)

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

#### Severance pay

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.22 Taxation

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax assets and liabilities

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

#### 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.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.23 Financial instruments

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

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

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or

Financial assets which are debt instruments:

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

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or

Note 52 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.23 Financial instruments (continued)

#### Loans receivable at amortised cost

##### Classification

Loans to group companies (note 11), loans to related parties (note 12), and loans receivable (note 13) are classified as financial assets subsequently measured at amortised cost.

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

##### Recognition and measurement

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

They are subsequently measured at amortised cost.

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

##### Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 38).

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

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

#### Loans denominated in foreign currencies

When a loan receivable is denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (notes 36).

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

#### Impairment

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.23 Financial instruments (continued)

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

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

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

#### Significant increase in credit risk

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

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

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

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

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

#### Definition of default

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

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



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.23 Financial instruments (continued)

#### Write off policy

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

#### Measurement and recognition of expected credit losses

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

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

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

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

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

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 37).

#### Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 52).

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.23 Financial instruments (continued)

#### Trade and other receivables

##### Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 17).

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

##### Recognition and measurement

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

They are subsequently measured at amortised cost.

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

##### Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 38).

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

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

##### Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses) (note 36).

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

##### Impairment

The Group and Company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.23 Financial instruments (continued)

The Group and Company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

#### Measurement and recognition of expected credit losses

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

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 17.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 37).

#### Write off policy

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

#### Credit risk

Details of credit risk are included in the trade and other receivables note (note 17) and the financial instruments and risk management note (note 52).

#### Non-hedging derivatives

##### Classification

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

The group enters into a variety of derivative financial instruments in order to manage its exposure to foreign exchange risk and cash flow interest rate risk. Derivatives held by the group which are not in designated hedging relationships, include forward exchange contracts and interests rate swaps. (Note 18)

##### Recognition and measurement

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

Fair value gains or losses are included in other operating gains (losses) (notes 35&37). Details of the valuation policies and processes are presented in note 54.

# **Ohlthaver & List Finance and Trading Corporation Limited**

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## **Accounting Policies**

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### **1.23 Financial instruments (continued)**

#### **Borrowings and loans from related parties**

##### **Classification**

Loans from group companies (note 11), loans from related parties (note 12) and borrowings (note 28) are classified as financial liabilities subsequently measured at amortised cost.

##### **Recognition and measurement**

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

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

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

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 39.)

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

##### **Loans denominated in foreign currencies**

When borrowings are denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 36).

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.23 Financial instruments (continued)

#### Trade and other payables

##### Classification

Trade and other payables (note 31), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

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

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

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

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 39).

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

##### Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 36).

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

#### Cash and cash equivalents

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

##### Bank overdrafts

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

#### Derivatives

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.23 Financial instruments (continued)

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

#### Derecognition

##### Financial assets

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

##### Financial liabilities

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

#### Offsetting of financial instruments

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

#### Reclassification

##### Financial assets

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

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

##### Financial liabilities

Financial liabilities are not reclassified.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.24 Hedge accounting

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

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

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

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

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

### Fair value hedges

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

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at fair value through other comprehensive income, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognised in profit or loss instead of other comprehensive income. When the hedged item is an equity instrument designated at fair value through other comprehensive income, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument. The net gains (losses) on fair value hedges which are recognised in profit or loss are included in other operating gains (losses) note 36.

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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### 1.24 Hedge accounting (continued)

#### Cash flow hedges

The effective portion of changes in the fair value of qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss in other operating gains (losses) 36.

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

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

### 1.25 Share capital and equity

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

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

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

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

### 1.26 Significant judgements and sources of estimation uncertainty

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

#### Post employment benefit obligations

Post-retirement defined benefits are provided for certain former employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets, healthcare inflation costs and rates of increases in compensation costs. Refer to Note 42 for further detail.



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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

#### Severance pay obligation

Severance pay has been provided for all employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the inflation rate and rates of increases in compensation costs. Refer to Note 42 for further detail.

#### Valuation of investment properties and freehold land and building

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

#### Valuation sensitivity analysis: significant inputs and coronavirus impact:

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

The general risk environment in which the group operates has heightened in the three months prior to the reporting date, largely due to the COVID-19 pandemic. For some of the group's properties, the pandemic has had a significant impact on valuations. As at 30 June 2020, the external valuers consider that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value.

The current response to the pandemic means that external valuers are faced with an unprecedented set of circumstances on which to base a judgment.

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

#### Biological assets

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

#### Expected credit loss

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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

#### Trade receivables and loans and receivables

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

#### Allowance for slow moving, damaged and obsolete stock

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

#### Fair value estimation - derivatives

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

The directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. Details of the assumptions used and of the results of sensitivity analyses regarding these assumptions are provided in Note 54.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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

#### Asset lives and residual values

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

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

In particular management have assumed a depreciation rate of 20% (2019: 20%) on returnable containers, this being management's best estimate of breakage rate and useful life. The majority of returnable containers are with customers and the estimate of cost along with the corresponding returnable deposit liability is based on management's judgement. Any change to these assumptions could have a significant impact on both the asset and corresponding liability

#### Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. 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 yearend. Changes in the assumptions impacting expected future cash generation could affect the recoverability of the valuation of the investment in the associate. See note 10 for further details on these assumptions.

#### IFRS 16 leases and right-of-use assets

##### Lease identification

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Accounting Policies

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

#### Lease term

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

#### Incremental borrowing rate

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 2. Changes in accounting policy

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

#### Application of IFRS 16 Leases

In the current year, the company has adopted IFRS 16 Leases (as issued by the IASB in January 2016) with the date of initial application being 01 July 2019. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the group and company's annual financial statements is described below.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 01 July 2019.

#### Impact of the definition of a lease

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

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

##### (i) Changes in accounting policy

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right of use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expenses generally on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term lease ( lease term of 12 months or less) and leases of low – value assets ( such as a tablet and personal computers, small items of office furniture and telephone ), the group has opted to recognise a lease expense on straight-line basis as permitted by IFRS 16. This expense is included in profit or loss.

##### (ii) Former finance lease

The main difference between IFRS 16 and IAS 17 with respect to contracts formerly classified as a finance lease is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the group recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the group's audited annual financial statements.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 2. Changes in accounting policy (continued)

#### Impact on Lessor Accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance lease or operating and account for those two types of lease differently.

However, IFRS 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising for its residual interest in leased assets.

Under IFRS 16 an intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. The intermediate lessor is required to classify the sub-lease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

The change did not have a material effect on the company's audited annual financial statements.

#### Financial impact of the initial application of IFRS 16

##### (i) Former operating leases

The leases of vessels, factories, motor vehicles, office and retail outlet premises were previously classified as operating leases under IAS 17. As a result of the application of IFRS 16, a lease liability and related right-of-use asset has been recognised. All other leases previously classified as operating leases under IAS 17 remained classified as such as they were assessed to be either short-term in nature or leases of low value assets.

The tables below show the amount of the adjustment for each financial statement line item affected by the application of IFRS 16 for the current and prior years.

#### **Impact on profit for the year**

Increase in depreciation of right-of-use asset	68,604	-	-	-
Increase in finance costs	46,080	-	-	-
Decrease in operating lease expense	(72,163)	-	-	-
	<b>42,521</b>	-	-	-

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 2. Changes in accounting policy (continued)

The aggregate effect of the changes in accounting policy on the annual financial statements on the date of adoption of the standard, 1 July 2019, is as follows:

#### Statement of Financial Position

##### Right-of-use assets

Transferred from Property, plant and equipment	69,638	-	-	-
Additions	243,973	-	-	-
	<b>313,611</b>	-	-	-

##### Property, plant and equipment

Previously stated	3,523,941	-	-	-
Transferred to Right-of-use asset	(69,638)	-	-	-
	<b>3,454,303</b>	-	-	-

##### Equity

Previously stated	(6,478,479)	-	-	-
Opening Retained Earnings	48,016	-	-	-
Non-controlling interest	(728)	-	-	-
	<b>(6,431,191)</b>	-	-	-

##### Liabilities

Previously stated	(94,674)	-	-	-
Finance Lease	(317,886)	-	-	-
	<b>(412,560)</b>	-	-	-

##### Defreed tax

Previously stated	(542,008)	-	-	-
Adjustment	25,896	-	-	-
	<b>(516,112)</b>	-	-	-

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 3. Property, plant and equipment

Group	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Freehold land and buildings	2,330,475	(17,959)	2,312,516	2,115,701	(50,635)	2,065,066
Leasehold improvements	162,314	(22,379)	139,935	147,259	(27,081)	120,178
Plant and machinery	1,719,809	(1,006,861)	712,948	1,616,278	(929,266)	687,012
Furniture and fixtures	502,291	(339,613)	162,678	481,102	(289,210)	191,892
Vehicles	167,395	(111,216)	56,179	255,561	(146,611)	108,950
Office equipment	58,217	(46,959)	11,258	51,274	(40,282)	10,992
Containers	477,480	(312,974)	164,506	448,937	(274,978)	173,959
Fishing vessels	201,485	(125,705)	75,780	203,430	(129,560)	73,870
Construction in progress	252,072	-	252,072	92,022	-	92,022
<b>Total</b>	<b>5,871,538</b>	<b>(1,983,666)</b>	<b>3,887,872</b>	<b>5,411,564</b>	<b>(1,887,623)</b>	<b>3,523,941</b>



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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

#### Reconciliation of property, plant and equipment - Group - 2020

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

\* Transfers consists of transfers to the following asset classes:

Right-of-use assets:	N\$ 69,637,284
Investment property:	N\$ 33,013
Prepayments:	<u>N\$ 5,205,075</u>
<b>Total:</b>	<b><u>N\$ 74,875,372</u></b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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

#### Reconciliation of property, plant and equipment - Group - 2019

	Opening balance N\$'000	Additions N\$'000	Disposals N\$'000	Transfers N\$'000	Revaluations N\$'000	Depreciation N\$'000	Total N\$'000
Freehold land and buildings	2,029,303	22,760	(16)	24,164	(2,152)	(8,993)	2,065,066
Leasehold improvements	110,554	2,638	(17)	11,620	-	(4,617)	120,178
Plant and machinery	665,326	62,690	(959)	77,938	-	(117,983)	687,012
Furniture and fixtures	202,172	39,783	(766)	7,522	-	(56,819)	191,892
Vehicles	98,599	62,199	(7,450)	(2,896)	-	(41,502)	108,950
Office equipment	9,604	5,266	(20)	1,546	-	(5,404)	10,992
Computer software	11,621	-	-	(11,621)	-	-	-
Containers	185,300	42,326	-	-	-	(53,667)	173,959
Fishing vessels	108,845	27,321	(31,324)	(9,260)	-	(21,712)	73,870
Construction in progress	134,580	56,455	-	(99,013)	-	-	92,022
	<b>3,555,904</b>	<b>321,438</b>	<b>(40,552)</b>	<b>-</b>	<b>(2,152)</b>	<b>(310,697)</b>	<b>3,523,941</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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

#### Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings and leases in Note 29:

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
Freehold land and buildings	1,393,810	1,193,646	-	-
Plant and machinery	74,400	40,909	-	-
Vehicles	17,180	75,072	-	-
Furniture, fixtures, equipment and spare parts	56,091	86,402	-	-
Fishing vessels	74,797	24,502	-	-

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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

#### **Consortium Fisheries Limited group:**

An unlimited cross deed suretyship (including session of loan funds) between Ohlthaver & List Finance and Trading Corporation and the following entities:

Hangana Seafood (Proprietary) Limited  
Kuseb Fish Products (Proprietary) Limited  
Consortium Fisheries Limited  
Consortium Evisa Fisheries (Proprietary) Limited  
Protea Fish Products (Proprietary) Limited  
Hangana Abalone (Proprietary) Limited

Limited suretyship provided by Ohlthaver & List Finance and Trading Corporation Limited (OLFITRA) for N\$53 million (2019: N\$53 million).

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

MFV Begonia - N\$18m (2019: Nil)  
MFV Otterbank - N\$12m (2019: Nil)  
MFV Erica - N\$18m (2019: Nil)  
MFV Fisherbank - N\$12m (2019: Nil)  
MFV Zogi - N\$3 million (2019: N\$3m)  
MFV Resplendent - Nil (2019: N\$30m)  
Cession of Marine & Hull insurance Policy FMA 28388 N

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

- 1st and 2nd Mortgage Bond of N\$6.4 million and N\$9 million over erf 4895, Walvis Bay in favour of Bank Windhoek.
- A cession over fire policy for N\$34,584,000 is registered at Old Mutual Short Term Insurance Company in Domi Metal Industries (Proprietary) Limited as security for the Kraatz Marine (Pty) Ltd bank overdraft.
- 1st Continuing Covering Mortgage Bond N\$12,000,000 (2019: N\$ 12,000,000) over erf 514 Luderitz ino Hangana Abalone (Proprietary) Limited
- 1st Continuing Covering Mortgage Bond N\$65,000,000 (2019: N\$65,000,000) over erf 4606 (a consolidation of erf 3614 & 2942) no.19 Ben Amathila street, Walvis Bay and Erf 3691 and Erf 13B, No 21 Ben Amadhila Street, Walvis Bay ino Kuseb Fish Products (Proprietary) Limited
- 2nd Continuing Covering Mortgage Bond N\$10,000,000 (2019: N\$10,000,000) over erf 4606 (a consolidation of erven 3614 & 2942) ino Kuseb Fish Products (Proprietary) Limited.
- 3rd Continuing Covering Mortgage Bond N\$55,000,000 (2019: N\$55,000,00) over erf 4606 (a consolidation of erven 3614 & 2942) ino Kuseb Fish Products (Proprietary) Limited.
- 2nd Continuing Covering Mortgage Bond N\$125,000,000 (2019: N\$125,000,000) over erf 3691 & erf 13B Walvis Bay ino Protea Fish Product (Proprietary) Limited.
- Cession over Mutual and Federal Insurance policy 17787793 required in terms of the Continuing Covering Mortgage Bonds.
- General Notarial Mortgage Bond in the amount of N\$20,000,000 over moveable assets.
- Underlying assets financed under the Liquidation Asset Based Financing facilities and Revolving Asset Based Financing facilities in terms of the agreements concluded.

Collateral given to Bank Windhoek in respect of first, second, third, fourth and fifth covering mortgage bonds for N\$8,000,000; N\$1,200,000; N\$4,782,5 00; N\$10,000,000 & N\$32,000,000 respectively over erf 3692, Walvis Bay

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

Cession over Fire Policy for N\$ 67,690,125 (2019: N\$ 67,690,125) (Erf 3692 & 14B) at Mutual & Federal dated 12/0/2018.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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

#### **WUM Properties (Proprietary) Limited group:**

Land and buildings - Seagulls Erf 1300 Walvis Bay

Carrying Value in W.U.M Properties (Pty) Ltd of N\$ 55,000,000 (2019: N\$ 62,250,000)

Cross-bonded at FNB for 1st bond of N\$ 21.6 million for debt held in the books of Wernhil Park (Pty) Ltd (2019: N\$ 21.6 million).

Land and buildings - Pick 'n Pay Erf 2817 Swakopmund

Carrying Value in W.U.M Properties (Pty) Ltd of N\$ 30,000,000 (2019: N\$ 29,000,000)

Cross-bonded at FNB for 1st of N\$ 10.7 million for debt held in the books of Wernhil Park (Pty) Ltd (2019: N\$ 10,7 million)

Land and buildings - Consolidated Farm Hardap.

Nedersetting No 607

Carrying Value in W.U.M Properties (Pty) Ltd of N\$ 41,340,000 (2019: N\$ 34,988,000).

First Continuing Surety Mortgage Bond No B3180/2016 at Agribank for N\$ 15 447 493 (2019: N\$ 15 447 493).

Third Continuing Surety Mortgage Bond No B3144/2016 at Agribank for N\$ 2 777 018 (2019: N\$ 2 777 018).

Third Continuing Surety Mortgage Bond No.B3119/2016 at Agribank for N\$ 1 805 595 (2019: N\$ 1 805 595).

Land and buildings - Consolidated Farm Hardap.

Nedersetting No 607

Carrying Value in Namibia Dairies (Pty) Ltd of N\$ 84,640,875 (2019: N\$ 64,208,513).

First Continuing Surety Mortgage Bond No.B3180/2016 at Agribank for N\$ 15 447 493 (2019: N\$ 15 447 493).

Third Continuing Surety Mortgage Bond No.B3144/2016 at Agribank for N\$ 2 777 018 (2019:N\$ 2 777 018).

Third Continuing Surety Mortgage Bond No.B3119/2016 at Agribank for N\$ 1 805 595 (2019:N\$ 1 805 595).

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

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

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

First Mortgage Bond at Development Bank of Namibia for N\$ 25,000,000 (2019: N\$ 25,000,000)

Second Mortgage Bond at Agribank for N\$ 26,400,000 (2019: N\$ 26,400,000)

Third Mortgage Bond at Agribank for N\$ 19,445,000 (2019: N\$ 19,445,000)

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

First Continuing Covering Mortgage Bond at Standard Bank for N\$ 55,000,000 (2019: N\$ 55,000,000)

Land and buildings - Erf 1577 Oshakati in the books of Namibia Dairies (Pty) Ltd

First Covering Mortgage Bond at Bank Windhoek for N\$1,200,000 (2019: N\$ 1,200,000).

Second Covering Mortgage Bond at Bank Windhoek for N\$ 3,000,000 (2019: N\$ 3,000,000)

Land and buildings - Portion 2 of the Farm Kleinbegin

No 941 in the books of O&L Leisure (Pty) Ltd. First Mortgage Bond at Bank Windhoek for N\$35,000,000 (2019: N\$ 35,000,000). Second Mortgage Bond at ABSA Bank for N\$10,000,000 (2019: N\$ 10,000,000).

Erf 222 and Erf 1771, Windhoek. First Mortgage Bond at ABSA Bank for N\$ 35,000,000.

#### Included in other freehold land and buildings:

O&L Leisure (Proprietary) Limited has a mortgage bond N\$ 31.7 million (2019: 31.7 million) registered over its land and buildings in favour of Bank Windhoek and N\$ 10 million (2018: 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 (2019: 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.

# **Ohlthaver & List Finance and Trading Corporation Limited**

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## **Notes to the Annual Financial Statements**

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### **3. Property, plant and equipment (continued)**

#### **Hartlief Corporation Limited Group**

Land and buildings - A balance of N\$10 469 380 is owed to First National Bank of Namibia Limited. Properties situated on Erf 7039 and Erf 8409 situated in Windhoek were used as collateral. The mortgage bond value on the properties is N\$57 000 000.

#### **Changes in estimates**

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

The impact of the change is an increase in the annual depreciation charge for the current and future 3 years of N\$ 4,870,568 (2019: N\$ 5,286,200) in total.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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

#### Revaluations

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

#### Revaluations during 2020 financial year:

##### Consortium Fisheries Limited group

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

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

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

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

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

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

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

###### Freehold land and buildings of Kraatz Marine (Proprietary) Limited

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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

#### **WUM Properties (Proprietary) Limited group:**

##### Erf 2817 - Swakopmund:

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

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

##### Erf 1300 - Walvis Bay:

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

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

##### Erf 2667 - Walvis Bay:

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

Capitalisation rate of 9% was used.

The capitalisation rate assumptions are based on current market conditions.

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

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

Mokuti Lodge property:

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

Strand Hotel property:

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

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

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

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

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

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

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



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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

#### Chobe Water Villas (Proprietary) Limited:

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

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

#### Namibia Dairies (Proprietary) Limited - properties:

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

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

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

#### Erf 18 Okahandja:

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

Capitalisation rate: 12%

Date of revaluation: 22 June 2020

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

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

#### Farms:

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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

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

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

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

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

#### **NBL Investment Holdings (Proprietary) Limited group:**

The effective date of the revaluations was 30 June 2020.

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

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

Capitalisation rates of 11% - 12% were used.

These assumptions were based on current market conditions.

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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

#### **Windhoek Schlachtereï (Proprietary) Limited:**

Land and buildings were revalued during March 2020 by independent valuers

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

#### **Revaluations during 2019 financial year:**

#### **Consortium Fisheries Limited group:**

The effective date of the revaluations was Thursday, August 01, 2019. Revaluations were performed by an independent valuer, Mr Arthur Lofty-Eaton, of Valuers Trust. Mr Lofty-Eaton is a Professional/Sworn Appraiser with a National Diploma: Property Valuations (CPUT). Valuers Trust is not connected to the Group and has recent experience in location and category of the investment property being valued.

The valuation was arrived at by using the income capitalisation valuation approach. Capitalisation rate of 8.5% was used. The capitalisation rate assumptions are based on current market conditions

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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

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

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
Freehold land and buildings	941,747	873,678	-	-
Leasehold improvements	43,752	41,349	-	-
	<b>985,499</b>	<b>915,027</b>	-	-

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

### 4. Right-of-use assets and lease liabilities

The group leases several assets, including buildings, plant and IT equipment. The average lease term is 3 - 99 years (2019: 3 to 99 years).

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

Details pertaining to leasing arrangements, where the group is lessee are presented below:

The group adopted IFRS 16 for the first time in the current financial period. Comparative figures have been accounted for in accordance with IAS 17 and accordingly, any assets recognised under finance leases in accordance with IAS 17 for the comparative have been recognised as part of property, plant and equipment. The information presented in this note for right-of-use assets therefore only includes the current period.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 4. Right-of-use assets and lease liabilities (continued)

#### Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
Land and buildings	176,227	-	-	-
Plant and machinery	1,550	-	-	-
Motor vehicles	68,932	-	-	-
Office equipment	1,219	-	-	-
	<b>247,928</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Group - 2020

#### Summary of right-of-use assets

	Cost N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000
Land and building leases	217,464	(41,237)	176,227
Plant and machinery leases	1,550	-	1,550
Motor vehicle leases	130,043	(61,111)	68,932
Office equipment leases	1,423	(204)	1,219
	<b>350,480</b>	<b>(102,552)</b>	<b>247,928</b>

Reconciliation of right-of-use assets	Opening balance N\$'000	Additions N\$'000	Additions through business combi- nations N\$'000	Disposals N\$'000	Transfers N\$'000	Depre- ciation N\$'000	Closing balance N\$'000
Land and building leases	-	210,597	6,735	-	132	(41,237)	176,227
Plant and machinery leases	-	1,550	-	-	-	-	1,550
Motor vehicle leases	-	31,182	-	(3,814)	68,766	(27,202)	68,932
Office equipment leases	-	644	-	-	740	(165)	1,219
	<b>-</b>	<b>243,973</b>	<b>6,735</b>	<b>(3,814)</b>	<b>69,638</b>	<b>(68,604)</b>	<b>247,928</b>

#### Other disclosures

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
Interest expense on lease liabilities	46,080	-	-	-
Expenses on short term leases included in operating expenses	211	-	-	-

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 4. Right-of-use assets and lease liabilities (continued)

#### Finance lease liabilities

The maturity analysis of lease liabilities is as follows:

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
Within one year	118,564	-	-	-
Two to five years	276,996	-	-	-
More than five years	426,431	-	-	-
	821,991	-	-	-
Less finance charges component	(477,776)	-	-	-
	<b>344,215</b>	-	-	-
Non-current liabilities	264,898	-	-	-
Current liabilities	79,317	-	-	-
	<b>344,215</b>	-	-	-

#### Comparative information for lease liabilities under IAS 17

The information presented for lease liabilities for the comparative period has been prepared on the basis of IAS 17, and therefore only represents the liability as at that date for finance leases and not for operating leases. In addition to the information presented in the table above, IAS 17 required an entity to present a reconciliation of the present value of lease payments for finance leases. This information is presented in the table which follows:

#### Minimum lease payments due

- within 1 year	46,191	-
- in second to fifth year inclusive	75,849	-
	<b>122,040</b>	-
less: future finance charges	- (27,366)	-
<b>Present value of minimum lease payments due</b>	<b>- 94,674</b>	-
Non-current liabilities	- 60,758	-
Current liabilities	- 33,916	-
	<b>- 94,674</b>	-

Liabilities above are secured by the right-of-use assets reflected above.

The fair value of finance lease liabilities approximates their carrying amounts

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 4. Right-of-use assets and lease liabilities (continued)

#### Group: Lease creditors

	Interest rate 2020%	Interest rate 2019%	2020 N\$'000	2019 N\$'000
<b>Avis Fleet Services</b>	Prime to	Prime to	80,367	75,550
N\$ 2,963,124 (2019: N\$ 3,042,352) monthly	Prime -2%	Prime -2%		
<b>Forklift &amp; Allied</b>	Prime	Prime	1,944	3,660
N\$ 145,041 (2019: N\$ 155,041) monthly				
<b>Omatemba Fleet Services</b>	Prime	Prime	7,738	8,831
N\$ 394,254 (2019: N\$ 537,141) monthly				
<b>First National Bank Ltd</b>	10.50%		528	-
N\$ 18,838 (2019: N\$ Nil) monthly				
<b>Bank Windhoek Limited</b>	Prime	Prime	166	353
N\$ 12,216 (2019: N\$ 12,499) monthly				
<b>Polyoak machines</b>	10.25%	10.25%	4,953	5,718
N\$ 106,938 (2019: N\$ 110,148) monthly				
<b>Omnitel services</b>	13.35%	13.35%	382	562
N\$ 62,824 (2019: N\$ 20,942) monthly				
<b>Kasika Conservancy</b>	10.50%		4,081	-
N\$ 87,739 (2019: Nil) monthly				
<b>RBE Kruger</b>	10.25%		344	-
N\$ 12,100 (2019: N\$ Nil) monthly				
<b>Jordaan Oosthuisen Nangolo</b>	Prime		113	-
N\$ 33,078 (2019: Nil) monthly				
<b>Property leases</b>				
<b>Leased land and buildings</b>	10.50%		243,599	-
N\$ 6,114,396 (2019: Nil) monthly				
Total lease creditors			344,215	94,674

#### Exposure to liquidity risk

Refer to note 52 Financial instruments and risk management for the details of liquidity risk exposure and management.

#### Exposure to currency risk

Refer to note 52 Financial instruments and financial risk management for details of currency risk management for lease liabilities.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 5. Investment property

Group	2020			2019		
	At valuation N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000	At valuation N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000
Investment property	2,312,341	-	2,312,341	2,589,247	-	2,589,247

#### Reconciliation of investment property - Group - 2020

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

#### Reconciliation of investment property - Group - 2019

	Opening balance N\$'000	Additions N\$'000	Fair value adjustments N\$'000	Total N\$'000
Investment property	2,272,049	238,008	79,190	2,589,247



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 5. Investment property (continued)

#### Pledged as security

Carrying value of assets pledged as security:

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
Freehold land and buildings	2,275,014	2,554,282	-	-

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 5. Investment property (continued)

#### **Central Properties (Proprietary) Limited:**

Central Properties (Pty) Ltd's investment property is encumbered against external debt (Preference Share loan granted by Standard Bank Namibia) held by WUM Properties (Pty) Ltd to an original amount of N\$119.8 million.

Suretyship is provided to Standard Bank Namibia in favour of Duiker Investments SPV (Pty) Ltd, whereby the mortgage bond No. B2316/2003 was ceded to Duiker Investments SPV (Pty) Ltd, Company Number 2009/0629, amounting to N\$140 million and Duiker Investments SPV (Pty) Ltd has agreed to issue the Duiker Investments SPV (Pty) Ltd guarantee in favour of Standard Bank Namibia. Central Properties has agreed to indemnify Duiker Investments SPV (Pty) Ltd under the Indemnity and as security for its obligations under the indemnity agrees to a cession of Mortgage Bond No. B2316/2003 to Duiker Investments SPV (Pty) Ltd. In accordance with the above, the following contingencies applies:

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

#### **Wernhil Park (Proprietary) Limited:**

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

The carrying value of assets pledged as security as follows:

- Alexander Forbes House (Erf 276 Windhoek) N\$ 299,129,620 (2019: N\$ 333,250,875)
- Wernhil Shopping Centre (Erf 7369 & 8879 Windhoek) N\$ 1,640,521,480 (2019: N\$ 1,773,118,647).

The properties listed above are security for the following:

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

# **Ohlthaver & List Finance and Trading Corporation Limited**

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## **Notes to the Annual Financial Statements**

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### **5. Investment property (continued)**

#### **WUM Properties (Proprietary) Limited group:**

Investment property - Erf 990 Windhoek:

Cross bonded at FNB for 1st bond of N\$ 26.2 million for debt held in the books of Wernhil Park (Pty) Ltd. (2019: Same)

Investment property - Erf 482 Swakopmund

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

Land and buildings - Ruhr Street Erf 3515 Windhoek

Cross-bonded at FNB for 1st bond of N\$ 10 million for debt held in the books of Wernhil Park (Pty) Ltd (2019: Same)

Investment Property - Erf 914 Tsumeb

Cross bonded at Bank Windhoek for 1st bond (B6938/2003) of N\$ 3 million (2019: same)

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 5. Investment property (continued)

#### Details of valuation

##### **WUM Properties (Proprietary) Limited group:**

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

\*Erf 77 On Independence valued at N\$ 29,415,000 (2019: N\$ 34,455,672) based on the income capitalisation method which includes the

following major assumptions:

Capitalization rate of 9.00% (2019: 8.50%);

Vacancy rate of 5% (2019: 2%); and

Expense rate of 15% (2019: 15%).

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

\* Erf 990 Windhoek valued at N\$ 101,430,000 (2019: N\$ 107,379,720) based on the Comparable Sales Method: This approach is based on the selling prices of comparable erven and an estimated demolishing cost of N\$ 3 million taken into account.

\* Erf 735 Okuryangava valued at N\$ 760,000 (2019: N\$ 559,500) based on the Replacement Cost Method: This method is based on the depreciated replacement costs of the improvements and the market value of land.

\* Erf 3515 Ruhr Street Windhoek valued at N\$ 42,215,000 (2019: N\$ 43,100,000) based on the Income Capitalisation method which includes the following major assumptions:

- Capitalisation rate of 9.00% (2019: 8.75%),

- Expenses based on 14.5% (2019: N\$ 14.5%) of income,

- Vacancy factor of 4.50% (2019: 4.50%).

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

---

### 5. Investment property (continued)

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\$ 2,730,000 (N\$ 2,800,000) 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\$ 6,240,000 (N\$ 6,860,000) based on the Investment method (Gross income multiplier/traditional

method) with the following major assumptions:

- Capitalization rate of 13.5% (2019: same) ,

- Potential rental between N\$ 50.00/m<sup>2</sup> and N\$ 65.00/m<sup>2</sup>,

- Vacancy and Outgoings rate: the property is currently unoccupied

\* Erf 1567 Otjiwarongo valued at N\$ 40,000 (2019: N\$ 35,000) based on Direct Comparable Approach which is based on the values of

similar properties within the area.

\* Erf 1570 Otjiwarongo valued at N\$ 40,000 (2019: N\$ 35,000) based on Direct Comparable Approach which is based on the values of

similar properties within the area.

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

\* Erf 526 Luderitz valued at N\$ 2,560,000 (2019: N\$ 2,560,000) based on the Comparable Sales Method which took into account for the

value of similar properties recently sold and an annual growth rate of -1% (2019: 2%),

\* Erf 331 Luderitz valued at N\$ 594,000 (2019: N\$ 600,000) based on the Comparable Sales Method which took into account for the

value of similar properties recently sold and an annual growth rate of -1% (2019: 2%),

#### **Central Properties (Proprietary) Limited:**

Investment land and buildings consist of consolidated Erf 7765 Windhoek known as the Standard Bank Centre. In the current year, the property was effectively revalued on 30 June 2020 by independent professional valuers, Jones Lang LaSalle (Pty) Ltd. A discounted cash flow valuation was performed using a discount rate of 13.00% (2019: 14.00%) and a exit yield rate of 8.25%, capitalization rate (2019: 8.50%).

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

- Kimishka Naidoo (Member of the Royal Institute of Chartered Surveyors (MRICS) and

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 5. Investment property (continued)

#### **Wernhil Park (Proprietary) Limited:**

Investment property consist of Erf 276 (Alexander Forbes House) and Erf 7369 (Wernhil Park shopping centre) in Windhoek as at 30 June 2020.

In the current year, the properties were valued by Jones Lang LaSalle (Proprietary) Ltd at N\$ 299 million (2019: N\$ 333 million) and N\$ 1 640 billion (2019: N\$ 1 773 billion) respectively.

A discounted cash flow valuation was performed using a discount rate of 13% (2019: 13.5%) for AFH and 12% (2019: 12.5%) for WSC, while an exit yield rate (2019: capitalisation rate) of 8.75% (2019: 8.25%) and 7.75% (2019: 7%) were used respectively.

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

The effective date of the revaluations was 30 June, 2020. The responsible valuers for this valuation is Kimishka Naidoo (MRICS), Shawn Crous (MRICS) and Joshua Askew (FRICS). These valuers are qualified by RICS Valuation - Professional Standards and are RICS Registered Valuers.

#### Key

WSC - Wernhil Park Shopping Centre

AFH - Alexander Forbes House

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 5. Investment property (continued)

Additional disclosures on the valuations of Central Properties (Proprietary) Limited and Wernhil Park (Proprietary) Limited:

The outbreak of the Novel Coronavirus (COVID-19) has significantly affected the entire world economy and that of Africa. Some key sectors of the economy are already experiencing a significant slowdown as a result of this. As the entire Namibia came under State of Emergency regulations and is currently still under Government's mandated instructions relating thereto, we have taken cognizance of the impact that this has had on all businesses and especially within the retail sector.

The uncertain economic outlook has resulted in a decrease of consumer spend and foot traffic in the malls under management. The pandemic can therefore have an effect on the viability of our tenants' businesses and their ability to meet their rental obligations.

Based on the above mentioned, rental relief measures have been introduced to tenants for the month of April 2020 relating to rent and operational costs payable. The extent of the relief (N\$ 5.3m) was based on the discretion of the landlord, having taken cognizance of the guidelines being applied by industry bodies and own specific circumstances.

The relief was a once-off and did not result in material significant modifications to tenant leases.

In addition to the aforementioned, we have no certainty of the extent, timing and likely total impact of this crises on all our businesses, and the general Namibian economy, and we deem the existing measures as appropriate and mitigating.

The assumptions that have the most significant impact on the valuations as well as the sensitivity analysis are listed in note 52.

The below was noted on the valuation report:

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Many countries have implemented travel restrictions.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with a unique set of circumstances on which to base a judgement.

Our valuation is therefore reported based on "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would typically be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the properties under frequent review.

Management however already performs valuations twice per annum – the situation will be monitored closely.

#### **Hartlief Corporation Limited group:**

The investment property consist of Erf 499, Anderbolt Extension 118 Johannesburg , measuring 5587 square meters and Erf 8383, Ongwediva Extension 12 with commercial buildings thereon measuring 4 687 square meters.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 5. Investment property (continued)

#### Amounts recognised in profit and loss for the year

Rental income earned from investment property leased out under operating leases	160,802	158,564	-	-
Direct operating expenses arising on investment property leased out under operating leases	(28,578)	(30,511)	-	-
	<b>132,224</b>	<b>128,053</b>	-	-

#### Fair value adjustment during the year

Valuation obtained from independent sworn appraisers	(303,600)	82,264	-	-
Recognised lease obligations and assets	2,441	(3,074)	-	-
	<b>(301,159)</b>	<b>79,190</b>	-	-

#### Adjusted valuations

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

#### Valuation as per financial statements: Central Properties (Pty) Ltd

##### Standard Bank Centre: Erf 7765 Windhoek

Balance as per valuation report	183,700	289,500	-	-
Tenant commissions and allowances	(155)	(617)	-	-
Deferred rental assets	(512)	(443)	-	-
	<b>183,033</b>	<b>288,440</b>	-	-

#### Valuation as per financial statements: Wernhil Park (Pty) Ltd

##### Erf 276 (Alexander Forbes House) and Erf 7369 (Wernhil Park shopping centre)

Valuation obtained	1,974,300	2,133,669	-	-
Tenant commissions and allowances	(10,322)	(5,518)	-	-
Deferred rental assets	(24,327)	(21,781)	-	-
	<b>1,939,651</b>	<b>2,106,370</b>	-	-

#### Valuation as per financial statements: WUM Properties (Pty) Ltd

##### Erf 990 & Erf 3515 Windhoek and Erf 482 Swakopmund

Valuation obtained	146,375	153,290	-	-
Tenant commissions and allowances	(24)	(133)	-	-
Deferred rental assets	(260)	(544)	-	-
	<b>146,091</b>	<b>152,613</b>	-	-



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 6. Biological assets

Group	2020			2019		
	Cost / valuation N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000	Cost / valuation N\$'000	Accumulated depreciation N\$'000	Carrying value N\$'000
Milk cows	27,608	-	27,608	32,680	-	32,680
Work in progress – Agronomy	94	-	94	974	-	974
Abalone	16,273	-	16,273	20,315	-	20,315
Game	2,278	-	2,278	2,116	-	2,116
<b>Total</b>	<b>46,253</b>	<b>-</b>	<b>46,253</b>	<b>56,085</b>	<b>-</b>	<b>56,085</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 6. Biological assets (continued)

#### Reconciliation of biological assets - Group - 2020

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

#### Reconciliation of biological assets - Group - 2019

	Opening balance N\$'000	Additions N\$'000	Decreases due to harvest / sales N\$'000	Disposals and deaths N\$'000	Gains or losses arising from changes in fair value attributable to growth N\$'000	Other changes, movements N\$'000	Total N\$'000
Milk cows	32,118	-	(11,097)	-	11,659	-	32,680
Work in progress – Agronomy	704	-	-	-	-	270	974
Abalone	17,118	4,000	-	(664)	(139)	-	20,315
Game	1,736	-	-	-	380	-	2,116
	<b>51,676</b>	<b>4,000</b>	<b>(11,097)</b>	<b>(664)</b>	<b>11,900</b>	<b>270</b>	<b>56,085</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 6. Biological assets (continued)

#### Non – Financial information

#### Quantities of each biological asset

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
Abalone ('000 kg)	46	52	-	-
Game *	423	508	-	-
Milk cows	2,180	2,571	-	-
	<b>2,649</b>	<b>3,131</b>	-	-

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

#### Methods and assumptions used in determining fair value

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

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

The fair value of 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\$ 17.27 (2019: N\$ 14.04). A fair value gain of N\$ 4,625,341 (2019: loss of N\$ 139,457) was recognised as a result of the appreciation of the exchange rate and the increased mass of the abalone since the last valuation was performed.

### 7. Intangible assets

Group	2020			2019		
	Cost / Valuation N\$'000	Accumulated amortisation N\$'000	Carrying value N\$'000	Cost / Valuation N\$'000	Accumulated amortisation N\$'000	Carrying value N\$'000
Software	103,942	(69,717)	34,225	91,165	(62,785)	28,380
Goodwill	13,345	-	13,345	11,366	-	11,366
Trademark	32,297	(1,533)	30,764	4,000	(1,133)	2,867
<b>Total</b>	<b>149,584</b>	<b>(71,250)</b>	<b>78,334</b>	<b>106,531</b>	<b>(63,918)</b>	<b>42,613</b>

#### Reconciliation of intangible assets - Group - 2020

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 7. Intangible assets (continued)

#### Reconciliation of intangible assets - Group - 2019

	Opening balance N\$'000	Additions N\$'000	Additions through business combinations N\$'000	Amortisation N\$'000	Total N\$'000
Software	33,212	2,868	-	(7,700)	28,380
Goodwill	6,015	-	5,351	-	11,366
Trademark	3,267	-	-	(400)	2,867
	<b>42,494</b>	<b>2,868</b>	<b>5,351</b>	<b>(8,100)</b>	<b>42,613</b>

#### Other information

Intangible assets, other than goodwill, are amortised over their useful lives. The useful lives of the trademarks in NBL Investment Holdings and Hartlief Corporation Limited are considered indefinite. It is not bound by any expiry period as there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the group. The foreseeable lives of the intangible assets range between 3 and 7 years. The charges to profit or loss are shown in Note 37. Goodwill and trademarks are assessed for impairment annually

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 8. Interests in subsidiaries

The carrying amounts of subsidiaries consist of shares at cost.

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

- O&L South Africa,
- NBL SA Proprietary Ltd,
- Hartlief Properties SA (Proprietary) Ltd,
- Hartlief Continental Meat Products SA (Proprietary) Ltd and
- FM Meat Market (Proprietary) Ltd.

The companies listed above are incorporated in South Africa.

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

- Eros Air (Proprietary) Limited,
- Khan Construction Company (Proprietary) Limited,
- Kraatz Marine (Proprietary) Limited,
- O&L Centre (Proprietary) Limited,
- O&L Energy (Proprietary) Limited,
- O&L Leisure (Proprietary) Limited and
- Organic Energy Solutions (Proprietary) Limited

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

# OHLTHAVER & LIST TRADING CORPORATION LIMITED

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 8. Interest in subsidaires (continued)

Name of company	Held by	Nature of business	Issued Capital N\$'000	Group effective holding		Shares at cost		Indebtedness to / (by) the company		Impairment of interest/provision for	
				2020	2019	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
<b>Broll &amp; List Property Management (Namibia) (Proprietary)</b>	OLFITRA	Property management	1	50.10%	50.10%	1	1	-	-	-	-
<b>Central Properties (Proprietary) Limited</b>	OLFITRA	Letting of property	8	100.00%	100.00%	8	8	-	-	-	-
<b>Consortium Fisheries Limited</b>	OLFITRA	Investment holding	1,903	98.30%	97.85%	3,807	3,345	101,512	101,512	(102)	(102)
-Hangana Seafood (Proprietary) Limited	COFI	Processing of fish	90	95.15%	94.72%	-	-	5,000	-	(5)	-
- Kraatz Marine (Proprietary) Limited	COFI	Marine and industrial fabarication and repair	30,349	98.30%	97.85%	-	-	87,095	82,196	(77,907)	(77,224)
<b>Eros Air (Proprietary) Limited</b>	OLFITRA	Dormant	60	100.00%	100.00%	60	60	54,094	11,421	(11,351)	(11,328)
<b>Hartlief Corporation Limited</b>	OLFITRA	Processing of meat	93,969	78.91%	0.00%	143,507	-	-	-	-	-
<b>ICT Holdings (Proprietary) Limited</b>	OLFITRA	Consulting service to supply electronic services	-	100.00%	100.00%	-	-	3,000	2,973	(3)	(3)
<b>OLC Solar Energy (Proprietary) Limited</b>	OLFITRA	Energy solutions	-	100.00%	100.00%	-	-	-	-	-	-
<b>OLC Northern Sun (Proprietary) Limited (Previously Windhoek Parking)</b>	OLFITRA	Dormant	-	100.00%	100.00%	-	-	-	-	-	-
<b>OLC Solar Energy (Proprietary) Limited</b>	OLFITRA	Energy solutions	-	100.00%	100.00%	-	-	-	-	-	-
<b>O&amp;L Centre (Proprietary) Limited</b>	OLFITRA	Corporate head office	-	100.00%	100.00%	-	-	542,432	425,193	(542,432)	(425,193)
<b>O&amp;L Energy (Proprietary) Limited</b>	OLFITRA	Energy solutions	-	100.00%	100.00%	-	-	32,827	31,327	(23,187)	(17,384)
-Organic Energy Solutions (Proprietary) Limited	ENERGY	Manufacturing of products sourced from bush	-	75.00%	75.00%	-	-	2,947	2,947	(2,947)	(2,947)
<b>O&amp;L South Africa (Proprietary) Limited</b>	OLFITRA	South Africa head office	-	100.00%	100.00%	-	-	-	-	-	-
<b>O&amp;L Beverage Company (Proprietary) Limited</b>	OLFITRA	Investment holding	123	100.00%	100.00%	297	297	100,143	32,243	(100)	(32)
- NBL Investment Holdings (Proprietary) Limited	BEV	Investment holding	4,909	50.02%	50.02%	-	-	-	13	-	(0)
-Namibia Breweries Limited	NBLIH	Manufacturing & distribution of beer & soft drinks	1,024	29.84%	29.84%	4,875	4,875	-	-	-	-
<b>Weathermen and Company Advertising (Proprietary) Limited</b>	OLFITRA	Advertising and marketing	1	50.10%	50.10%	1	1	751	751	(1)	(1)

# OHLTHAVER & LIST TRADING CORPORATION LIMITED

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 8. Interest in subsidaires (continued)

Name of company	Held by	Nature of business	Issued Capital N\$'000	Group effective holding		Shares at cost		Indebtedness to / (by) the company		Impairment of interest/provision for	
				2020	2019	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
- Utterly Social Media (Proprietary) Limited	WCO	Advertising and marketing	1	0.00%	25.10%	-	-	-	-	-	-
<b>Wernhil Park (Proprietary) Limited</b>	OLFITRA	Letting of property	16,521	100.00%	100.00%	16,521	16,521	(78,579)	(78,579)	-	-
<b>Windhoek Schlachtereij (Proprietary) Limited</b>	OLFITRA	Processing of meat	31,580	90.00%	90.00%	32,938	32,938	35,518	35,518	(36)	(35)
<b>WUM Properties (Proprietary) Limited</b>	OLFITRA	Retail, property management and investment holding	-	97.85%	97.85%	1,807	1,807	45,716	45,251	(46)	(45)
-Namibia Dairies (Proprietary) Limited *	WUM	Manufacturing & distribution of dairy products	2	97.85%	97.85%	35,000	35,000	125,399	63,634	(125)	(64)
-Natural Value Foods (Proprietary) Limited	WUM	Fresh produce	-	97.8500%	0.00%	-	-	-	-	-	-
-Khan Construction (Proprietary) Limited	WUM	Investment holding	-	97.85%	97.85%	-	-	17,975	17,975	(17,975)	(17,975)
-O&L Leisure (Proprietary) Limited	KHAN	Hospitality industry	-	97.85%	97.85%	-	-	698,081	623,104	(130,069)	(59,828)
						238,821	94,853	1,773,911	1,397,479	(806,286)	(612,163)

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

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

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

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

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

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

**WCO** - Weathermen and Company Advertising (Proprietary) Limited

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 8. Interests in subsidiaries (continued)

#### Subsidiaries pledged as security

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

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

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

Acquisition of 17,088 (2019: 798) shares in Consortium Fisheries Limited from non-controlling interest, increasing effective shareholding from 97.85% to 98.30% (2019: 97.83% to 97.85%).	1,290	92	-	-
Acquisition of 25,179 shares in NBL Investment Holdings (Proprietary) Limited from non-controlling interest, increasing ownership from 50.01% to 50.02%.	-	69	-	-
Acquisition of 9,525,432 and 33,339 shares in Hartlief Corporation Limited from non-controlling interest, increasing ownership from 68.73% to 78.87% and from 78.87% to 78.91% respectively.	10,464	-	-	-
Acquisition of 10% shareholding in Hangana Abalone (Proprietary) Limited by Hangana Seafood (Proprietary) Limited, increasing ownership from 90% to 100%.	(8,540)	-	-	-
	<b>3,214</b>	<b>161</b>	-	-

#### 2020:

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

#### 2019:

The consideration paid of N\$ 1,154,895 less the decrease of N\$ 161,153 of equity attributable to owners of the group resulted in a loss on change of ownership of N\$ 993,742 which is included in changes in ownership reserve.



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 8. Interests 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.

	Country of incorporation	% Ownership interest held by non-controlling interest	
		2020	2019
O&L Beverages Group	Namibia	49.98 %	49.98 %
Hartlief Corporation Limited Group	Namibia	21.09 %	- %

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

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

#### Summarised statement of financial position

	O&L Beverages Group		Hartlief Corporation Limited Group	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019
<b>Assets</b>				
Non-current assets	2,358,417	2,475,125	412,540	-
Current assets	1,083,078	1,221,507	46,013	-
<b>Total assets</b>	<b>3,441,495</b>	<b>3,696,632</b>	<b>458,553</b>	<b>-</b>
<b>Liabilities</b>				
Non-current liabilities	785,436	473,531	87,916	-
Current liabilities	439,176	760,091	146,895	-
<b>Total liabilities</b>	<b>1,224,612</b>	<b>1,233,622</b>	<b>234,811</b>	<b>-</b>
<b>Total net assets</b>	<b>2,216,883</b>	<b>2,463,010</b>	<b>223,742</b>	<b>-</b>
Carrying amount of non-controlling interest	799,867	899,793	50,346	-

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 8. Interests in subsidiaries (continued)

#### Summarised statement of profit or loss and other comprehensive income

	O&L Beverages Group		Hartlief Corporation Limited Group	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Revenue	2,645,833	3,097,583	164,177	-
Other income and expenses	(2,305,728)	(2,015,278)	(175,682)	-
<b>Profit / (loss) before tax</b>	<b>340,105</b>	<b>1,082,305</b>	<b>(11,505)</b>	<b>-</b>
Tax expense	(81,612)	(154,288)	3,334	-
<b>Profit/ (loss)</b>	<b>258,493</b>	<b>928,017</b>	<b>(8,171)</b>	<b>-</b>
Other comprehensive income	(42,007)	708	-	-
<b>Total comprehensive income</b>	<b>216,486</b>	<b>928,725</b>	<b>(8,171)</b>	<b>-</b>
<b>Profit / (loss) allocated to non-controlling interest</b>	<b>106,221</b>	<b>377,551</b>	<b>(2,071)</b>	<b>-</b>

#### Summarised statement of cash flows

	O&L Beverages Group		Hartlief Corporation Limited Group	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
Cash flows from operating activities	333,690	538,143	(1,489)	-
Cash flows from investing activities	(46,827)	(159,391)	(3,386)	-
Cash flows from financing activities	(231,836)	(610,060)	(2,594)	-
Net (decrease) increase in cash and cash equivalents	55,027	(231,308)	(7,469)	-
<b>Dividend paid to non-controlling interest</b>	<b>(187,997)</b>	<b>(409,091)</b>	<b>-</b>	<b>-</b>

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

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
Aggregate profits	-	-	283,300	1,067,202
Aggregate losses	-	-	(570,107)	(179,394)
	<b>-</b>	<b>-</b>	<b>(286,807)</b>	<b>887,808</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 9. Investment in Joint ventures

#### Joint ventures

Name of company	Nature of business	% ownership interest	% ownership interest	Carrying amount N\$'000	Carrying amount N\$'000
		2020	2019	2020	2019
Brandtribe (Proprietary) Limited	Digital marketing	50.00 %	50.00 %	-	-
O&L Fresh Produce (Proprietary) Limited (previously Natural Value Foods Namibia (Proprietary) Limited)	Supply of fresh produce	- %	48.90 %	-	3,328
SIP Project Management Namibia (Proprietary) Limited	Project management	25.50 %	25.50 %	-	108
				-	3,436

During the year under review WUM Properties (Proprietary) Limited purchased the remaining 50% shares owned by O&L Fresh Produce (Proprietary) Limited. Therefore the company is now disclosed as investment in subsidiary.

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

The Group's share of unrecognised joint ventures is detailed below.

The unaudited share of total comprehensive loss as per Brandtribe (Proprietary) Limited financial statements amounts to N\$ 252,159 for the year ended 30 June 2020 (2019: (N\$ 183,419)). The unrecognised share of loss of Brandtribe (Proprietary) Limited for the group for 2020 amounts to N\$ 252,159 (2019: N\$183,419), while the cumulative unrecognised share of losses amounts to N\$ 1,240,499 as at 30 June 2020 (2019: N\$ 1,027,382).

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

Share of profit (loss) from continuing operations	(142)	(129)
Share of total comprehensive loss	(139)	(203)

#### Carrying value

##### Cost of investment

Beginning of the year	3,436	3,748	-	-
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##### Share of joint venture reserves

Profit (loss) for the year from ongoing operations	(108)	(312)	-	-
Reclassification to interest in subsidiary	(3,328)	-	-	-
	-	3,436	-	-

### 10. Investments in associates

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 10. Investments in associates (continued)

Name of company	Nature of business	% ownership interest 2020	% ownership interest 2019	Carrying amount 2020 N\$'000	Carrying amount 2019 N\$'000
Dimension Data Namibia (Proprietary) Limited	Consulting services to supply electronic communication	51.00 %	51.00 %	7,990	3,817
Heineken South Africa Proprietary Limited	Manufacturing and distribution of beer and soft drinks	25.00 %	25.00 %	778,662	855,365
OLC Arandis Solar Energy (Proprietary) Limited	Solar energy producer	35.00 %	35.00 %	7,049	7,967
				793,701	867,149

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

### Material associates

The following associates are material to the group:

	Country of incorporation	Method	% Ownership interest 2020	% Ownership interest 2019
Heineken South Africa Proprietary Limited	South Africa		25 %	25 %

In 2019 the Directors of Heineken South Africa Proprietary Limited have assessed that a portion of Heineken South Africa Proprietary Limited's assessed loss of N\$1.3bn 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 our 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 (2019: N\$73.6m) owed by Heineken South Africa Proprietary Limited. The loan to the associate is unsecured and bears interest at South African Prime rate (2019: JIBAR + 2%) The loan is repayable on 22 September 2022.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 10. Investments in associates (continued)

#### Summarised financial information of material associates

Summarised Statement of Profit or Loss and Other Comprehensive Income

	Heineken South Africa Proprietary Limited	
	2020 N\$'000	2019 N\$'000
Revenue	8,272,324	9,333,017
Other income and expenses	(8,732,586)	(8,675,766)
(Loss)/profit before tax	(460,262)	657,251
Tax expense	153,454	1,144,916
(Loss)/profit from continuing operations	(306,808)	1,802,167
<b>Total comprehensive (loss) income</b>	<b>(306,808)</b>	<b>1,802,167</b>

Summarised Statement of Financial Position

	Heineken South Africa Proprietary Limited	
	2020 N\$'000	2019 N\$'000
<b>Assets</b>		
Non-current	7,736,300	6,376,700
Current	2,884,300	1,137,600
<b>Total assets</b>	<b>10,620,600</b>	<b>7,514,300</b>
<b>Liabilities</b>		
Non-current	2,812,200	1,604,200
Current	5,105,500	2,990,300
<b>Total liabilities</b>	<b>7,917,700</b>	<b>4,594,500</b>
<b>Total net assets</b>	<b>2,702,900</b>	<b>2,919,800</b>

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.

Reconciliation of net assets to equity accounted investments in associates

Carrying value of investment in associate

Cost of investment	603,992	603,992
Share of associate's reserves		
Beginning of the year	263,157	(186,137)
Share of (loss)/profit	(73,448)	119,815
Deferred tax asset write back	-	334,694
Dividends received from associate	-	(5,215)
Investment at end of period	<b>793,701</b>	<b>867,149</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 10. Investments in associates (continued)

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

	Group 2020 N\$'000	Group 2019 N\$'000
Total assets	134,180	144,746
Total liabilities	(98,973)	(111,307)
Revenue	127,064	152,895
Profit	7,280	6,527
Group's share of associate's net assets	54,193	58,443
Group's share of profit for the year	3,897	3,967
Dividend income from associate	-	5,216

#### Associates with different reporting dates

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

Management accounts are prepared at the group's year end for consolidation.

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. Half year audited figures for the financial year of the group is provided for consolidation.

#### 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.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>11. Loans to group companies</b>				
Loans to group companies				
Eros Air (Proprietary) Limited	-	-	42,743	93
Windhoek Schlachtereij (Proprietary) Limited	-	-	35,482	35,483
ICT Holdings (Proprietary) Limited	-	-	2,997	2,997
WUM Properties (Proprietary) Limited	-	-	45,670	443,726
Namibia Dairies (Proprietary) Limited	-	-	125,274	63,570
O&L Leisure (Proprietary) Limited	-	-	568,012	563,277
O&L Energy (Proprietary) Limited	-	-	9,640	13,943
Consortium Fisheries Limited	-	-	101,410	101,410
Hangana Seafood (Proprietary) Limited	-	-	4,995	-
Kraatz Marine (Proprietary) Limited	-	-	9,188	4,972
O&L Beverage Company (Proprietary) Limited	-	-	100,043	32,211
NBL Investment Holdings (Proprietary) Limited	-	-	-	13
Weathermen & Co (Proprietary) Limited	-	-	750	751
	-	-	<b>1,046,204</b>	<b>1,262,446</b>

	Gross carrying amount	2020 Loss allowance	Amortised cost	Gross carrying amount	2019 Loss allowance	Amortised cost
Loans to group companies						
Non-current assets	1,601,834	(672,634)	929,200	1,595,108	(595,764)	999,344
Current assets	250,656	(133,652)	117,004	279,501	(16,399)	263,102
	<b>1,852,490</b>	<b>(806,286)</b>	<b>1,046,204</b>	<b>1,874,609</b>	<b>(612,163)</b>	<b>1,262,446</b>

The loans to/(from) group companies bear no interest and have no fixed repayment period, except for O&L Leisure (Proprietary) Limited whose loan bears interest at 3 month JIBAR+3,8%. O&L Leisure's interest has been waived in the current year due to the impact of COVID-19 had on their operations.

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

The company has deferred its right to claim repayment of debt owing to it of N\$ 1,187 million (2019: N\$ 1,592 million) by certain subsidiaries until the assets of these subsidiaries, fairly valued, exceeded their liabilities.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>11. Loans to group companies (continued)</b>				
<b>Non-current assets</b>				
Windhoek Schlachtereij (Proprietary) Limited	-	-	35,482	35,483
Eros Air (Proprietary) Limited	-	-	42,743	93
ICT Holdings (Proprietary) Limited	-	-	-	2,997
O&L Beverage Company (Proprietary) Limited	-	-	100,043	-
O&L Energy (Proprietary) Limited	-	-	9,640	12,743
WUM Properties (Proprietary) Limited	-	-	-	443,726
Hangana Seafood (Proprietary) Limited	-	-	4,995	-
Kraatz Marine (Proprietary) Limited	-	-	9,188	4,972
Namibia Dairies (Proprietary) Limited	-	-	59,375	59,436
O&L Leisure (Proprietary) Limited	-	-	568,012	340,172
Consortium Fisheries Limited	-	-	99,722	99,722
	-	-	<b>929,200</b>	<b>999,344</b>
<b>Current assets</b>				
ICT Holdings (Proprietary) Limited	-	-	2,997	-
O&L Beverage Company (Proprietary) Limited	-	-	-	32,211
O&L Energy (Proprietary) Limited	-	-	-	1,200
WUM Properties (Proprietary) Limited	-	-	45,670	-
Weathermen & Co (Proprietary) Limited	-	-	750	751
Namibia Dairies (Proprietary) Limited	-	-	65,899	4,134
O&L Leisure (Proprietary) Limited	-	-	-	223,105
Consortium Fisheries Limited	-	-	1,688	1,688
NBL Investment Holdings (Proprietary) Limited	-	-	-	13
	-	-	<b>117,004</b>	<b>263,102</b>
<b>Split between non-current and current portions</b>				
Non-current assets	-	-	929,200	999,344
Current assets	-	-	117,004	263,102
	-	-	<b>1,046,204</b>	<b>1,262,446</b>



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 11. Loans to group companies (continued)

#### Exposure to credit risk

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

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

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

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 11. Loans to group companies (continued)

#### Credit loss allowances

#### Company - 2020

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 11. Loans to group companies (continued)

#### Company - 2019

	Basis of loss allowance	Gross Carrying amount N\$'000	Loss allowance N\$'000	Amortised cost N\$'000
<b>Loans to group companies</b>				
O&L Centre (Proprietary) Limited	Lifetime ECL (credit impaired)	425,195	(425,195)	-
Windhoek Schlachtereij (Proprietary) Limited	Lifetime ECL (credit impaired)	35,518	(35)	35,483
Eros Air (Proprietary) Limited	Lifetime ECL (credit impaired)	11,421	(11,328)	93
ICT Holdings (Proprietary) Limited	Lifetime ECL (credit impaired)	3,000	(3)	2,997
O&L Beverage Company (Proprietary) Limited	Lifetime ECL (credit impaired)	32,243	(32)	32,211
O&L Energy (Proprietary) Limited	Lifetime ECL (credit impaired)	31,327	(17,384)	13,943
WUM Properties (Proprietary) Limited	Lifetime ECL (credit impaired)	443,771	(45)	443,726
Weathermen & Co (Proprietary) Limited	Lifetime ECL (credit impaired)	752	(1)	751
Khan Construction Company (Proprietary) Limited	Lifetime ECL (credit impaired)	17,975	(17,975)	-
Organic Energy Solutions (Proprietary) Limited	Lifetime ECL (credit impaired)	2,947	(2,947)	-
Kraatz Marine (Proprietary) Limited	Lifetime ECL (credit impaired)	82,196	(77,224)	4,972
Namibia Dairies (Proprietary) Limited	Lifetime ECL (credit impaired)	63,634	(64)	63,570
O&L Leisure (Proprietary) Limited	Lifetime ECL (credit impaired)	623,105	(59,828)	563,277
Consortium Fisheries Limited	Lifetime ECL (credit impaired)	101,512	(102)	101,410
NBL Investment Holdings (Proprietary) Limited	Lifetime ECL (not credit impaired)	13	-	13
		<b>1,874,609</b>	<b>(612,163)</b>	<b>1,262,446</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 11. Loans to group companies (continued)

#### Exposure to currency risk

#### Loans to group companies

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

#### Namibia Dollar amount

Namibia Dollar	-	-	1,046,204	1,262,446
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#### Reconciliation of loans to group companies

Company - 2020	Opening balance N\$'000	Loans advanced N\$'000	Loans repaid N\$'000	(Increase) / decrease in provision for loss N\$'000	Non-cash movement N\$'000	Closing balance N\$'000
Consortium Fisheries Limited	101,410	-	-	-	-	101,410
Eros Air (Proprietary) Limited	93	42,673	-	(23)	-	42,743
Hangana Seafood (Proprietary) Limited	-	5,000	-	(5)	-	4,995
ICT Holdings (Proprietary) Limited	2,997	-	-	-	-	2,997
Kraatz Marine (Proprietary) Limited	4,972	4,899	-	(683)	-	9,188
Namibia Dairies (Proprietary) Limited	63,570	61,765	-	(61)	-	125,274
NBL Investment Holdings (Proprietary) Limited	13	-	(13)	-	-	-
O&L Beverage Company (Proprietary) Limited	32,211	67,900	-	(68)	-	100,143
O&L Centre (Proprietary) Limited	-	117,237	-	(117,237)	-	-
O&L Energy (Proprietary) Limited	13,943	1,500	-	(5,803)	-	9,640
O&L Leisure (Proprietary) Limited	563,277	74,976	-	(70,241)	-	568,012
Weathermen & Co (Proprietary) Limited	751	-	(1)	-	-	750
Windhoek Schlachtereij (Proprietary) Limited	35,483	-	-	(1)	-	35,483
WUM Properties (Proprietary) Limited	443,726	464	-	-	(398,520)	45,670
	<b>1,262,446</b>	<b>376,414</b>	<b>(14)</b>	<b>(194,122)</b>	<b>(398,520)</b>	<b>1,046,305</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 11. Loans to group companies (continued)

Company - 2019	Opening balance N\$'000	Loans advanced N\$'000	Loans repaid N\$'000	(Increase) / decrease in provision for loss N\$'000	Non-cash movement N\$'000	Closing balance N\$'000
Consortium Fisheries Limited	111,512	-	(10,000)	(102)	-	101,410
Eros Air (Proprietary) Limited	68	-	(100)	125	-	93
Hangana Seafood (Proprietary) Limited	2,780	-	(2,780)	-	-	-
ICT Holdings (Proprietary) Limited	3,000	-	-	(3)	-	2,997
Kraatz Marine (Proprietary) Limited	10,439	14,861	-	(20,328)	-	4,972
Namibia Dairies (Proprietary) Limited	59,181	4,453	-	(64)	-	63,570
NBL Investment Holdings (Proprietary) Limited	-	13	-	-	-	13
O&L Beverage Company (Proprietary) Limited	17,712	14,531	-	(32)	-	32,211
O&L Centre (Proprietary) Limited	-	56,227	-	(56,227)	-	-
O&L Energy (Proprietary) Limited	12,607	6,648	-	(5,312)	-	13,943
O&L Leisure (Proprietary) Limited	581,081	42,024	-	(59,828)	-	563,277
Weathermen & Co (Proprietary) Limited	373	379	-	(1)	-	751
Windhoek Schlachtereij (Proprietary) Limited	35,518	-	-	(35)	-	35,483
WUM Properties (Proprietary) Limited	439,700	4,071	-	(45)	-	443,726
	<b>1,273,971</b>	<b>143,207</b>	<b>(12,880)</b>	<b>(141,852)</b>	<b>-</b>	<b>1,262,446</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>12. Loans to related parties</b>				
OLC Arandis Solar Energy (Proprietary) Ltd	9	2,111	-	-
Directors and past directors	46	132	-	92
SIP Project Managers (Namibia) (Proprietary) Ltd	190	528	-	-
The Werner List Trust	-	761	-	-
List Trust Company (Proprietary) Limited	-	5,696	-	5,696
Heineken South Africa Proprietary Limited	43,190	156,791	-	-
Heineken South Africa Exports Company Proprietary Limited	1,341	2,556	-	-
O&L Fresh Produce (Proprietary) Limited	-	1,763	-	-
Dimension Data Namibia (Proprietary) Limited	201	174	-	-
	<b>44,977</b>	<b>170,512</b>	<b>-</b>	<b>5,788</b>

The loans to List Trust Company (Proprietary) Limited were repaid in the current year.

The Werner List Trust loan was repaid in the current year.

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

For detailed related party information refer to Note 50.

### Split between non-current and current portions

Non-current assets	-	5,696	-	5,696
Current assets	44,977	164,816	-	92
	<b>44,977</b>	<b>170,512</b>	<b>-</b>	<b>5,788</b>

### Loans to related parties pledged as security

Loans with a carrying amount of N\$ 43,190,049 (2019: N\$ 156,791,339) were pledged as security to secure liabilities as per Note 28.

### Exposure to credit risk

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 12. Loans to related parties (continued)

#### Credit loss allowances

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

#### Group - 2020

	Gross Carrying amount N\$'000	Loss allowance	Amortised cost N\$'000
OLC Arandis Solar Energy (Proprietary) Ltd	9	-	9
Directors and past directors	46	-	46
SIP Project Managers (Namibia) (Proprietary) Ltd	190	-	190
Heineken South Africa Proprietary Limited	43,190	-	43,190
Heineken South Africa Exports Company Proprietary Limited	1,341	-	1,341
Dimension Data Namibia (Proprietary) Limited	201	-	201
	<b>44,977</b>	<b>-</b>	<b>44,977</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 12. Loans to related parties (continued)

#### Group - 2019

	Gross Carrying amount N\$'000	Loss allowance N\$'000	Amortised cost N\$'000
OLC Arandis Solar Energy (Proprietary) Ltd	2,111	-	2,111
Directors and past directors	132	-	132
SIP Project Managers (Namibia) (Proprietary) Ltd	528	-	528
The Werner List Trust	809	(48)	761
List Trust Company (Proprietary) Limited	5,696	-	5,696
Heineken South Africa Proprietary Limited	156,791	-	156,791
Heineken South Africa Exports Company Proprietary Limited	2,556	-	2,556
O&L Fresh Produce (Proprietary) Limited	1,763	-	1,763
Dimension Data Namibia (Proprietary) Limited	175	(1)	174
	<b>170,561</b>	<b>(49)</b>	<b>170,512</b>

#### Company - 2020

Nil

#### Company - 2019

	Gross Carrying amount N\$'000	Amortised cost N\$'000
Directors and past directors	92	92
The Werner List Trust	5,696	5,696
	<b>5,788</b>	<b>5,788</b>

#### Exposure to currency risk

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

#### Exposure to interest rate risk

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

#### Fair value of loans to shareholders

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



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 13. Loans receivable

Loans receivable are presented at amortised cost, which is net of loss allowance, as follows:

Token Fisheries (Proprietary) Ltd	13,306	12,267	-	-
The loan bears interest at Nedbank Prime less 4% and has a term of not more than 10 years which started from September 2013.				
L Heydenrich	-	434	-	-
The loan to L Heydenrich bears interest at 0% and there are no repayment terms. The group holds a right of execution over the Farm Leeudrink, No. 940. The fair value of the farm exceeds the carrying amount of the loan.				
Women of Destiny	-	5,518	-	-
The loan is fully repayable within 12 months and bears interest at a fixed rate of 12.75%.				
	<b>13,306</b>	<b>18,219</b>	<b>-</b>	<b>-</b>

### Split between non-current and current portions

Non-current assets	13,306	12,701	-	-
Current assets	-	5,518	-	-
	<b>13,306</b>	<b>18,219</b>	<b>-</b>	<b>-</b>

### Exposure to credit risk

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

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

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 13. Loans receivable (continued)

#### Credit loss allowances

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

#### Group - 2020

Instrument	Gross Carrying amount N\$'000	Loss allowance N\$'000	Amortised cost N\$'000
Token Fisheries (Proprietary) Ltd	18,895	(5,589)	13,306
L Heydenrich	493	(493)	-
	<b>19,388</b>	<b>(6,082)</b>	<b>13,306</b>

#### Group - 2019

Instrument	Gross Carrying amount N\$'000	Loss allowance N\$'000	Amortised cost N\$'000
Token Fisheries (Proprietary) Ltd	17,856	(5,589)	12,267
J.L Erasmus	3,444	(3,444)	-
L Heydenrich	493	(59)	434
Women of Destiny	5,518	-	5,518
	<b>27,311</b>	<b>(9,092)</b>	<b>18,219</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>13. Loans receivable (continued)</b>				
<b>Exposure to currency risk</b>				
<b>Namibia Dollar amount</b>				
Namibia Dollar	13,306	18,219	-	-
<b>Fair value of loans receivable</b>				
Refer to note 52 Financial instruments and risk management.				
<b>14. Non-current receivables</b>				
Non-current assets	32,949	28,129	-	-
Current assets	61	110	-	-
	<b>33,010</b>	<b>28,239</b>	-	-
<b>Non-current receivables consists of:</b>				
Tenant allowances and commission	7,747	3,263	-	-
Operating lease straightlining asset	25,202	24,867	-	-
	<b>32,949</b>	<b>28,130</b>	-	-

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>15. Deferred tax</b>				
<b>Deferred tax liability</b>				
Fixed asset allowances	(769,010)	(713,348)	-	-
Provisions	3,799	6,710	-	-
Tax losses available for set off against future taxable income	158,562	115,214	-	-
Retirement benefit obligations	6,787	29,565	-	-
Trade and other payables/provisions (incl Customer Deposits)	50,244	20,441	-	-
Prepayments	(4,332)	(3,719)	-	-
Deferred rentals	16,058	3,503	-	-
Unrealised foreign exchange differences	3,284	(2,776)	-	-
Consumables	-	(7,995)	-	-
Leases	8,313	-	-	-
Intangible assets	(15,514)	(1,954)	-	-
Other deferred taxation	110	116	-	-
<b>Total deferred tax liability</b>	<b>(541,699)</b>	<b>(554,243)</b>	<b>-</b>	<b>-</b>
<b>Deferred tax asset</b>				
Prepaid expenses	(38)	-	-	-
Provisions	184	560	-	-
Leases	596	-	-	-
Retirement benefit obligation	146	-	-	-
Fixed asset allowances	(2,734)	(1,508)	-	-
Deferred tax balance from temporary differences other than unused tax losses	(1,846)	(948)	-	-
Tax losses available for set off against future taxable income	13,862	13,183	-	-
			-	-
<b>Total deferred tax asset</b>	<b>12,016</b>	<b>12,235</b>	<b>-</b>	<b>-</b>
The deferred tax asset has been deemed recoverable after considering the current and forecast profitability of the entities.				
Deferred tax liability	(541,699)	(554,243)	-	-
Deferred tax asset	12,016	12,235	-	-
<b>Total net deferred tax liability</b>	<b>(529,683)</b>	<b>(542,008)</b>	<b>-</b>	<b>-</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>15. Deferred tax (continued)</b>				
<b>Reconciliation of deferred tax asset / (liability)</b>				
At beginning of year	(542,008)	(541,353)	-	-
Business combination	(81,709)	-	-	-
Change in accounting policy - IFRS 16	25,896	-	-	-
Charge to profit and loss for the year	52,698	(228)	-	-
Charge to other comprehensive income for the year	15,429	(427)	-	-
Disposal of subsidiary	11	-	-	-
	<b>(529,683)</b>	<b>(542,008)</b>	-	-
<b>Unrecognised deferred tax asset</b>				
Unused tax losses not recognised as deferred tax assets	436,560	355,369	14,654	26,820
<b>16. Inventories</b>				
Raw materials	149,901	122,369	-	-
Work in progress	25,304	34,339	-	-
Finished products	177,066	140,072	-	-
Merchandise	158,704	145,733	-	-
Consumable stores	151,330	155,897	-	-
	662,305	598,410	-	-
Provision for obsolete stock	(28,754)	(9,197)	-	-
	<b>633,551</b>	<b>589,213</b>	-	-
Included in the amount above are the following inventories carried at net realisable value:	2,147	1,163	-	-

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.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>17. Trade and other receivables</b>				
<b>Financial instruments:</b>				
Trade receivables	399,530	460,816	-	25
Loss allowance	(33,364)	(19,477)	-	-
Trade receivables at amortised cost	366,166	441,339	-	25
Deposits	21,599	21,668	-	-
Promotional and buying incentives	12,510	14,270	-	-
Fuel rebate	1,415	1,533	-	-
Accrued income	13,039	20,570	-	-
Tenant allowances and commissions	3,087	2,984	-	-
Financial asset – capital deposits	42,171	-	-	-
Other receivables	45,908	28,452	-	-
<b>Non-financial instruments:</b>				
Value-added taxation	246,079	210,714	1,516	1,180
Other receivables	9,205	-	-	-
Staff loans	37	58	-	-
Prepayments	39,025	64,566	114	609
<b>Total trade and other receivables</b>	<b>800,241</b>	<b>806,154</b>	<b>1,630</b>	<b>1,814</b>

### Split between non-current and current portions

Current assets	800,241	806,154	1,630	1,814
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### Categorisation of trade and other receivables

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

At amortised cost	505,895	530,816	-	25
Non-financial instruments	294,346	275,338	1,630	1,789
	<b>800,241</b>	<b>806,154</b>	<b>1,630</b>	<b>1,814</b>

### Restricted cash

Included in trade receivables is restricted cash held in a trust fund of N\$ 6,568,512 (2019: N\$6,251,985).

### Trade and other receivables pledged as security

These assets are encumbered to secure liabilities as per note 28.

### Exposure to credit risk

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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

The average credit period on trade receivables is 39.71 days (2019: 44.77 days). No interest is charged on the trade receivables for the first 30-60 days from the date of the invoice. Thereafter, interest is charged at between 0% and the prime overdraft rate plus 2% per annum on the outstanding balance.

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

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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

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

The loss allowance provision is determined as follows:

Group

#### Expected credit loss rate:

Not past due: 0.1% - 40% (2019: 0.1% - 50%)

Less than 30 days past due: 0.01% - 98.2% (2019: 3% - 35%)

31 - 60 days past due: 0.1% - 100% (2019: 0.1% - 10%)

61 - 90 days past due: 0.05% - 100% (2019: 0.3% - 14%)

91 - 120 days past due: 0.25% - 100% (2019: 0.4% - 30%)

More than 120 days past due: 0.1% - 100% (2019: 0.5% - 90%)

Trade debtors handed over to legal: 27.4 - 66.9%% (2019: 1% - 57%)

#### Total

Company

#### Expected credit loss rate:

Less than 30 days past due: 0% (2019: 0%)

2020 N\$'000	2020 N\$'000	2019 N\$'000	2019 N\$'000
Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
227,511	(1,044)	324,281	(527)
12,080	(581)	47,091	(194)
36,950	(991)	12,064	(890)
6,920	(1,521)	5,982	(324)
30,081	(4,252)	5,923	(1,492)
62,608	(16,460)	52,492	(10,703)
23,380	(8,515)	12,983	(5,347)
<b>399,530</b>	<b>(33,364)</b>	<b>460,816</b>	<b>(19,477)</b>

2020 N\$'000	2020 N\$'000	2019 N\$'000	2019 N\$'000
Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
-	-	25	-



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

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

#### Reconciliation of loss allowances

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

<b>Opening balance in accordance with IFRS 9</b>	<b>(19,477)</b>	<b>(22,632)</b>	-	-
Amounts recovered	45	139	-	-
Provision raised on new trade receivables	(17,663)	(3,218)	-	-
Provisions reversed on settled trade receivables	91	2,322	-	-
Amounts written off as uncollectable	4,226	3,912	-	-
Business acquisition	(586)	-	-	-
<b>Closing balance</b>	<b>(33,364)</b>	<b>(19,477)</b>	-	-

#### Exposure to currency risk

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

#### Namibia Dollar Amount

Namibia Dollar	505,895	530,816	-	25
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# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>18. Derivatives</b>				
<b>Non-hedging derivatives</b>				
Interest rate swap	(83,306)	-	-	-
<b>Hedging derivatives</b>				
Foreign exchange contract liability	(32,395)	(1,436)	-	-
Foreign exchange contract asset	9,588	3,025	-	-
	<b>(106,113)</b>	<b>1,589</b>	-	-

### Wernhil Park (Pty) Limited

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

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

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

Start Date: 10 July 2019;  
End Date: 10 July 2024;  
Company pays fixed rate: 10.69%;  
RMB pays: Prime + 5 bps

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

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

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

The fair value of the SWAP transaction was obtained from RMB and adjusted as a loss in the income statement resulting in a corresponding liability in the balance sheet.

### **Split between non-current and current portions**

Current assets	9,588	3,025	-	-
Non-current liabilities	(83,306)	-	-	-
Current liabilities	(32,395)	(1,436)	-	-
	<b>(106,113)</b>	<b>1,589</b>	-	-

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 18. Derivatives (continued)

Refer to note 54 Fair value information for details of valuation policies and processes.

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

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 speculative 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.

Group	Foreign amount 2020	Foreign amount 2019	Average rate 2020 N\$'000	Average rate 2019 N\$'000
Euro - Sell	13,250	3,850	17.36	16.68
US Dollar - Sell	850	700	19.16	14.62
Euro - Buy	4,936	1,087	18.00	-
US Dollar - Buy	3,005	-	18.00	-
<b>Namibian dollar amount</b>				
Euro - Sell	230,011	64,218	-	-
US Dollar - Sell	16,286	10,269	-	-
Euro - Buy	88,843	17,377	-	-
US Dollar - Buy	54,090	-	-	-
	<b>389,230</b>	<b>91,864</b>	-	-

### Maturities of derivatives

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

### 19. Property units for sale

#### Carrying value

Property units for sale	9,052	11,366	-	-
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The carrying value above relates to completed residential units on Erf 282 known as '77 on Independence' which are held for the purpose of sale.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>20. Cash and cash equivalents</b>				
Cash and cash equivalents consist of:				
Cash on hand	10,447	22,002	-	-
Bank balances	152,161	295,181	12,530	-
Short-term deposits	955,708	1,571,126	752,130	1,566,630
Other cash and cash equivalents	113,412	104,013	110,926	104,010
Bank overdraft	(164,853)	(156,337)	-	(9,975)
	<b>1,066,875</b>	<b>1,835,985</b>	<b>875,586</b>	<b>1,660,665</b>
Current assets	1,231,728	1,992,322	875,586	1,670,640
Current liabilities	(164,853)	(156,337)	-	(9,975)
	<b>1,066,875</b>	<b>1,835,985</b>	<b>875,586</b>	<b>1,660,665</b>

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

### Company

Bank overdraft facilities have been provided by Bank Windhoek Limited and Nedbank Namibia Limited. The total facility is N\$36,755,000 (2019: N\$36,755,000) of which N\$36,755,000 (2019: N\$26,779,532) was unutilised at year end.

The Nedbank Namibia Limited overdraft facility carries interest at 7.75% (2019: 10.75%) and is unsecured.

The Bank Windhoek Limited overdraft facility carries interest at 7.75% (2019: 10.5%) and is secured as follows:

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

### Consortium Fisheries Limited Group:

The total overdraft facility available for the year is N\$ 52,500,000 (2019: N\$ 52,500,000). The undrawn facility available for future operating activities is N\$ 30,041,579 (N\$ 32,930,884).

The overdraft facility is secured as follows:

1. 1st, 2nd, 3rd, 4th and 5th Covering Bond for N\$ 8,000,000, N\$ 1,200,000, N\$ 4,782,500, N\$ 10,000,000, N\$ 32,000,000 over Erf 3692, Walvis Bay.
2. 1st Covering Mortgage Bond for N\$ 2,217,500 over Ptn 14 of Ptn 1 of Farm Walvis Bay Town and Townlands 1.
3. Cession over Fire Policy for N\$ 67,690,125 (Erf 3692 & 14B) at OMSTIC dated 01/08/2019.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 20. Cash and cash equivalents (continued)

Kraatz Marine (Proprietary) Limited:

1. Unlimited surety by Olfitra (supported by security in own name).
2. Unlimited surety by Consortium Fisheries Ltd (supported by security in own name).
3. Unlimited surety by WUM Properties (Proprietary) Limited (supported by security in own name).
4. 1st Covering Mortgage Bond for N\$ 1,665,000 (2019: N\$ 1,665,000) over Erf 1239, Tsumeb.
5. Cession over Fire Policy for N\$ 2,238,500 (2019: N\$ 2,238,500) at OMSIC dated 22/03/2018.
6. 1st and 2nd Covering Mortgage Bond for N\$ 6,400,000 (2019: N\$ 6,400,000) and N\$ 9,000,000 (2019: N\$ 9,000,000) over Erf 4895, Walvis Bay.
7. Cession over Fire Policy for N\$40,425,013 (2019: N\$ 34,584,000) at OMSIC.

The total overdraft facility available for the year is N\$2,500,000 (N\$2,500,000). The undrawn facility available for future operating activities is N\$858,130 (2019: N\$119,733).

Hangana Seafood (Proprietary) Limited Group:

The total overdraft facility available for the year is N\$50,000,000 (2019: N\$50,000,000). The undrawn facility available for future operating activities is N\$29,183,449 (2019: N\$30,181,795).

Unlimited cross-suretyships, in favour of Nedbank, by OLFITRA, Hangana Seafood (Pty) Ltd, Kuiseb Fish Products (Pty) Ltd, Consortium Fisheries (Pty) Ltd, Consortium Evisa Fisheries (Pty) Ltd, Protea Fish Products (Pty) Ltd and Hangana Abalone (Pty) Ltd.

NBL Investment Holdings (Proprietary) Limited Group

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

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

All facilities mentioned above are above are unsecured.

WUM Properties (Proprietary) Limited

Namibia Dairies (Proprietary) Limited

Bank overdraft facilities have been provided by Standard Bank of Namibia Limited. Trade and other receivables were pledged as security for overdraft facilities of N\$ 41,500,000 (2019: N\$41,500,000) of the group. The unutilised facilities at year end are N\$ 26,769,126 (2019: N\$ 3,490,764). The overdraft bears interest at prime interest rate.

Pick n Pay Namibia

Bank overdraft facilities have been provided by Bank Windhoek Limited. The total facility is N\$ 87,600,000 (2019: N\$ 30,000,000) of which N\$ 1,470,095 (2019: N\$ 9,144,343) was unutilised at year end.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 20. Cash and cash equivalents (continued)

The overdraft facility is secured as follows:

1. Unlimited surety by Olfitra (supported by security in WUM Properties (Pty) Ltd).
2. Unlimited surety by Consortium Fisheries Ltd (supported by security in own name).
3. 1st Covering Mortgage Bond for N\$ 3,000,000 (2019: N\$ 3,000,000) over Erf 1239, Tsumeb.
4. Cession over Fire Policy for N\$ 27,051,450 (2019: N\$ 27,051,450) at OMSIC.
5. Covering Mortgage Bond for N\$ 592,000 over Erf No482 Swakopmund, Namibia.
6. 1st and 2nd Covering Mortgage Bond for N\$ 2,470,000 (2019: N\$ 2,470,000) and N\$ 13,000,000 (2019: N\$ 13,000,000) over Erf 4895.
7. Cession over Comprehensive insurance policy for N\$ 3,130,900 at OMSIC over the above property.
8. 1st Bond N\$ 6,000,000 over Erf No 18 Okahandja, Bond B5464

O&L Leisure (Proprietary) Limited

The total amount of the facility is N\$ 10,000,000 (2019: N\$ 10,000,000) and the undrawn facilities available for future operating activities and commitments were N\$ 84 804 (2019: N\$ 526 510).

### Exposure to currency risk

#### Namibia Dollar amount

Namibia Dollar	1,066,875	1,835,985	875,586	1,660,665
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### 21. Short term deposit

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

The short term deposit is held in Rand Merchant Bank (United Kingdom) of € 31,6 million (2019: € 66,9 million) and accrues interest of -0.055% (55 basis points negative on a 14 day contract expiring on 7 July 2020 (2019: -0.06% (60 basis points negative) on a 14 day contract expiring on 12 July 2019).

€ 30 million was disinvested and transferred to a short term deposit in First National Bank (Namibia) at an average exchange rate of N\$ 19.45 (2019: N\$ 16.55) and is included in cash and cash equivalents (refer to note 20).

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>21. Short term deposit (continued)</b>				
The impact of the termination in respect of the option agreement is as follows:				
<b>Statement of Financial Position:</b>				
Short term deposits - First National Bank Namibia	137,384	497,697	137,384	497,697
Short term deposit - Rand Merchant Bank United Kingdom	614,746	1,068,933	614,746	1,068,933
	<b>752,130</b>	<b>1,566,630</b>	<b>752,130</b>	<b>1,566,630</b>

### Statement of Comprehensive Income:

Net foreign exchange gains	156,960	25,424	156,960	25,424
Fair value gains	-	1,540,415	-	1,540,415
Interest paid	(5,713)	(790)	(5,713)	(790)
Interest received	19,286	1,591	19,286	1,591
Bank charges	-	(10)	-	(10)
	<b>170,533</b>	<b>1,566,630</b>	<b>170,533</b>	<b>1,566,630</b>

### Exposure to currency risk

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

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

As at 30 June 2020, if the currency had weakened/strengthened by 5% against the Euro with all other variables held constant, post tax profit/(loss) for the year would have been N\$30,6 million (2019: N\$53,4 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro denominated other financial assets.

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

Euro - denominated other financial assets is N\$ 614,746,094 (2019: N\$ 1,068,933,223) for group and company.

### Exchange rate used for the conversion of foreign items was

Exchange rate for Euro was 19.45 (2019: 16.55) for group and company.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>22. Share capital</b>				
<b>Authorised</b>				
12,000,000 (2019: 12,000,000) Ordinary shares of N\$ 0.50 each	6,000	6,000	6,000	6,000
<b>Issued</b>				
5,492,917 (2019: 5,492,917) Ordinary shares of N\$ 0.50 each	2,746	2,746	2,746	2,746
Share premium	645	645	645	645
	<b>3,391</b>	<b>3,391</b>	<b>3,391</b>	<b>3,391</b>

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

## 23. Equity settled share based payment reserve

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

Balance at the end of the year	54,949	54,949	54,949	54,949
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## 24. 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	(31)	(29)	-	-
Exchange differences arising on translating foreign subsidiaries	(445)	(6)	-	-
Exchange differences attributable to non-controlling interest	313	4	-	-
	<b>(163)</b>	<b>(31)</b>	<b>-</b>	<b>-</b>



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020	2019	2020	2019
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

### 25. 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	824,690	827,674	-	-
Increase arising on revaluation of properties	41,633	(2,152)	-	-
Deferred tax liability arising on revaluation	17,187	-	-	-
Revaluation attributable to non-controlling interest	27,507	(76)	-	-
Transferred (to) / from retained earnings	(755)	(756)	-	-
	<b>910,262</b>	<b>824,690</b>	-	-

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

Figures in Namibia Dollar thousand	Group		Company	
	2020 N\$'000	2019 N\$'000	2020 N\$'000	2019 N\$'000
<b>26. Loans from group companies</b>				
Loans from group companies				
		Basis of accounting		
O&L Centre (Proprietary) Limited	-	-	-	2
ICT Holdings (Proprietary) Limited	-	-	-	27
Wernhil Park (Proprietary) Limited	-	-	78,579	78,579
WUM Properties (Proprietary) Limited	-	-	-	398,520
	-	-	<b>78,579</b>	<b>477,128</b>
<b>Current liabilities</b>				
O&L Centre (Proprietary) Limited	-	-	-	2
Wernhil Park (Proprietary) Limited	-	-	78,579	78,579
ICT Holdings (Proprietary) Limited	-	-	-	27
WUM Properties (Proprietary) Limited	-	-	-	398,520
	-	-	<b>78,579</b>	<b>477,128</b>
<b>Split between non-current and current portions</b>				
Current liabilities	-	-	78,579	477,128

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 26. Loans from group companies (continued)

#### Reconciliation of loans from group companies

##### Company - 2020

	Opening balance N\$'000	Loans repaid N\$'000	Proceeds received N\$'000	Non-cash movement N\$'000	Closing balance N\$'000
ICT Holdings (Proprietary) Limited	27	(27)	-	-	-
O&L Centre (Proprietary) Limited	2	(2)	-	-	-
Wernhil Park (Proprietary) Limited	78,579	-	-	-	78,579
WUM Properties (Proprietary) Limited	398,520	-	-	(398,520)	-
	<b>477,128</b>	<b>(29)</b>	<b>-</b>	<b>(398,520)</b>	<b>78,579</b>

##### Company - 2019

	Opening balance N\$'000	Loans repaid N\$'000	Proceeds received N\$'000	Non-cash movement N\$'000	Closing balance N\$'000
ICT Holdings (Proprietary) Limited	-	-	27	-	27
Hangana Seafood (Proprietary) Limited	92	(92)	-	-	-
O&L Centre (Proprietary) Limited	-	-	2	-	2
Wernhil Park (Proprietary) Limited	142	-	78,435	-	78,579
WUM Properties (Proprietary) Limited	392,725	-	5,795	-	398,520
	<b>392,959</b>	<b>(92)</b>	<b>84,259</b>	<b>-</b>	<b>477,128</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>27. Loans from related parties</b>				
OLC Arandis Solar Energy (Proprietary) Ltd	2,191	2,100	-	-
SIP Project Managers (Namibia) (Proprietary) Ltd	4,051	225	-	-
Broll South Africa Proprietary Limited	10	139	-	-
Dimension Data Namibia (Proprietary) Limited	7,537	6,575	-	-
Brandtribe Proprietary Limited	269	56	-	-
The Jupiter Drawing Room (Cape Town) Proprietary Limited	753	751	-	-
Cape Advanced Engineering Proprietary Limited Loan bears interest at prime. N\$1,056,071 of the loan with has been subordinated, the full loan will only be repaid by Mariental Bioenergy (Proprietary) Ltd once their full loan with the IDC has been repaid in June 2025.	1,433	1,302	-	-
Sinco Investments Seventy Three (Pty) Ltd This loan is unsecured, bears no interest and has no repayment terms.	-	4,052	-	-
Ohlthaver & List Holdings (Proprietary) Limited Loan bears no interest, is unsecured and is repaid with future dividends.	2,237	1,322	2,237	1,322
Cronimet Mining Solutions GMBH	3,666	3,329	-	-
Ohlthaver & List Employee Catastrophe Fund Trust Loan bears interest at prime less 2% (2019: prime less 2%) and no repayment terms have been set.	1,417	1,390	-	-
	<b>23,564</b>	<b>21,241</b>	<b>2,237</b>	<b>1,322</b>

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

For detailed related party information refer to Note 50.

### Split between non-current and current portions

Non-current liabilities	1,433	1,302	-	-
Current liabilities	22,131	19,939	2,237	1,322
	<b>23,564</b>	<b>21,241</b>	<b>2,237</b>	<b>1,322</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 27. Loans from related parties (continued)

#### Exposure to currency risk

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

#### Fair value of loans to related parties

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

### 28. Borrowings

#### Held at amortised cost

##### Secured

Medium Term Loans	749,586	946,234	92,026	105,572
Asset Financing loan	152,463	-	-	-
Preference share capital	125,680	185,908	-	-
Mortgage bond	1,067,826	634,887	-	-
Promissory notes	200,854	301,678	200,854	301,678
Instalment sale creditors	173,398	169,911	-	-
Note Payable	-	1,948	-	-
	<b>2,469,807</b>	<b>2,240,566</b>	<b>292,880</b>	<b>407,250</b>

#### Split between non-current and current portions

Non-current liabilities	1,893,916	1,714,023	100,000	281,175
Current liabilities	575,891	526,543	192,880	126,075
	<b>2,469,807</b>	<b>2,240,566</b>	<b>292,880</b>	<b>407,250</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company		
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000	
28. Borrowings (continued)					
Group - 2020			Non-current portion N\$'000	Current portion N\$'000	Total N\$'000
Asset Financing Loan			152,463	-	152,463
Medium term loans			514,826	234,760	749,586
Preference share capital			85,000	40,680	125,680
Mortgage bond			921,985	145,841	1,067,826
Promissory notes			100,000	100,854	200,854
Instalment sale creditors			119,642	53,756	173,398
			1,893,916	575,891	2,469,807
Group - 2019			Non-current portion N\$'000	Current portion N\$'000	Total N\$'000
Medium term loans			699,640	246,594	946,234
Preference share capital			109,713	76,195	185,908
Mortgage bond			576,450	58,437	634,887
Promissory notes			200,000	101,678	301,678
Instalment sale creditors			128,220	41,691	169,911
Note payable			-	1,948	1,948
			1,714,023	526,543	2,240,566
Company - 2020			Non-current portion N\$'000	Current portion N\$'000	Total N\$'000
Medium term loans			-	92,026	92,026
Promissory notes			100,000	100,854	200,854
			100,000	192,880	292,880
Company - 2019			Non-current portion N\$'000	Current portion N\$'000	Total N\$'000
Medium term loans			81,174	24,397	105,571
Promissory notes			200,001	101,678	301,679
			281,175	126,075	407,250
The liabilities above are secured by encumbered assets as per Note 3, Note 5, Note 17 and Note 20.					
Exposure to currency risk					
Namibia Dollar amount					
Namibia Dollar	2,469,807	2,240,566	292,880	407,250	

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 28. Borrowings (continued)

#### 28.1 Medium term loans

##### Standard Bank Namibia Limited

Group and company	Interest rate 2020 N\$'000	Interest rate 2019 N\$'000	2020 N\$'000	2019 N\$'000
Standard Bank of Namibia Limited				
N\$ 3,3 million (2019: N\$ 3,3 million) quarterly	3 month JIBAR+3.80%	3 month JIBAR+3.80%	92,026	105,571
			92,026	105,571

The total term facility is N\$ 111,667,000 with a headroom of N\$ 100,000,000. The loan is payable in quarterly capital instalments of N\$ 3.3million with a final capital settlement of N\$ 83.3 million on the expiry date on 11 December 2020 and is secured as follows:

- N\$ 40,000,000 Guarantee by WUM Properties (Proprietary) Limited.
- Suretyship for N\$ 10,000,000 signed for and on behalf of Central Properties (Proprietary) Limited.
- Suretyship for N\$ 10,000,000 signed for and on behalf of WUM Properties (Proprietary) Limited.
- Suretyship for N\$ 10,000,000 signed for and on behalf of Hangana Seafood (Proprietary) Limited.
- N\$ 125,000,000 Guarantee by SPV Duiker Investments (Proprietary) Limited P/L, supported by a portion of the N\$ 140,000,000 2nd CCMB over property known as "Town Square" (Erf A/282 Windhoek), registered by FNB and ceded to Duiker Investments (Proprietary) Limited.
- N\$ 125,000,000 Guarantee by Central Properties (Proprietary) Limited, supported by a portion of the N\$ 20,000,000 3rd CCMB over property known as "Town Square" (Erf A/282 Windhoek), registered by FNB and ceded to Duiker Investments (Proprietary) Limited.
- N\$ 31,500,000 Cession of Shareholders Loan in favour of Hangana Seafood (Proprietary) Limited.
- Indemnity by Central Properties (Proprietary) Limited P/L in favour of SPV Duiker Investments (Proprietary) Limited.

Group	Interest rate 2020 N\$'000	Interest rate 2019 N\$'000	2020 N\$'000	2019 N\$'000
Bank Windhoek Limited				
N\$ 1,430,342 (2019: N\$ 1,606,739) monthly Loan of N\$ 19,866,825 million, secured by encumbered property, plant and equipment and investment property.	Prime	Prime	19,867	34,292
N\$ 632,560 (2019: N\$ 729,046) monthly Loan of N\$ 4 977 286 million, secured by encumbered property, plant and equipment and investment property.	Prime +0.5%	Prime +0.5%	4,977	11,666
N\$ 85,177 (2019: N\$ nil) monthly Loan of N\$ 84,337 secured by a limited suretyship of N\$ 2,000,000 from Ohlthaver & List Finance and Trading Corporation Limited. Last payment is due in July 2020.	Prime	-	84	-
			24,928	45,958

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 28. Borrowings (continued)

<b>First National Bank of Namibia Limited</b>	<b>Interest rate 2020 N\$'000</b>	<b>Interest rate 2019 N\$'000</b>	<b>2020 N\$'000</b>	<b>2019 N\$'000</b>
Phase 4 Loan Facility The bridging loan was rolled into the phase 4 development loan and has a maximum principal amount of N\$ 425 million.	-	Prime +2%	-	403,232
Phase 4 VAT Facility The bridging loan VAT facility was rolled into the phase 4 VAT loan and has a maximum principal amount of N\$ 14 million.	-	Prime +2%	-	12,907
Revolving Facility - N\$ 100 million secured by a cession of trade and other receivables and a general notarial bond. The loan has no fixed repayment terms.	Prime -1.65%	-	100,000	-
N\$ 205,493 (2019: N\$ nil) monthly In prior years N\$17.2 million was borrowed from this facility for capital projects. The loan is secured by unlimited suretyships of subsidiaries supported by various bonds over properties	Prime -1.5%	-	10,469	-
			110,469	416,139
<b>Standard Bank of Namibia Limited</b>	<b>Interest rate 2020 N\$'000</b>	<b>Interest rate 2019 N\$'000</b>	<b>2020 N\$'000</b>	<b>2019 N\$'000</b>
N\$ 12,500,000 (2019: N\$ 12,500,000) quarterly N\$ 200 million repayable in 5 years. The first payment commenced December 2016. The loan is unsecured.	JIBAR +2.2%	JIBAR +2.2%	25,000	62,500
			25,000	62,500



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 28. Borrowings (continued)

<b>FirstRand Bank Limited</b>	<b>Interest rate 2020 N\$'000</b>	<b>Interest rate 2019 N\$'000</b>	<b>2020 N\$'000</b>	<b>2019 N\$'000</b>
Capex Facility N\$ 100 million repayable in full by the end of November 2020 but was settled in June 2020. Secured by a cession of trade and other receivables and a general notarial bond.	-	JIBAR +2.1%	-	100,000
Acquisition facility N\$ 200 million repayable in 5 years. The loan was repayable in 4 equal installments of N\$ 50 million annually at the end of November, first payment commencing November 2017. The loan was settled in June 2020. Secured by a cession of trade and other receivables and a general notarial bond.	-	JIBAR +1.9%	-	100,000
Revolving Facility N\$ 100 million secured by a cession of trade and other receivables and a general notarial bond. The loan was repaid in June 2020.	-	JIBAR +2.05%	-	100,000
Term loan A - N\$ 380 million The total facility is N\$ 600 million and is reduced annually by N\$ 120 million. The excess between the loan and the facility is repayable annually. Secured by a general notarial bond.	JIBAR +2.55%	-	380,000	-
Term loan B - N\$ 100 million Repayable in full by the end of June 2025. Secured by a general notarial bond.	JIBAR +2.80%	-	100,000	-
			480,000	300,000
<b>Industrial Development Corporation</b>	<b>Interest rate 2020 N\$'000</b>	<b>Interest rate 2019 N\$'000</b>	<b>2020 N\$'000</b>	<b>2019 N\$'000</b>
Loan with no fixed repayment terms. The loan bears interest at the South African prime rate less 2%. Secured by a cession of project agreements; cession and pledge by shareholders of their interest in the borrower; cession of insurance proceeds and cession of loan accounts by shareholders of the borrower.	SA Prime -2%	SA Prime -2%	17,163	16,066
			17,163	16,066

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 28. Borrowings (continued)

#### Summary

	2020 N\$'000	2019 N\$'000
<b>Group and company</b>		
Standard Bank of Namibia Limited	92,026	105,571
Subtotal	92,026	105,571
<b>Group</b>		
Bank Windhoek Limited	24,928	45,958
First National Bank of Namibia Limited	110,469	416,139
Standard Bank of Namibia Limited	25,000	62,500
FirstRand Bank Limited	480,000	300,000
Industrial Development Corporation	17,163	16,066
	<b>749,586</b>	<b>946,234</b>

### 28.2 Preference share capital

#### Authorised

3,000 (2019: 3,000) variable rate, redeemable, cumulative preference shares of N\$ 1.00 each

#### Issued

1,000 (2019: 2,000) variable rate, redeemable, cumulative preference shares of N\$ 1.00 each

Share premium

Accrued preference share dividend

Group		Company	
2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
2	1	-	-
1	2	-	-
125,184	184,700	-	-
495	1,206	-	-
<b>125,680</b>	<b>185,908</b>	<b>-</b>	<b>-</b>

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

	Interest rate 2020 %	Interest rate 2019 %	2020 N\$ '000	2019 N\$ '000
Bank Windhoek Limited	73-76% of prime	73-76% of prime	100,495	145,432
Standard Bank of Namibia Limited	73% of JIBAR	73% of JIBAR	25,185	40,476
			<b>125,680</b>	<b>185,908</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 28. Borrowings (continued)

#### Bank Windhoek Limited:

##### O&L Beverage Company (Proprietary) Limited

The Bank Windhoek Limited preference shares are redeemable over the next 3 years in six monthly redemptions.

N\$100 million of the Bank Windhoek Limited preference shares are redeemable over a 12 month, 24 month, 36 month and 48 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.

#### Standard Bank of Namibia Limited:

##### WUM Properties (Proprietary) Limited

Preference shares are redeemable over a ten-year period in quarterly redemptions, which escalate annually.

#### Details of unissued shares

The unissued 153 (2019:169) variable rate, redeemable, cumulative preference shares of N\$ 0.0002 each are under 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 next Annual General meeting to be held in 2020.

The unissued 2000 (2019: 1000) variable rate, redeemable, cumulative preference shares of N\$1.00 each are under control of the directors of O&L Beverage Company (Proprietary) Limited.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 28. Borrowings (continued)

#### 28.3 Mortgage bond

Group	Interest rate 2020 %	Interest rate 2019 %	2020 N\$ '000	2019 N\$ '000
<b>Agribank of Namibia</b>				
N\$ 11,871,975 (2019: N\$ 13,020,664) annually	4% - 8.25%	4% - 8.25%	35,346	42,247
			35,346	42,247
<b>Bank Windhoek Limited</b>				
N\$ 190,861(2019: N\$ 190,861) monthly	Prime+1%	Prime+1%	11,143	12,230
N\$ 174,185 (2019: N\$ 190,962) monthly	Prime	Prime	12,034	13,047
N\$ 252,173 (2019: N\$ 269,723) monthly	Prime	Prime	12,934	14,774
			36,111	40,051
<b>First National Bank of Namibia Limited</b>				
1st Mortgage Bond No: B7095/2012	12.49%	12.49%	231,855	287,233
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.				
2nd Mortgage Bond No: B2763/2017			707,519	-
This loan comprises of the consolidation of the Phase 4 loan facility - 2019: N\$ 403,230,874; the Phase 4 VAT facility - 2019: N\$12,906,986 and the Shareholders distribution and parkade loan - 2019: N\$ 198,610,845.				
Shareholders Distribution and Parkade Loan - FNB			-	198,611
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.				
			939,374	485,844

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 28. Borrowings (continued)

Standard Bank of Namibia Limited	Interest rate 2020 %	Interest rate 2019 %	2020 N\$ '000	2019 N\$ '000
Refurbishment loan - the loan was fully repaid during the year.	Prime-0.5%	Prime-0.5%	-	904
N\$ 1,430,793 (2019: N\$ 872,285) monthly	Prime-1.25%	Prime-1.25%	41,911	46,667
			41,911	47,571
Development Bank of Namibia	Interest rate 2020 %	Interest rate 2019 %	2020 N\$ '000	2019 N\$ '000
N\$ 384,671 (2019: N\$ 447,053) monthly	Prime-2%	Prime-2%	15,084	19,174
			15,084	19,174
Total group				
Total mortgage and other secured loans			1,067,826	634,887

#### Standard Bank of Namibia Limited

N\$ 41,911,151 secured as follows:

Unlimited suretyship by OLFITRA.

Cession of debtors to the value of N\$ 14,693,514.

Limited suretyship by WUM Properties N\$ 30,000,000.

Cession dated 21/12/2011 restricted to N\$ 60,000,000 of shareholders loan from OLFITRA.

Limited suretyship by Central Properties (Proprietary) Limited, registration number 024/67 in the amount of N\$ 30,000,000 in favour of the Bank and supported by a 1st CCMB for N\$ 30,000,000 over the property known as "Town Square" ceded to SBN.

Subordination Agreement dated 12/04/2018 between Namibia Dairies and Ohlthaver & List Finance and Trading Corporation Ltd and Standard Bank Namibia.

1st CCMB for N\$55,000,000 over portion 419 of Erf 209, Prosperita, Windhoek, with cession of fire insurance policy.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 28. Borrowings (continued)

#### Development Bank of Namibia

N\$ 15,084,182 secured as follows:

Unlimited suretyship by OLFITRA.

1st continuing covering mortgage bond for N\$25,000,000 over Erf 3469, Klein Windhoek. Valuation by Gert Hamman Property Valuers dated 16 March 2020 for N\$86,240,000.

Negative Pledge of Assets by Namibia Dairies dated 9 April 2008.

#### 28.4 Domestic medium term notes and promissory notes

Group and company	Interest rate 2020 %	Interest rate 2019 %	2020 N\$ '000	2019 N\$ '000
Promissory notes Nr 3	3m JIBAR + 3% 3%	3m JIBAR + 3% 3%	-	100,501
Promissory notes Nr 4	3m JIBAR + 3% 3%	3m JIBAR + 3% 3%	100,342	100,501
Promissory notes Nr 6	3m JIBAR + 3.2% 3.2%	3m JIBAR + 3% 3.2%	100,512	100,676
			<b>200,854</b>	<b>301,678</b>

The Promissory Notes Nr 3 (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 was repaid at maturity. The holder of the Notes is Old Mutual Investment Group.

The Promissory Notes Nr 4 (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 Nr 6 (unlisted) were issued on 7 December 2018 at a nominal amount of N\$100,000,000. The Notes carry interest at a floating rate of SA JIBAR 3 month plus 320 basis points, payable three monthly in arrears on 12 March, 12 June, 12 September and 12 December each year until maturity date of 7 December 2023. The capital is repayable at maturity. The holder of the Notes was Old Mutual Investment Group.

#### 28.5 Instalment sale creditors

Group Bank Windhoek Limited	Interest rate 2020 %	Interest rate 2019 %	2020 N\$ '000	2019 N\$ '000
N\$ 83,065 (2019: N\$ 39,440) monthly	Prime+0.5%	Prime+0.5%	1,316	850
N\$ 429,271 (2019: N\$ 538,719) monthly	Prime	Prime	28,564	32,769
N\$ 148,610 (2019: N\$ 163,202) monthly	Prime+0.5%	Prime+0.5%	8,597	9,531
N\$ 43,010 (2019: N\$ Nil) monthly	Prime		1,516	-
N\$ 23,463 (2019: N\$ Nil) monthly	Prime+1%		326	-
			<b>40,319</b>	<b>43,150</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 28. Borrowings (continued)

<b>Nedbank Namibia Limited</b>	<b>Interest rate 2020 %</b>	<b>Interest rate 2019 %</b>	<b>2020 N\$ '000</b>	<b>2019 N\$ '000</b>
N\$ 1,980,328 (2019: N\$ 2,030,320) monthly	Prime-1%	Prime-1%	37,581	57,144
N\$ 23,491 (2019: N\$ 42,694) monthly	Prime-1.25%	Prime-1.25%	137	715
N\$ 160,092 (2019: N\$ 193,809) monthly	Prime-2%	Prime-2%	158	2,070
N\$ 1,762,255 (2019: N\$ 942,778) monthly	Prime	Prime	57,469	32,557
N\$ Nil (2019: N\$ 185,786) monthly		Prime-1.5%	-	189
			<b>95,345</b>	<b>92,675</b>
<b>Standard Bank of Namibia Limited</b>	<b>Interest rate 2020 %</b>	<b>Interest rate 2019 %</b>	<b>2020 N\$ '000</b>	<b>2019 N\$ '000</b>
N\$ 642,686 (2019: N\$ 752,981) monthly	Prime	Prime	21,258	28,085
N\$ 150,419 (2019: N\$ 170,545) monthly	Prime	Prime	6,957	6,003
			<b>28,215</b>	<b>34,088</b>
<b>First National Bank of Namibia Limited</b>	<b>Interest rate 2020 %</b>	<b>Interest rate 2019 %</b>	<b>2020 N\$ '000</b>	<b>2019 N\$ '000</b>
N\$ 218,242 monthly	Prime-0.85%		9,519	-
This relates to trucks that were bought on hire purchase as disclosed in note 2, secured by the underlying assets.			<b>9,519</b>	<b>-</b>
<b>Total group</b>			<b>173,398</b>	<b>169,911</b>
Instalment sale creditors				

### 28.6 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.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 28. Borrowings (continued)

#### 28.7 Asset Financing Loan

The Commercial Annuity Loan (CML) from Nedbank Namibia Limited bears interest at prime (2019: N\$ nil) and consists of the following:

Factory construction:	N\$ 110,642,576
Factory equipment:	N\$ 26,209,548
VAT facility of the project:	N\$ 15,513,832
<b>Total:</b>	<b><u>N\$ 152,365,956</u></b>

The CML facility will be drawn over a 24 month construction period and thereafter will be repayable over 120 months with initial capital and interest repayments of N\$ 2,209,805 per month, escalating with 4% annually.

### 29. Provisions

#### Reconciliation of provisions - Group - 2020

	Opening balance N\$'000	Amounts charged to profit or loss N\$'000	Employer benefit payments N\$'000	Amounts charged to other comprehensive income N\$'000	Total N\$'000
Provision for post-retirement medical aid costs	13,223	1,412	(1,562)	(1,446)	11,627
Provision for severance pay	48,525	9,374	(5,411)	(5,251)	47,237
Provision for leasehold improvements	-	187	-	-	187
	<b>61,748</b>	<b>10,973</b>	<b>(6,973)</b>	<b>(6,697)</b>	<b>59,051</b>

#### Reconciliation of provisions - Group - 2019

	Opening balance N\$'000	Amounts charged to profit or loss N\$'000	Employer benefit payments N\$'000	Amounts charged to other comprehensive income N\$'000	Total N\$'000
Provision for post-retirement medical aid costs	13,866	1,245	(1,613)	(275)	13,223
Provision for severance pay	44,513	8,308	(3,260)	(1,036)	48,525
	<b>58,379</b>	<b>9,553</b>	<b>(4,873)</b>	<b>(1,311)</b>	<b>61,748</b>



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 29. Provisions (continued)

Amounts charged to profit or loss consist of:

#### Group - 2020

	Provision for leasehold improvements N\$ '000	Provision for post- retirement medical aid costs N\$ '000	Provision for severance pay N\$ '000	Total N\$ '000
Interest cost	-	1,141	4,682	5,823
Service costs	-	271	4,692	4,963
Current year movement	187	-	-	187
	<b>187</b>	<b>1,412</b>	<b>9,374</b>	<b>10,973</b>

#### Group - 2019

	Provision for post- retirement medical aid costs N\$ '000	Provision for severance pay N\$ '000	Total N\$ '000
Interest cost	1,245	4,367	5,612
Service costs	-	3,941	3,941
	<b>1,245</b>	<b>8,308</b>	<b>9,553</b>

Amounts charged to other comprehensive income consist of:

#### Group - 2020

	Provision for post- retirement medical aid costs N\$ '000	Provision for severance pay N\$ '000	Total N\$ '000
Actuarial loss / (gain)	(1,446)	(5,354)	(6,800)

#### Group - 2019

	Provision for post- retirement medical aid costs N\$ '000	Provision for severance pay N\$ '000	Total N\$ '000
Actuarial loss / (gain)	(275)	(1,036)	(1,311)

#### Provision for post-retirement medical aid costs

The Group subsidises 50% of the medical aid contribution in respect of certain retired employees on an ad-hoc basis based on past negotiations. Provisions are made for these costs.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 29. Provisions (continued)

#### 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 9.10% (2019: 9.20%) and a health care cost inflation rate of 5.60% (2019: 7.00%). 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.

#### 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 2020 will decrease by N\$ 0.630 million (2019: N\$ 0.780 million) or increase by N\$ 0.704 million (2019: N\$ 0.880 million) respectively; and

The current service cost and interest cost will decrease by N\$ 0.053 million (2019: N\$ 0.067 million) or increase by N\$ 0.059 million (2019: N\$ 0.077 million) respectively.

#### Provision for severance pay

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

#### Valuation method and assumptions

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

The most significant assumptions used are a discount rate of 12.00% (2019: 10.20%), an inflation rate of 6.80% (2019: 6.50%) and a salary increase rate of 6.80% (2019: 6.50%).

#### Sensitivity analysis of inflation and discount rates

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

##### Inflation rate

The accrued liability as at 30 June 2020 will decrease by N\$ 4,158 million (2019: N\$ 4.614 million) or increase by N\$ 4,836 million (2019: N\$ 5.416 million) respectively; and

##### Discount rate

The accrued liability as at 30 June 2020 will decrease by N\$ 4,158 million (2019: N\$ 4.614 million) or increase by N\$ 4,836 million (2019: N\$ 5.416 million) respectively.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 30. Non-current payables

#### Consists of:

Tenant deposits	8,300	7,372	-	-
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### 31. Trade and other payables

#### Financial instruments:

Trade payables	429,116	632,635	-	495
Crates control account	9,911	9,595	-	-
Accrued audit fees	9,755	6,582	2,220	1,316
Fuel rebate	8,095	-	-	-
Other accrued expenses	134,437	118,097	49	-
Deposits received	49,651	48,721	-	-
Other payables	65,731	63,936	37	37

#### Non-financial instruments:

Amounts received in advance	10,283	3,202	-	-
Refund liability	-	23	-	-
Value-added taxation	6,692	9,002	-	-
Accrued leave pay	43,110	44,344	-	-
Accrued bonus	4,225	115,183	-	-
Legal fees accrual	7,149	3,270	-	-
Excise duties	61,831	75,020	-	-
Quota levies	3,424	1,569	-	-
Deposits received	179	12	-	-
	<b>843,589</b>	<b>1,131,191</b>	<b>2,306</b>	<b>1,848</b>

#### Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	706,696	879,566	2,306	1,848
Non-financial instruments	136,893	251,625	-	-
	<b>843,589</b>	<b>1,131,191</b>	<b>2,306</b>	<b>1,848</b>

### Exposure to currency risk

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

#### Namibia Dollar Amount

Namibia Dollar	706,696	879,566	2,306	1,848
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# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 31. Trade and other payables (continued)

#### Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade and other payables approximates their fair value.

The average credit period on the purchase of certain goods from major creditors is 30 to 90 days. No interest is charged on trade payables for the first 30 to 90 days from the date of the invoice. Thereafter, interest is charged at varying rates ranging from 0% to 30% per annum on the outstanding balance. The group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

### 32. Deferred income

O&L Energy (Proprietary) Limited received a grant of N\$ 1,400,402 (2019: N\$ 1,979,878) from the Energy and Environmental Partnership programme with Southern and East Africa, Phase II, through the Ministry for Foreign Affairs of Finland. The two parties entered into a 2 year contract on 02 March 2015, thus the contract was in force until 02 March 2017. As per the contract, a total grant of € 300,000 was awarded to O&L Energy for the sole purpose of the "Invader Bush to Energy" project. The grant was received in three phases, namely 25% received in March 2015, 50% received in May 2015 and final payment of 25% received in February 2016. The deferred income is realised over the useful life of the assets purchased, as per the agreement, to match the depreciation expense compensated for by the grant.

### 33. Revenue

#### Revenue from contracts with customers

Sale of goods	6,822,728	7,345,574	-	-
Rendering of services	130,616	156,818	-	-
Royalty income	103,375	123,659	-	-
Excise duties	(746,644)	(869,969)	-	-
Other revenue	985	2,409	-	-
	<b>6,311,060</b>	<b>6,758,491</b>	<b>-</b>	<b>-</b>

#### Revenue from contracts with customers

Rental Income	165,415	158,564	-	-
Dividends received	-	-	152,732	143,704
	<b>165,415</b>	<b>158,564</b>	<b>152,732</b>	<b>143,704</b>
	<b>6,476,475</b>	<b>6,917,055</b>	<b>152,732</b>	<b>143,704</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>33. Revenue (continued)</b>				
<b>Disaggregation of revenue from contracts with customers</b>				
The group disaggregates revenue from customers as follows:				
<b>Total revenue from contracts with customers</b>	<b>6,311,060</b>	<b>6,758,491</b>	-	-
<b>Timing of revenue recognition</b>				
<b>At a point in time</b>				
Sale of goods	6,891,971	7,460,143	-	-
Rendering of services	111,914	143,435	-	-
Royalty income	103,375	123,659	-	-
Discounts allowed	(107,979)	(138,423)	-	-
Other revenue	985	2,409	-	-
Excise duties	(746,644)	(869,969)	-	-
	<b>6,253,622</b>	<b>6,721,254</b>	-	-
<b>Over time</b>				
Sale of goods	38,736	23,899	-	-
Rendering of services	18,702	13,338	-	-
	<b>57,438</b>	<b>37,237</b>	-	-
<b>Total revenue from contracts with customers</b>	<b>6,311,060</b>	<b>6,758,491</b>	-	-
<b>The amount included in revenue arising from exchanges of goods or services included in revenue are as follows:</b>				
Export sales	1,233,847	1,836,415	-	-
Revenue from group companies and other related parties	936,840	1,289,130	-	-
	<b>2,170,687</b>	<b>3,125,545</b>	-	-
<b>34. Cost of sales</b>				
Sale of goods	4,308,016	4,493,489	-	-
Rendering of services	32,161	2,663	-	-
Gains on biological assets and agricultural produce	-	(562)	-	-
	<b>4,340,177</b>	<b>4,495,590</b>	-	-

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>35. Other operating income</b>				
Administration and management fees received	23	6	-	-
Profit on joint venture	3,878	9,537	-	-
Insurance claim	28,641	607	-	-
Other rental income	3,330	1,815	-	-
Charter income	-	1,400	-	-
Other recoveries	307	684	-	-
Gain on bargain purchase in a business combination	40,740	-	-	-
Fair value gain on termination of option agreement	-	1,540,416	-	1,540,416
Quota usage and berthing	5,633	7,100	-	-
Discounts received	6,352	8,819	-	-
Farming income	14,719	9,743	-	-
Launching services	1,309	1,089	-	-
NTA Training levy refund	-	1,698	-	-
Sundry income	18,050	53,972	-	36,892
Government grants	579	579	-	-
	<b>123,561</b>	<b>1,637,465</b>	<b>-</b>	<b>1,577,308</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

		Group		Company	
		2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>36. Other operating gains (losses)</b>					
<b>Gains (losses) on disposals, scrappings and settlements</b>					
Investment property	5	(155)	-	-	-
Property, plant and equipment	3	(11,597)	13,839	-	-
Gain on sale of non-current asset held for sale	10	-	-	-	1,881
		<b>(11,752)</b>	<b>13,839</b>	<b>-</b>	<b>1,881</b>
<b>Foreign exchange gains</b>					
Net foreign exchange gains		184,686	40,008	156,960	25,424
<b>Fair value (losses) / gains</b>					
Biological assets	6	(9,535)	241	-	-
Investment property	5	(301,159)	79,190	-	-
Non-hedging derivatives		(83,306)	-	-	-
		<b>(394,000)</b>	<b>79,431</b>	<b>-</b>	<b>-</b>
<b>Total other operating gains (losses)</b>		<b>(221,066)</b>	<b>133,278</b>	<b>156,960</b>	<b>27,305</b>
<b>37. Operating profit</b>					
Operating profit for the year is stated after charging (crediting) the following, amongst others:					
<b>Income from related parties</b>					
Management fees received		2,678	6	-	-
Royalties		95,102	105,656	-	-
Sales		936,252	1,284,198	-	-
Know-how payments		8,273	9,330	-	-
		<b>1,042,305</b>	<b>1,399,190</b>	<b>-</b>	<b>-</b>
<b>Expenses to related parties</b>					
Directors' remuneration		44,879	50,487	-	-
Management fees		5,309	4,522	-	-
Purchases		25,888	12,235	-	-
Royalties		929	1,131	-	-
		<b>77,005</b>	<b>68,375</b>	<b>-</b>	<b>-</b>
<b>Auditor's remuneration - external</b>					
Audit fees		12,298	11,408	1,665	1,706
Other consultation services		1,590	13,235	-	-
		<b>13,888</b>	<b>24,643</b>	<b>1,665</b>	<b>1,706</b>
<b>Remuneration, other than to employees</b>					
Consulting and professional services		37,683	15,635	3,914	12,768

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>37. Operating profit (continued)</b>				
<b>Leases</b>				
<b>Operating lease charges</b>				
Premises	9,717	70,585	-	-
Motor vehicles	3,210	3,763	-	-
Equipment	1,642	1,180	-	-
Operating lease other	682	-	-	-
	<b>15,251</b>	<b>75,528</b>	-	-
<b>Contingent rentals on operating leases</b>				
Motor vehicles	147	-	-	-
Equipment	500	987	-	-
	<b>647</b>	<b>987</b>	-	-
<b>Total operating lease charges</b>	<b>15,898</b>	<b>76,515</b>	-	-
Refer to note 48 commitments for additional details of operating leases.				
<b>Impairment losses</b>				
Investments in subsidiaries	-	-	194,122	140,885
<b>Other material items</b>				
Employee costs	1,170,188	1,200,183	-	-
Movement in provision for impairment of inventories	(19,557)	(3,296)	-	-
Loss on disposal of non-current assets held for sale	-	1,890	-	-
Impairment on property, plant and equipment	27,274	-	-	-
Amortisation of tenant allowances	4,335	4,013	-	-
Movement in credit loss allowance	13,888	431	-	-
Bad debts raised/(recovered)	-	9,616	-	-
Amortisation on intangible assets	7,827	8,100	-	-
Depreciation on property, plant and equipment	277,367	310,697	-	-
Depreciation on right-of-use assets	68,604	-	-	-



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>38. Investment income</b>				
<b>Dividend income</b>				
<b>Equity instruments at fair value through profit or loss:</b>				
Unlisted investments - Local	7	-	-	-
<b>Interest income</b>				
Related parties	7,408	7,883	-	-
<b>Investments in financial assets:</b>				
Bank and other cash	43,168	31,090	27,892	7,170
Contract assets	-	1,986	-	-
Other financial assets	1,377	714	-	-
<b>Loans to group companies:</b>				
Loans and receivables - Group companies	-	-	6,952	38,810
<b>Total interest income</b>	<b>51,953</b>	<b>41,673</b>	<b>34,844</b>	<b>45,980</b>
<b>Total investment income</b>	<b>51,960</b>	<b>41,673</b>	<b>34,844</b>	<b>45,980</b>
<b>39. Finance costs</b>				
Group	9	-	-	-
Related parties	672	737	-	447
Preference dividends	9,889	14,538	-	-
Trade and other payables	2,737	1,249	-	-
Finance leases	46,080	-	-	-
Bank and other	206,310	177,614	10,796	13,221
Domestic Medium Term notes	-	1,117	-	-
Promissory notes	25,763	30,784	25,763	30,784
Other financial asset	5,870	790	5,713	790
<b>Total finance costs</b>	<b>297,330</b>	<b>226,829</b>	<b>42,272</b>	<b>45,242</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 40. Taxation

#### Major components of the tax expense

##### Current

Local income tax - current period	79,046	169,378	-	-
Local income tax - recognised in current tax for prior periods	372	-	-	-
Foreign income tax - current period	10,817	7,062	-	-
Foreign income tax - recognised in current tax for prior periods	(8,292)	-	-	-
	<b>81,943</b>	<b>176,440</b>	-	-

##### Deferred

Originating and reversing temporary differences	(38,708)	3,609	-	-
Benefit of unrecognised tax loss used	(13,968)	1,582	-	-
Deferred tax losses utilised	(22)	-	-	-
Arising from prior period adjustments	-	(4,964)	-	-
	<b>(52,698)</b>	<b>227</b>	-	-
	<b>29,245</b>	<b>176,667</b>	-	-

#### Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	32.00 %	32.00 %	32.00 %	32.00 %
Exempt income	44.18 %	(20.39)%	(48.93)%	(32.29)%
Incentive allowances	16.58 %	(0.96)%	- %	- %
Timing differences not provided for	(94.12)%	0.88 %	- %	- %
Tax rate differential between tax jurisdictions	14.65 %	(0.96)%	- %	- %
Disallowable charges	(19.66)%	(4.44)%	24.01 %	0.23 %
Adjustments relating to prior periods	(14.34)%	(0.41)%	- %	- %
Current year's tax losses available for use against taxable income	1.30 %	0.85 %	(7.08)%	0.06 %
Use of tax losses relating to prior periods	0.53 %	0.04 %	- %	- %
Other	0.04 %	- %	- %	- %
	<b>(18.84)%</b>	<b>6.61 %</b>	- %	- %

No taxation has been provided for in the company and certain subsidiaries as they did not earn any taxable income.

#### Reconciliation of estimated tax loss available for set off against future taxable income

Total tax losses available	1,903,074	1,511,772	45,794	83,813
Tax losses set off in deferred tax liability	(495,505)	(360,045)	-	-
Tax losses included in deferred tax asset	(43,318)	(41,198)	-	-
	<b>1,364,251</b>	<b>1,110,529</b>	<b>45,794</b>	<b>83,813</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 41. Other comprehensive income

#### Components of other comprehensive income - Group - 2020

	Gross	Tax	Net before non- controlling interest	Non- controlling interest	Net
<b>Items that will not be reclassified to profit (loss)</b>					
<b>Remeasurements on net defined benefit liability/asset</b>					
Remeasurements on net defined benefit liability/asset	6,697	(1,765)	4,932	-	4,932
<b>Movements on revaluation</b>					
Gains (losses) on property revaluation	41,633	17,187	58,820	27,507	86,327
<b>Total items that will not be reclassified to profit (loss)</b>	<b>48,330</b>	<b>15,422</b>	<b>63,752</b>	<b>27,507</b>	<b>91,259</b>
<b>Items that may be reclassified to profit (loss)</b>					
<b>Exchange differences on translating foreign operations</b>					
Exchange differences arising during the year	(445)	-	(445)	313	(132)
<b>Total</b>	<b>47,885</b>	<b>15,422</b>	<b>63,307</b>	<b>27,820</b>	<b>91,127</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 41. Other comprehensive income (continued)

#### Components of other comprehensive income - Group - 2019

	Gross	Tax	Net before non- controlling interest	Non- controlling interest	Net
<b>Items that will not be reclassified to profit (loss)</b>					
<b>Remeasurements on net defined benefit liability/asset</b>					
Remeasurements on net defined benefit liability/asset	1,311	(427)	884	-	884
<b>Movements on revaluation</b>					
Gains (losses) on property revaluation	(2,152)	-	(2,152)	(76)	(2,228)
<b>Total items that will not be reclassified to profit (loss)</b>	<b>(841)</b>	<b>(427)</b>	<b>(1,268)</b>	<b>(76)</b>	<b>(1,344)</b>
<b>Items that may be reclassified to profit (loss)</b>					
<b>Exchange differences on translating foreign operations</b>					
Exchange differences arising during the year	(6)	-	(6)	4	(2)
<b>Total</b>	<b>(847)</b>	<b>(427)</b>	<b>(1,274)</b>	<b>(72)</b>	<b>(1,346)</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 42. Retirement benefits costs

#### Retirement fund

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

Members' contributions	49,085	37,028	-	-
Employer contributions	75,675	78,659	-	-
	<b>124,760</b>	<b>115,687</b>	-	-

This is a defined contribution plan fund and is regulated by the Pension Fund Act. The fund is valued at intervals of not more than three years. The fund was valued by an independent consulting actuary at 31 January 2020 and its assets were found to exceed its actuarially calculated liabilities. The next statutory actuarial valuation will be performed at 31 January 2023.

Only 3 employees of Hartlief Corporation Limited are members of the Ohlthaver & List Retirement Fund, all other employees are members of a privately administered pension insurance plan.

#### Medical aid fund

Total value of company contributions during the year:	58,451	48,193	-	-
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# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>43. Cash generated from operations</b>				
(Loss) profit before taxation	(155,274)	2,673,608	101,320	1,591,624
<b>Adjustments for:</b>				
Depreciation and amortisation	353,800	318,797	-	-
Loss / (profit) on disposal of Property, plant and equipment	11,597	(11,329)	-	-
Income/(loss) from equity accounted investments	73,556	(454,197)	-	-
Dividends received	-	5,216	-	-
Interest income	(51,960)	(41,673)	(34,844)	(45,980)
Finance costs	297,330	226,829	42,272	45,242
Fair value losses (gains) on Investment property	301,159	(79,190)	-	-
Gain on bargain purchase in a business combination	(40,740)	-	-	-
Net impairment (profits)/losses	27,274	-	194,122	140,886
Movements in operating lease assets and accruals	50	(110)	-	-
Movements in provisions	10,973	9,553	-	-
Share of loss from joint ventures - ongoing operations	-	-	-	-
Unrealised losses/(profits) on financial asset at fair value	(110,245)	(490)	(110,245)	-
Amortisation of tenant allowances	4,335	2,112	-	-
Movement on deferred rental	(335)	4,886	-	-
Loss on livestock due to deaths	18,056	11,097	-	-
Abalone moved to ranching	9,730	-	-	-
Fair value adjustment on biological assets	(12,099)	(11,900)	-	-
Changes in oat fields	-	(270)	-	-
Gain on sale of investment	-	(1,881)	-	(1,881)
Non-cash movement due to change in accounting policy	-	(5,728)	-	(881)
Acquisition of tenant allowance and commission	(9,116)	-	-	-
Fair value losses (gains) on Derivatives	83,306	-	-	-
<b>Changes in working capital:</b>				
Inventories	(24,717)	(67,786)	-	-
Trade and other receivables	31,608	(148,295)	183	(1,108)
Derivatives	25,832	-	-	-
Trade and other payables	(307,561)	87,753	452	(523)
Deferred income	(580)	(580)	-	-
	<b>535,979</b>	<b>2,516,422</b>	<b>193,260</b>	<b>1,727,379</b>

## 44. Dividends paid

Balance at beginning of the year	(1,229)	(1,127)	(1,229)	(1,127)
Dividends declared on ordinary shares	(456,756)	(6,152)	(456,756)	(6,152)
Dividends paid to outside shareholders	(324,577)	(409,704)	-	-
Balance at end of the year	4,897	1,229	4,897	1,229
	<b>(777,665)</b>	<b>(415,754)</b>	<b>(453,088)</b>	<b>(6,050)</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>45. Tax paid</b>				
Balance receivable at the beginning of the year	56,043	41,112	-	-
Balance owing at the beginning of the year	(19,304)	(8,989)	-	-
Current tax for the year recognised in profit or loss	(81,943)	(176,440)	-	-
Adjustment in respect of businesses sold and acquired during the year including exchange rate movements	1,154	-	-	-
Balance owing at the end of the year	244	19,304	-	-
Balance receivable at the end of the year	(5,813)	(56,043)	-	-
	<b>(49,619)</b>	<b>(181,056)</b>	-	-

## 46. Restatement of comparatives

The Group now presents the excise duties on a separate line below the IFRS 15 revenue (after discounts) in the consolidated and Company statement of profit and loss and other comprehensive income. A new subtotal called 'Net revenue' is added. This 'Net revenue' subtotal is 'revenue' as defined in IFRS 15 (after discounts) less the excise duties borne by the Group. In the prior year, the IFRS 15 revenue was shown net of the excise duties. This is not in-line with the IFRS 15 standard and therefore was an error. The error however has no effect on the prior year net profit figures with the exception of the separation between the excise duties from IFRS 15 revenue. The restatement also impacted the disclosure and allocation relating to cash receipts from customers and cash paid to suppliers and employees on the statement of cash flows.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>47. Business combinations</b>				
<b>Aggregated business combinations</b>				
Property, plant and equipment	297,253	-	-	-
Investment property	5,835	-	-	-
Biological assets	1,688	-	-	-
Leasehold property	6,735	-	-	-
Intangible assets	28,357	-	-	-
Operating lease asset	39	-	-	-
Inventories	19,621	-	-	-
Trade and other receivables	20,889	-	-	-
Current tax receivable	1,198	-	-	-
Cash and cash equivalents	8,801	-	-	-
Borrowings	(25,317)	-	-	-
Finance lease liabilities	(7,492)	-	-	-
Deferred tax	(81,709)	-	-	-
Trade and other payables	(20,341)	-	-	-
Bank overdraft	(4,347)	-	-	-
Total identifiable net assets	251,210	-	-	-
Non-controlling interest	(77,295)	-	-	-
Fair value of equity interest held before the business combination	(3,328)	-	-	-
Goodwill	1,979	-	-	-
Gain on a bargain purchase in a business combination	(40,740)	-	-	-
	<b>131,826</b>	<b>-</b>	<b>129,177</b>	<b>-</b>
<b>Net cash outflow on acquisition</b>				
Cash consideration paid	(131,826)	-	(129,177)	-
Cash acquired	4,454	-	-	-
	<b>(127,372)</b>	<b>-</b>	<b>(129,177)</b>	<b>-</b>



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 47. Business combinations (continued)

#### Hartlief Corporation Limited

On 11 November 2019 the group acquired 68.73% of the voting equity interest of Hartlief Corporation Limited which resulted in the group obtaining control over Hartlief Corporation Limited. Hartlief Corporation Limited is principally involved in the livestock slaughtering, meat processing and distribution industry. As a result of the acquisition, the group is expecting to be the leading provider of meat products and services in those markets. It is also expecting to reduce costs through economies of scale.

#### Fair value of assets acquired and liabilities assumed

Property, plant and equipment	290,851	-	-	-
Investment property	5,835	-	-	-
Leasehold property	6,735	-	-	-
Intangible assets	28,357	-	-	-
Operating lease asset	39	-	-	-
Inventories	18,763	-	-	-
Trade and other receivables	19,382	-	-	-
Current tax receivable	1,139	-	-	-
Cash and cash equivalents	6,930	-	-	-
Borrowings	(21,860)	-	-	-
Finance lease liabilities	(6,894)	-	-	-
Deferred tax	(80,191)	-	-	-
Trade and other payables	(17,527)	-	-	-
Bank overdraft	(4,347)	-	-	-
Total identifiable net assets	247,212	-	-	-
Non-controlling interest	(77,295)	-	-	-
Gain on a bargain purchase in a business combination	(40,740)	-	-	-
	<b>129,177</b>	<b>-</b>	<b>129,177</b>	<b>-</b>

#### Non-controlling interest

Non-controlling interest, which is a present ownership interest, entitles their holders to a proportionate share of the entity's net assets in the event of liquidation, is measured at the present ownership interests proportionate share of the acquiree's identifiable net assets. There are no other components of non-controlling interests.

#### Acquisition date fair value of consideration paid

Cash	(129,177)	-	(129,177)	-
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# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 47. Business combinations (continued)

#### Receivables acquired

Receivables acquired per major class are as follows, as at acquisition date:

Group	2020			2019		
	Fair value	Gross contractual amounts	Contractual amounts not expected to be recovered	Fair value	Gross contractual amounts	Contractual amounts not expected to be recovered
Trade and other receivables	15,082	15,971	-	-	-	-

#### Acquisition related costs

The acquisition related costs amounted to N\$ 528,172. These costs have been expensed in the year of acquisition and are included in other operating expenses in comprehensive income.

#### Gain on acquisition

A gain of N\$ 40,740 million was recognised on acquisition. The gain resulted from the fair value of the assets less liabilities exceeding the purchase price of N\$ 2 per share. The gain has been included in other operating income in comprehensive income.

#### Revenue and profit or loss of Hartlief Corporation Limited

Revenue of N\$ 164,177,194 and a loss of N\$ 8,171,286 of Hartlief Corporation Limited have been included in the group's results since the date of acquisition.

Revenue of N\$ 257,055,046 and a loss of N\$ 10,497,811 of Hartlief Corporation Limited would have been included in the group's results if the acquisition date was at the beginning of the annual reporting period.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 47. Business combinations (continued)

#### O&L Fresh Produce (Proprietary) Limited previously Natural Value Foods Namibia (Proprietary) Limited

On 20 February 2020 WUM Properties (Proprietary) Limited acquired 50% of the voting equity interest of O&L Fresh Produce (Proprietary) Limited which resulted in the group obtaining control over O&L Fresh Produce (Proprietary) Limited. This was in addition to an existing interest of 50%. O&L Fresh Produce (Proprietary) Limited is principally involved in the fruit and vegetable industry. As a result of the acquisition, the group is expecting to be the leading provider of fresh fruit and vegetables products and services in those markets. It is also expecting to reduce costs through economies of scale.

Goodwill of N\$ 1,978,784 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the entities. Goodwill is not deductible for income tax purposes.

#### Fair value of assets acquired and liabilities assumed

Property, plant and equipment	6,402	-	-	-
Biological assets	1,688	-	-	-
Inventories	858	-	-	-
Trade and other receivables	1,507	-	-	-
Current tax receivable	59	-	-	-
Cash and cash equivalents	1,871	-	-	-
Borrowings	(3,457)	-	-	-
Finance lease liabilities	(598)	-	-	-
Deferred tax	(1,518)	-	-	-
Trade and other payables	(2,814)	-	-	-
Total identifiable net assets	3,998	-	-	-
Fair value of equity interest held before the business combination	(3,328)	-	-	-
Goodwill	1,979	-	-	-
	<b>2,649</b>	-	-	-

#### Acquisition date fair value of consideration paid

Cash	(2,649)	-	-	-
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#### Cronimet Mining Power Solutions GmbH

On 31 July 2020 the group acquired 51% of the voting equity interest of Cronimet Mining Power Solutions GmbH which resulted in the group obtaining control over Cronimet Mining Power Solutions GmbH. Cronimet Mining Power Solutions GmbH is principally involved in the solar energy industry.

#### Initial accounting incomplete

The initial accounting of the business transaction is not yet finalised at the date of signing this report.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 48. Commitments

#### Authorised capital expenditure

##### Already contracted for but not provided for

• Property, plant and equipment	149,838	88,578	-	-
• Investments in subsidiaries	27,230	-	-	-
• Other financial assets	19,100	-	-	-

Not yet contracted for and authorised by directors	268,226	466,012	-	-
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This committed expenditure will be financed as follows:

Working capital	164,679	259,434	-	-
Long term credit facilities	253,385	295,156	-	-
Own funding	46,330	-	-	-
	<b>464,394</b>	<b>554,590</b>	<b>-</b>	<b>-</b>

#### Detail of foreign currency commitments

	USD '000	EUR '000	Exchange rate	N\$'000
Investment in subsidiary	-	1,400	19.45	27,230
Other financial assets	1,106	-	17.27	19,100
	<b>1,106</b>	<b>1,400</b>	<b>37</b>	<b>46,330</b>

#### Operating leases – as lessee (expense)

##### Operating lease commitments

Land and buildings	1,953	340,012	-	-
Other	-	3,806	-	-
	<b>1,953</b>	<b>343,818</b>	<b>-</b>	<b>-</b>

##### Minimum lease payments due

- within one year	767	50,929	-	-
- in second to fifth year inclusive	1,186	237,324	-	-
- later than five years	-	55,565	-	-
	<b>1,953</b>	<b>343,818</b>	<b>-</b>	<b>-</b>

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.

#### 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.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>49. Contingent liabilities</b>				
Performance guarantees	6,688	6,521	-	-
Guarantees of loans, overdrafts and other banking facilities of certain subsidiaries and associates	-	-	1,621,416	1,486,549
Less: Provision for losses already provided for	-	-	(735,627)	(612,611)
	<b>6,688</b>	<b>6,521</b>	<b>885,789</b>	<b>873,938</b>

### Performance guarantees

The performance guarantee of N\$ 6,000 000 is issued by First Rand Bank Limited in favour of the South African Revenue Services for Namibia Breweries Limited.

Included in the performance guarantees is a performance guarantee of N\$ 687,500 issued in favour the South African Revenue Service for Hartlief Corporation Limited. No uncertainty exists, as the Hartlief Group is in good standing with the South African Revenue Service.

### Suretyship

Unlimited and limited suretyships have been given to the following subsidiaries, associates and others which could result in an additional liability for the company. All outstanding exposures at 30 June 2020 have been included in the above amounts and all deficits between the assets and liabilities of the subsidiaries at 30 June 2020 have been provided for.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020	2019	2020	2019
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

### 49. Contingent liabilities (continued)

#### Suretyship

Unlimited and limited suretyships have been given to the following subsidiaries, associates and others which could result in an additional liability for the company. All outstanding exposures at 30 June 2020 have been included in the above amounts and all deficits between the assets and liabilities of the subsidiaries at 30 June 2020 have been provided for.

In favour of:	For subsidiary / associate / other	Suretyship N\$'000
Agribank of Namibia	Namibia Dairies (Proprietary) Limited 1	Unlimited
	WUM Properties (Proprietary) Limited	N\$ 26,400
Bank Windhoek Limited	Hangana Seafood (Proprietary) Limited	N\$ 53,000
	Kraatz Marine (Proprietary) Limited	Unlimited
	Ohlthaver and List Beverage Company (Proprietary) Limited	Unlimited
	WUM Properties (Proprietary) Limited	Unlimited
	O&L Energy (Proprietary) Limited	Unlimited
	O&L Fresh Produce (previously)	N\$ 2,000
	Natural Value Foods Namibia (Proprietary) Limited	
First National Bank of Namibia	Dimension Data (Proprietary) Limited	N\$ 2,000
	O&L Property Security (Proprietary) Limited	N\$ 950,081
Nedbank Namibia Limited	Hangana Seafood (Proprietary) Limited	Unlimited
	Consortium Fisheries (Proprietary) Limited	Unlimited
Standard Bank of Namibia Limited	ICT Holdings (Proprietary) Limited	N\$ 30,000
	Namibia Dairies (Proprietary) Limited	Unlimited
	WUM Properties (Proprietary) Limited	N\$ 11,000
ABSA Bank Limited	WUM Properties (Proprietary) Limited	N\$ 25,000
	O&L Leisure (Proprietary) Limited	N\$ 10,000
Development Bank of Namibia	Namibia Dairies (Proprietary) Limited	Unlimited

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>50. Related parties</b>				
Relationships				
Ultimate holding company			Sven Thieme Holdings (Proprietary) Limited previously List Trust Company (Proprietary) Limited	
Holding company			O&L Holdings (Proprietary) Limited	
Subsidiaries			Refer to note 8	
Joint ventures			Refer to note 9	
Associates			Refer to note 10	
Significant influence on Namibia Breweries Limited			Heineken Namibia B.V.	
Significant influence on Heineken Namibia B.V.			Heineken International B.V. Heineken South Africa Export Company Proprietary Limited Heineken South Africa Proprietary Limited	
Significant influence on O&L Holdings (Proprietary) Limited			EPIA Investment Holdings (Proprietary) Limited	
Directors/shareholders of EPIA Investment Holdings (Proprietary) Limited			GC Uushona TSM Hjarunguru Hon. Governor LV Mcleod-Katjirua	
Members of key management			S Bartsch G Hanke P Hoeksema T Makari B Mukuahima W Oosthuizen M Reilly G Shilongo H Theron S Thieme H van der Westhuizen B Walbaum M Wenk E Krafft G von der Wense G Ling N Wurm M Theron E Louw	

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>50. Related parties (continued)</b>				
<b>Related party balances</b>				
For balances owing (to)/from related parties refer to Notes 11 and 12.				
<b>Related party transactions</b>				
<b>Interest paid to (received from) related parties</b>				
ICT Holdings (Proprietary) Limited	-	-	(2)	-
Heineken South Africa Proprietary Limited	(6,370)	(6,762)	-	-
O&L Leisure (Proprietary) Limited	-	-	-	(32,421)
Token Fisheries (Proprietary) Limited	(1,039)	(1,121)	-	-
Namibia Dairies (Proprietary) Limited	-	-	(5,971)	(5,509)
Kraatz Marine (Proprietary) Limited	-	-	(979)	(880)
	(7,409)	(7,883)	(6,952)	(38,810)
Directors and past directors	-	447	-	447
Dimension Data Namibia (Proprietary) Limited	371	451	-	-
Ohlthaver & List Employee Catastrophe Fund Trust	-	116	-	-
ICT Holdings (Proprietary) Limited	-	-	-	1
The Werner List Trust	1	-	-	-
Cronimet Mining Power Solutions Namibia	300	-	-	-
	<b>672</b>	<b>1,014</b>	<b>-</b>	<b>448</b>
<b>Purchases from/(sales to) related parties</b>				
Heineken South Africa Proprietary Limited	(936,002)	(1,283,948)	-	-
Dimension Data Namibia (Proprietary) Limited	(214)	(439)	-	-
	(936,216)	(1,284,387)	-	-
ICT Holdings (Proprietary) Limited	-	-	257	266
Dimension Data Namibia (Proprietary) Limited	25,888	39,089	-	-
Weathermen and Company Advertising (Proprietary) Limited	-	-	156	171
	<b>25,888</b>	<b>39,089</b>	<b>413</b>	<b>437</b>
<b>Rent paid to (received from) related parties</b>				
Exigraide Feeds (Proprietary) Limited	(624)	(652)	-	-



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>50. Related parties (continued)</b>				
<b>Management fees paid to/(received from) related parties</b>				
Dimension Data Namibia (Proprietary) Limited	(1,583)	(1,116)	-	-
The Werner List Trust	(78)	(104)	-	-
Brandtribe Proprietary Limited	(850)	(791)	-	-
SIP Project Managers (Namibia) (Proprietary) Limited	(74)	(63)	-	-
OLC Arandis Solar Energy (Proprietary) Limited	(93)	-	-	-
	(2,678)	(2,074)	-	-
OLC Arandis Solar Energy (Proprietary) Limited	-	91	-	-
Jupiter Drawing Room (Cape Town) Proprietary Limited	403	382	-	-
Heineken International B.V.	4,906	4,522	-	-
	<b>2,631</b>	<b>4,995</b>	-	-
<b>Dividends received from related parties</b>				
ICT Holdings (Proprietary) Limited	-	-	2,118	3,000
Namibia Breweries Limited	-	-	603	779
NBL Share Purchase Trust	-	-	-	174
Ohlthaver & List Beverage Company (Proprietary) Limited	-	-	150,012	139,000
Weathermen & Co Advertising (Proprietary) Limited	-	-	-	752
	-	-	152,733	143,705
<b>Royalties paid to/(received from) related parties</b>				
Heineken South Africa Proprietary Limited	(91,311)	(105,656)	-	-
Heineken International B.V.	929	1,131	-	-
Heineken South Africa Exports Company Proprietary Limited	(3,791)	-	-	-
	<b>(94,173)</b>	<b>(104,525)</b>	-	-
<b>Know-how payments to/(from) related parties</b>				
Heineken South Africa Proprietary Limited	(8,273)	(9,330)	-	-
<b>Technical fees paid to related parties</b>				
Dimension Data Namibia (Proprietary) Limited	2,678	2,678	-	-
<b>Ceded Income</b>				
Heineken International B.V.	-	36,892	-	36,892

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 50. Related parties (continued)

During the year the company, in the ordinary course of business, entered into various sale and purchase transactions with its Holding Company and all other related parties.

These transactions occurred under terms that are negotiated between the parties.

#### Compensation to key management

Short-term employee benefits	69,270	79,965	-	-
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### 51. Directors' emoluments

#### Executive - for managerial services

##### Company - 2020

	Basic remuneration and allowances N\$'000	Other benefits*	Compensation for loss of office and restraint of trade N\$'000	Total N\$'000
Executive directors - paid by subsidiaries	38,385	5,468	500	44,353

##### Company - 2019

	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	42,014	6,770	1,000	49,784

\* Other benefits comprise travel allowance and medical benefits

#### Non-executive - for services as directors

##### Company - 2020

	Directors' fees N\$'000	Total N\$'000
Non-executive directors	526	526

##### Company - 2019

	Directors' fees N\$'000	Total N\$'000
Non-executive directors	700	700

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 52. Financial instruments and risk management

#### Categories of financial instruments

#### Categories of financial assets

#### Group - 2020

	<b>Note(s)</b>	Fair value through profit or loss - Mandatory N\$'000	Amortised cost N\$'000	Leases N\$'000	Total N\$'000	Fair value N\$'000
Loans to related parties	12	-	44,977	-	44,977	44,977
Loans receivable	13	-	13,306	-	13,306	13,306
Derivatives - hedging	18	9,588	-	-	9,588	9,588
Non-current receivables	14	-	-	32,949	32,949	32,949
Trade and other receivables	17	-	505,895	-	505,895	505,895
Cash and cash equivalents	20	-	1,231,728	-	1,231,728	1,231,728
		<b>9,588</b>	<b>1,795,906</b>	<b>32,949</b>	<b>1,838,443</b>	<b>1,838,443</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 52. Financial instruments and risk management (continued)

#### Group - 2019

	<b>Note(s)</b>	Fair value through profit or loss - Mandatory N\$'000	Amortised cost N\$'000	Leases N\$'000	Total N\$'000	Fair value N\$'000
Loans to related parties	12	-	170,512	-	170,512	170,512
Loans receivable	13	-	18,219	-	18,219	16,439
Derivatives - hedging	18	3,025	-	-	3,025	3,025
Non-current receivables	14	-	-	28,130	28,130	28,130
Trade and other receivables	17	-	530,816	-	530,816	530,816
Cash and cash equivalents	20	-	1,992,322	-	1,992,322	1,992,322
		<b>3,025</b>	<b>2,711,869</b>	<b>28,130</b>	<b>2,743,024</b>	<b>2,741,244</b>

#### Company - 2020

	<b>Note(s)</b>	Amortised cost N\$'000	Total N\$'000	Fair value N\$'000
Loans to group companies	11	1,046,204	1,046,204	1,046,204
Cash and cash equivalents	20	875,586	875,586	875,586
		<b>1,921,790</b>	<b>1,921,790</b>	<b>1,921,790</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 52. Financial instruments and risk management (continued)

#### Company - 2019

	<b>Note(s)</b>	<b>Amortised cost N\$'000</b>	<b>Total N\$'000</b>	<b>Fair value N\$'000</b>
Loans to group companies	11	1,262,446	1,262,446	1,262,446
Loans to related parties	12	5,788	5,788	5,788
Trade and other receivables	17	25	25	25
Cash and cash equivalents	20	1,670,640	1,670,640	1,670,640
		<b>2,938,899</b>	<b>2,938,899</b>	<b>2,938,899</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 52. Financial instruments and risk management (continued)

#### Categories of financial liabilities

##### Group - 2020

	<b>Note(s)</b>	Fair value through profit or loss - Held for trading N\$'000	Amortised cost N\$'000	Leases N\$'000	Total N\$'000	Fair value N\$'000
Trade and other payables	31	-	706,696	-	706,696	706,696
Loans from related parties	12	-	23,564	-	23,564	23,564
Borrowings	28	-	2,469,807	-	2,469,807	2,469,807
Derivatives - non-hedging	18	83,306	-	-	83,306	83,306
Derivatives - hedging	18	32,395	-	-	32,395	32,395
Finance lease obligations		-	-	344,215	344,215	344,215
Non-current payables	14	-	8,300	-	8,300	8,300
Dividend payable		-	4,897	-	4,897	4,897
Bank overdraft	20	-	164,853	-	164,853	164,853
		<b>115,701</b>	<b>3,378,117</b>	<b>344,215</b>	<b>3,838,033</b>	<b>3,838,033</b>

##### Group - 2019

	<b>Note(s)</b>	Fair value through profit or loss - Held for trading N\$'000	Amortised cost N\$'000	Leases N\$'000	Total N\$'000	Fair value N\$'000
Trade and other payables	31	-	879,567	-	879,567	879,567
Loans from related parties	12	-	21,240	-	21,240	21,240
Borrowings	28	-	2,240,566	-	2,240,566	2,240,566
Derivatives - hedging	18	1,436	-	-	1,436	1,436
Finance lease obligations		-	-	94,674	94,674	94,674
Dividend payable		-	1,229	-	1,229	1,229
Bank overdraft	20	-	156,337	-	156,337	156,337
Non-current payables		-	7,372	-	7,372	7,372
		<b>1,436</b>	<b>3,306,311</b>	<b>94,674</b>	<b>3,402,421</b>	<b>3,402,421</b>

##### Company - 2020

	<b>Note(s)</b>	Amortised cost N\$'000	Total N\$'000	Fair value N\$'000
Trade and other payables	31	2,305	2,305	2,305
Loans from group companies	26	78,579	78,579	78,579
Loans from related parties	12	2,237	2,237	2,237
Borrowings	28	292,880	292,880	292,880
Dividend payable		4,897	4,897	4,897
		<b>380,898</b>	<b>380,898</b>	<b>380,898</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 52. Financial instruments and risk management (continued)

#### Company - 2019

	<b>Note(s)</b>	<b>Amortised cost N\$'000</b>	<b>Total N\$'000</b>	<b>Fair value N\$'000</b>
Trade and other payables	31	1,848	1,848	1,848
Loans from group companies	26	477,128	477,128	477,128
Loans from related parties	12	1,322	1,322	1,322
Borrowings	28	407,250	407,250	407,250
Dividend payable		1,229	1,229	1,229
Bank overdraft	20	9,975	9,975	9,975
		<b>898,752</b>	<b>898,752</b>	<b>898,752</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 52. Financial instruments and risk management (continued)

#### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 4 & 29 and cash and cash equivalents disclosed in note 20, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt (excluding loans from group companies).

The Group has entered into various financing agreements with Bank Windhoek Limited, First National Bank of Namibia Limited, Standard Bank of Namibia Limited, Agribank of Namibia, Firststrand Bank Limited, Nedbank Namibia Limited, Development Bank of Namibia, ABSA Bank Limited and Domestic Medium Term note holders. These agreements require the group to meet certain terms and conditions, which include specified gearing ratios.

These requirements were not all met during the current and prior year.

In 2019 there was a breach of covenants on the Old Mutual Promissory notes, however Old Mutual accepted the breach and waived their right to call on the promissary notes affected.

In 2020 there were material breaches on both the Old Mutual Promissory notes as well as the Standard Bank term loan. Old Mutual accepted the breach and waived their right to call on the promissary notes affected.

Standard Bank has accepted the breach in covenants for the year ended 30 June 2020 subject to a remeasure of the affected covenants at 30 September 2020. It was subsequently confirmed by the bank that they accept the breach as at 30 September 2020 and waive their right to call on the term loan affected.

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.



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 52. Financial instruments and risk management (continued)

The capital structure and gearing ratio of the Group at the reporting date was as follows:

		Group		Company	
		2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
Loans from related parties	27	23,564	21,240	2,237	1,322
Borrowings	28	2,469,807	2,240,566	292,880	407,250
Finance lease liabilities		344,215	94,674	-	-
Trade and other payables	31	706,696	879,567	2,305	1,848
Non-current payable		8,300	7,372	-	-
Dividend payable		4,897	1,229	4,897	1,229
<b>Total borrowings</b>		<b>3,557,479</b>	<b>3,244,648</b>	<b>302,319</b>	<b>411,649</b>
Cash and cash equivalents	20	(1,066,875)	(1,835,985)	(875,586)	(1,660,665)
<b>Net borrowings</b>		<b>2,490,604</b>	<b>1,408,663</b>	<b>(573,267)</b>	<b>(1,249,016)</b>
Equity		5,582,390	6,478,479	1,781,344	2,136,781
Gearing ratio		45 %	18 %	(32)%	(141)%

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 52. Financial instruments and risk management (continued)

#### Financial risk management

##### Overview

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Group'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.

##### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors.

Trade receivables comprise a widely spread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

The granting of credit is made on application and is approved by management of the individual entities. At year end, the Group did not consider there to be any significant concentration of credit risk or significant exposure to any individual customer or counter party which has not been adequately provided for.

The Group's cash equivalents and funds on call are placed with high credit quality financial institutions.

The maximum exposure to credit risk is presented in the table below:

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 52. Financial instruments and risk management (continued)

Group		2020 N\$'000			2019 N\$'000		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to related parties	12	44,977	-	44,977	170,561	(49)	170,512
Loans receivable	13	19,388	(6,082)	13,306	27,311	(9,092)	18,219
Derivatives- hedging		9,588	-	9,588	3,025	-	3,025
Non-current receivables	14	32,949	-	32,949	28,130	-	28,130
Trade and other receivables	17	539,259	(33,364)	505,895	550,293	(19,477)	530,816
Cash and cash equivalents	20	1,231,728	-	1,231,728	1,992,322	-	1,992,322
		<b>1,877,889</b>	<b>(39,446)</b>	<b>1,838,443</b>	<b>2,771,642</b>	<b>(28,618)</b>	<b>2,743,024</b>

Company		2020 N\$'000			2019 N\$'000		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	11	1,852,490	(806,286)	1,046,204	1,874,609	(612,163)	1,262,446
Loans to shareholders	12	-	-	-	5,788	-	5,788
Trade and other receivables	17	-	-	-	25	-	25
Cash and cash equivalents	20	875,586	-	875,586	1,670,640	-	1,670,640
		<b>2,728,076</b>	<b>(806,286)</b>	<b>1,921,790</b>	<b>3,551,062</b>	<b>(612,163)</b>	<b>2,938,899</b>

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	- 26% (2019: 17%)
Trading industry	- 11% (2019: 16%)
Manufacturing industry	- 55% (2019: 72%)

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 52. Financial instruments and 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 statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

<b>Group - 2020</b>	<b>1 year N\$ '000</b>	<b>2 - 5 years N\$ '000</b>	<b>&gt; 5 years N\$ '000</b>	<b>Less: Interest N\$ '000</b>	<b>Total N\$ '000</b>
Non-interest-bearing liabilities	23,562	-	-	-	23,562
Bank overdrafts	164,853	-	-	-	164,853
Trade payables	706,696	-	-	-	706,696
Dividend payable	4,897	-	-	-	4,897
Non-current payable	-	8,300	-	-	8,300
Derivative financial liabilities	32,395	83,306	-	-	115,701
Variable interest rate instruments	551,234	1,348,680	205,253	(412,609)	1,692,558
Fixed interest rate instruments	103,639	310,936	1,697,644	(990,754)	1,121,465
	<b>1,587,276</b>	<b>1,751,222</b>	<b>1,902,897</b>	<b>(1,403,363)</b>	<b>3,838,032</b>

<b>Group - 2019</b>	<b>1 year N\$ '000</b>	<b>2 - 5 years N\$ '000</b>	<b>&gt; 5 years N\$ '000</b>	<b>Less: Interest N\$ '000</b>	<b>Total N\$ '000</b>
Non-interest-bearing liabilities	21,240	-	-	-	21,240
Bank overdrafts	156,337	-	-	-	156,337
Trade payables and provisions	888,168	-	-	-	888,168
Derivative financial liabilities	1,436	-	-	-	1,436
Variable interest rate instruments	652,672	1,056,887	37,460	(310,458)	1,436,561
Fixed interest rate instruments	65,339	264,990	624,361	(56,011)	898,679
	<b>1,785,192</b>	<b>1,321,877</b>	<b>661,821</b>	<b>(366,469)</b>	<b>3,402,421</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 52. Financial instruments and risk management (continued)

<b>Company - 2020</b>	<b>1 year N\$ '000</b>	<b>2 - 5 years N\$ '000</b>	<b>&gt; 5 years N\$ '000</b>	<b>Less: Interest N\$ '000</b>	<b>Total N\$'000</b>
Non-interest-bearing liabilities	80,816	-	-	-	80,816
Dividends payable	4,897	-	-	-	4,897
Trade payables	2,305	-	-	-	2,305
Variable interest rate instruments	205,780	7,164	110,883	(30,947)	292,880
	<b>293,798</b>	<b>7,164</b>	<b>110,883</b>	<b>(30,947)</b>	<b>380,898</b>

<b>Company - 2019</b>	<b>1 year N\$ '000</b>	<b>2 - 5 years N\$ '000</b>	<b>&gt; 5 years N\$ '000</b>	<b>Less: Interest N\$ '000</b>	<b>Total N\$'000</b>
Non-interest-bearing liabilities	478,451	-	-	-	478,451
Dividends payable	1,229	-	-	-	1,229
Bank overdrafts	9,975	-	-	-	9,975
Trade payables	1,847	-	-	-	1,847
Variable interest rate instruments	240,526	243,290	-	(76,566)	407,250
	<b>732,028</b>	<b>243,290</b>	<b>-</b>	<b>(76,566)</b>	<b>898,752</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 52. Financial instruments and risk management (continued)

#### Foreign currency risk

At 30 June 2020, 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\$ 3,163,397 (2019: N\$ 1,734,882) 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 2020, 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\$ 28,487,592 (2019: N\$ 1,777,244) higher/lower, mainly as a result of foreign exchange gains or losses on translation of Euro denominated receivables, Euro denominated cash and cash equivalents, payables and foreign exchange contracts.

At 30 June 2020, 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\$ nil (2019: N\$ 11,768) 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 2020, 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\$ 11,589 (2019: N\$ 10,689) higher/lower, mainly as a result of foreign exchange gains or losses on translation of Botswana Pula denominated receivables, Botswana Pula denominated payables and foreign exchange contracts.

#### Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

##### Assets:

Euro-denominated receivables	13	239,162	120,450	-	-
US Dollar-denominated receivables	11	93,041	51,026	-	-
Pound Sterling-denominated receivables	17	-	346	-	-
Euro-denominated other financial assets		614,746	1,068,933	-	-

##### Liabilities:

Euro-denominated payables	28	2,264	30,582	-	-
Botswana Pula-dominated payables	26	341	314	-	-

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

##### Namibia Dollar per unit of foreign currency:

USD	17.271	14.040	-	-
Euro	19.425	15.960	-	-
GBP	21.282	17.820	-	-
Pula	1.450	1.300	-	-

#### Group review

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.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 52. Financial instruments and risk management (continued)

#### Interest rate risk

#### Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note	Average effective interest rate		Carrying amount	
Group		2020	2019	2020	2019
<b>Variable rate instruments:</b>					
<b>Assets</b>					
Loans receivable	13	Prime -4%	Prime -4%	13,306	12,267
<b>Liabilities</b>					
Borrowings	28	JIBAR+1.9% to JIBAR+3.8%	JIBAR+1.9% to JIBAR+3.8%	2,237,952	662,303
		Prime - 1.65% to Prime +0.5%	Prime - 1.65% to Prime +0.5%		
Finance lease liabilities		Prime to Prime - 2%	Prime to Prime - 2%	90,328	88,394
Bank overdraft	20	Prime	Prime	164,853	156,337
Loans from related parties	27	Prime to Prime - 2%	Prime to Prime - 2%	2,850	2,692
				<b>2,495,983</b>	<b>909,726</b>
<b>Fixed rate instruments:</b>					
<b>Assets</b>					
Loans receivable	13		12.75%	-	5,518
<b>Liabilities</b>					
Borrowings	28	12.49%	12.49%	231,855	283,931
Finance lease liabilities		10.25% to 13.35%	10.25% to 13.35%	253,887	6,280
Derivatives	18	10.69%	-	83,306	-
				<b>569,048</b>	<b>290,211</b>

	Note	Average effective interest rate		Carrying amount	
Company		2020	2019	2020	2019
<b>Variable rate instruments:</b>					
<b>Assets</b>					
Loans to group companies	11	-	JIBAR +3.8%	568,012	563,277
Cash and cash equivalents	20	Prime	Prime	875,586	1,670,640
				<b>1,443,598</b>	<b>2,233,917</b>
<b>Liabilities</b>					
Borrowings	28	JIBAR +3% to JIBAR +3.8%	JIBAR +3% to JIBAR +3.8%	292,880	407,250
Bank overdraft	20	-	Prime	-	9,975
				<b>292,880</b>	<b>417,225</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 52. Financial instruments and risk management (continued)

#### Interest rate swaps

Certain interest rate swaps have been entered into in order to mitigate against the effect of changes in interest rates.

#### Group - 2020

	Note	Nominal amount N\$'000	Fair value of contract N\$'000
Pay fixed rate of 10.69% and receive variable rate of prime + 5%	18	625,900	(83,306)

#### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

#### Group

At 30 June 2020, 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\$ 11,037,460 (2019: N\$ 9,768,621) lower/higher for the Group mainly as a result of higher/lower interest expense on floating rate borrowings.

#### Company

At 30 June 2020, 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\$ 1,991,582 (2019: N\$ 2,769,295) lower/higher for the company mainly as a result of higher/lower interest expense on floating rate borrowings.

#### Fuel price risk

The Group is exposed to fuel price risk arising from its use of fuel (HFO and ADO) for energy or transport purposes.

The Group has no exposure to hedging instruments at year end.

#### 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.



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

---

### 52. Financial instruments and risk management (continued)

#### 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.

### 53. Going concern

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

#### The 2019/2020 COVID-19 pandemic and key dates and effects on the group

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time.

Measures have been taken to contain the spread of the virus, including sale of alcohol bans, travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening.

Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

Most, if not all, companies in the Ohlthaver & List Finance and Trading Corporation Limited group were negatively impacted by the restrictions imposed by the Namibian Government, but the companies most severely impacted are Namibia Breweries Limited and O&L Leisure (Proprietary) Limited.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 53. Going concern (continued)

Important dates that affected O&L companies include:

- 14 March 2020: Namibia's Minister of Health and Social Services announced that COVID-19 had reached Namibia.
- 23 March 2020 – 1 June 2020: South Africa entered a national state of lockdown on 23 March. It included a moratorium on alcohol production and sales, as well as inter-provincial and international travel. The ban on alcohol sales partly lifted once lockdown transitioned to level three on 1 June.
- 27 March 2020 – 4 May 2020: Namibia's Khomas and Erongo regions entered a 21-day stage one absolute lockdown on 27 March, which included alcohol prohibition. On 14 April, the lockdown became national and was extended until 4 May.
- 5 May 2020 – 1 June 2020: Namibia entered stage two of its lockdown.
- 2 June 2020: Namibia entered lockdown stage three. Alcohol sales were allowed under stringent trading conditions.
- The international travel ban has been in effect up until 5 August 2020, when the Namibian Government implemented a phased ban process to open Namibian borders to tourists.

#### Namibia Breweries Limited (NBL):

The initial lockdown in South Africa drastically affected Heineken South Africa's (Heineken SA) business, as well as Namibia Breweries Limited (NBL)'s ability to source inputs from South Africa, and transport products between countries including volumes to South Africa.

The 21-day lockdown of the Khomas and Erongo regions affected NBL as it has offices, production and distribution facilities in these regions. As Namibia's Liquor Act 1998 (No. 6 of 1998) (Liquor Act) currently only applies to liquor containing 3% or more alcohol by volume, NBL could still sell some of its beverages, such as Tafel Radler, Windhoek Non-Alcoholic and Windhoek Light.

When Namibia moved to stage two of lockdown, the Namibian Government prohibited the sale of beverages with any degree of alcohol content, including Tafel Radler, Windhoek Non-Alcoholic and Windhoek Light.

Since Namibia implemented stage 3 from 2 June 2020, NBL could resume their normal production, sales and distribution under stringent trading conditions

#### O&L Leisure (Proprietary) Limited:

The travel bans have had a severe impact on the revenues for the next financial year from January 2020 onwards, as tourism to Namibia seized, impacting the profitability.

The company has been focusing on the local markets and offering promotions at all properties, whilst driving various cost reduction initiatives to reduce losses and is also actively supporting industry stakeholders in engaging with government on lifting travel bans and quarantine requirements.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000

### 54. Fair value information

#### Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

#### Levels of fair value measurements

##### Level 2

#### Recurring fair value measurements

Assets	Note(s)				
<b>Hedging derivatives</b>	18				
Foreign exchange contracts		9,588	3,025	-	-
<b>Liabilities</b>	Note(s)				
<b>Non-hedging derivatives</b>	18				
Interest rate swaps		83,306	-	-	-
<b>Hedging derivatives</b>	18				
Foreign exchange contracts		32,395	1,436	-	-
<b>Total</b>		<b>(106,113)</b>	<b>1,589</b>	<b>-</b>	<b>-</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Group		Company	
	2020 N\$ '000	2019 N\$ '000	2020 N\$ '000	2019 N\$ '000
<b>54. Fair value information (continued)</b>				
<b>Level 3</b>				
<b>Recurring fair value measurements</b>				
<b>Assets</b>	Note(s)			
<b>Biological assets</b>	6			
Work in progress – Agronomy		94	974	-
Abalone		16,273	20,315	-
Game		2,278	2,116	-
Milk cows		27,608	32,680	-
<b>Total biological assets</b>		<b>46,253</b>	<b>56,085</b>	-
<b>Investment property</b>	5			
Investment property		2,312,341	2,589,247	-
<b>Property, plant and equipment</b>	3			
Freehold land and buildings		2,312,516	2,056,066	-
<b>Total</b>		<b>4,671,110</b>	<b>4,701,399</b>	-

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

### Transfers of assets and liabilities within levels of the fair value hierarchy

There were no transfers between level 1 and level 2 for the year ended 30 June 2020 and for the year ended 30 June 2019.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 54. Fair value information (continued)

#### Reconciliation of assets and liabilities measured at level 3

	Note(s)	Opening balance N\$ '000	Gains / losses recognised in profit loss * N\$ '000	Gains / losses recognised in other comprehensive income # N\$ '000	Purchases / Seeds & fertiliser / additions N\$ '000	Sales / herd population changes N\$ '000	Transfers N\$ '000	Additions through business combination N\$ '000	Other movements N\$ '000	Depreciation N\$ '000	Closing balance N\$ '000
<b>Group - 2020</b>											
<b>Assets</b>											
<b>Biological assets</b>	6										
Work in progress – Agronomy		974	-	-	11,812	(13,406)	(974)	1,688	-	-	94
Abalone		20,315	4,537	-	5,851	(4,699)	(9,730)	-	-	-	16,274
Game		2,116	162	-	-	-	-	-	-	-	2,278
Milk cows		32,680	8,284	-	-	(13,356)	-	-	-	-	27,608
<b>Total biological assets</b>		<b>56,085</b>	<b>12,983</b>	<b>-</b>	<b>17,663</b>	<b>(31,461)</b>	<b>(10,704)</b>	<b>1,688</b>	<b>-</b>	<b>-</b>	<b>46,254</b>
<b>Investment property</b>											
Investment property		2,589,247	(301,159)	-	18,385	-	33	5,835	-	-	2,312,341
<b>Property, plant and equipment</b>	3										
Property, plant and equipment		2,065,066	(26,792)	39,132	23,753	(1,147)	757	222,043	-	(10,296)	2,312,516
<b>Total</b>		<b>2,121,151</b>	<b>(13,809)</b>	<b>39,132</b>	<b>41,416</b>	<b>(32,608)</b>	<b>(9,947)</b>	<b>223,731</b>	<b>-</b>	<b>(10,296)</b>	<b>2,358,770</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

	Note(s)	Opening balance N\$ '000	Gains / losses recognised in profit loss * N\$ '000	Gains / losses recognised in other comprehensive income # N\$ '000	Purchases / Seeds & fertiliser / additions N\$ '000	Sales / herd population changes N\$ '000	Transfers N\$ '000	Additions through business combination N\$ '000	Other movements N\$ '000	Depreciation N\$ '000	Closing balance N\$ '000
<b>54. Fair value information (continued)</b>											
<b>Group - 2019</b>											
<b>Assets</b>											
<b>Biological assets</b>	6										
Work in progress – Agronomy		704	-	-	-	-	-	-	270	-	974
Abalone		17,118	(139)	-	4,000	(664)	-	-	-	-	20,315
Game		1,736	380	-	-	-	-	-	-	-	2,116
Milk cows		32,118	11,659	-	-	(11,097)	-	-	-	-	32,680
<b>Total biological assets</b>		<b>51,676</b>	<b>11,900</b>	<b>-</b>	<b>4,000</b>	<b>(11,761)</b>	<b>-</b>	<b>-</b>	<b>270</b>	<b>-</b>	<b>56,085</b>
<b>Investment property</b>	5										
Investment property		2,272,049	79,190	-	238,008	-	-	-	-	-	2,589,247
<b>Property, plant and equipment</b>	3										
Other property, plant and equipment		2,029,303	-	(2,152)	22,760	(16)	24,164	-	-	(8,993)	2,065,066
<b>Total</b>		<b>4,353,028</b>	<b>79,190</b>	<b>(2,152)</b>	<b>260,768</b>	<b>(16)</b>	<b>24,164</b>	<b>-</b>	<b>-</b>	<b>(8,993)</b>	<b>4,654,313</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

Note(s)	Opening balance N\$ '000	Gains / losses recognised in profit loss * N\$ '000	Gains / losses recognised in other comprehensive income # N\$ '000	Purchases / Seeds & fertiliser / additions N\$ '000	Sales / herd population changes N\$ '000	Transfers N\$ '000	Additions through business combination N\$ '000	Other movements N\$ '000	Depreciation N\$ '000	Closing balance N\$ '000
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### 54. Fair value information (continued)

\* Gains and losses recognised in profit or loss are included in Other income on the Statement of Comprehensive Income, except for gains and losses on financial assets and liabilities which have been included in fair value adjustments.

# Gains and losses recognised in other comprehensive income are included in Gains and losses on property revaluation.

\*\* This column refers to the amount of total gains or losses included in profit or loss that is attributable to the change in unrealised gains or losses for assets and liabilities held at the end of the reporting period.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 54. Fair value information (continued)

#### Valuation techniques used to derive level 2 fair values

No changes have been made to the valuation technique.

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

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

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

The fair values of derivatives are obtained from specialist valuations from the institutions involved.

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.

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.



# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 54. Fair value information (continued)

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

#### Sensitivity analysis of unobservable inputs of revaluations of properties

The valuations of PPE and Investment property were arrived at by reference to market evidence of transaction prices for similar properties on a discounted cash flow basis and comparative sales method basis.

Capitalisation rates of 8.35%-13.50% (2019: 7.00%-13.50%) and discount rates of 13.00% (2019: 12.50%-14.00%) were used.

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

The higher the estimated costs and required margin, the lower the fair value.

PPE valued at capitalization of income approach by the DCF method:

#### Erf 1300 Seagulls, Pick n Pay Centre, Walvis Bay

	Discount rate	Exit capitalization rate
Rates used in valuation	8.00%	13.00%
<b>Variation in rate results in an increase/(decrease) in valuation amount of (N\$'000)</b>		
0.5% increase	(2,286)	(1,053)
0.5% decrease	2,590	1,080

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 54. Fair value information (continued)

Properties valued at the income capitalization method:

	Erf 2817 Pick n Pay Swakopmund	Erf 3515 Windhoek	Erf 2667, Eight street Walvis Bay	Erf 4743 Strand Hotel Swakopmund	Erf 4895, Fifty Street Walvis Bay	Erf 5198 & 5203 Walvis Bay	Erf Re A/282 77 Independence Avenue Windhoek Investment property
Asset class	PPE	PPE	PPE	PPE	PPE	PPE	
Capitalization rate	9.50%	9.00%	9.00%	8.35%	8.50%	9.50%	9.00%
<b>Variation in rate results in an increase/(decrease) in valuation amount of (N\$'000)</b>							
0.5% increase	(1,323)	(222)	(289)	(14,213)	(1,667)	(596)	(1,546)
0.5% decrease	1,470	2,483	320	15,977	1,937	674	1,732

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

### 54. Fair value information (continued)

Investment properties valued at the DCF method expressing a material valuation uncertainty due to Novel Coronavirus (COVID – 19):

	Wernhil Shopping Centre		Alexander Forbes House - Carl List		Standard Bank Centre	
	Discount rate	Exit capitalization rate	Discount rate	Exit capitalization rate	Discount rate	Exit capitalization rate
Rates used in valuation	12.00%	7.75%	13.00%	8.75%	13.00%	9.00%
<b>Variation in rate results in an increase/(decrease) in valuation amount of (N\$'000)</b>						
0.5% increase	(29,818)	(67,529)	(5,366)	(10,576)	(3,271)	(6,292)
0.5% decrease	30,584	76,843	5,501	11,858	3,354	7,032
1.0% increase	(58,892)	(127,340)	(10,600)	(20,067)	(6,462)	(11,954)
1.0% decrease	61,957	165,070	11,140	25,246	6,792	14,943

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 54. Fair value information (continued)

#### Biological assets - livestock

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

#### Biological assets - abalone

The value of the abalone was determined using current market prices per size range indicated. The USD rate were converted at an exchange rate of N\$ 17.27 (2019: N\$ 14.04). A fair value gain of N\$ 4,625,341 (2019: N\$ 139,457) was recognised as a result of the strengthening of the exchange rate and increased mass of the abalone since the last valuation was done. The higher the 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, depreciated replacement cost method. The capitalisation rate was determined by referring to the market transactions of comparable properties as derived from market analysis. Property experts are of the opinion that investors would require a return of between 9% and 11% for similar properties. Therefore a capitalisation rate of 10% was applied to determine the open market value of the properties.

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

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

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

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

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 54. Fair value information (continued)

#### Valuation processes applied by the Group

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

The fair value of derivatives is performed by the respective company's finance department on a monthly basis.

The fair value of investment properties and freehold land and buildings is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. Land and buildings are revalued at least every 3 years, while investment property is valued annually.

#### Highest and best use

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

### 55. Events after the reporting period

On 1 August 2020 Ohlthaver & List Finance and Trading Corporation Limited acquired 51% of the shareholding in Cronimet Mining Power Solutions GmbH (CRMPS GmbH), obtaining control of the CRMPS GmbH group.

Subsequent to year end the operations of Farmers Meat Market Mariental Abattoir (Proprietary) Limited ceased and will remain closed for an estimated duration of 2 years to give market conditions a chance to recover.

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

The regulations and restrictions imposed by the Namibian Government to combat COVID-19 has severely impacted the group and company performance in the past financial year and is expected to continue far into the next financial year(s).

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Group and Company for future periods.

### 56. Approval of financial statements

The consolidated and separate annual financial statements have been authorised for issue by the directors on 27 October 2020.

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### 57. New and revised standards

#### i) Adoption of new and revised standards– effective in current year

The following table contains effective dates of IFRS's and recently revised IAS's, which have been adopted by the Group. The impact of adopting IFRS 16 is dealt with in Note 2. The rest have not had a significant impact on the results from operations or the statement of financial position.

STANDARD	DATE ISSUED	EFFECTIVE DATES
<b>IFRS 16 Leases –</b>  IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	13 January 2016	<b>Applicable to annual reporting periods beginning on or after 1 January 2019</b>
<b>IFRIC 23 Uncertainty over Income Tax Treatments –</b>  The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers: <ul style="list-style-type: none"><li>• Whether tax treatments should be considered collectively</li><li>• Assumptions for taxation authorities' examinations</li><li>• The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates</li><li>• The effect of changes in facts and circumstances</li></ul>	7 June 2017	<b>Applicable to annual reporting periods beginning on or after 1 January 2019</b>

# Ohlthaver & List Finance and Trading Corporation Limited

(Registration number 331)

Annual Financial Statements for the year ended 30 June 2020

## Notes to the Annual Financial Statements

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### ii) Standards and amendments issued but not yet effective

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

STANDARD	DATE ISSUED	EFFECTIVE DATES
<b>IFRS 17 Insurance Contracts –</b>  IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.	18 May 2017	<b>Applicable to annual reporting periods beginning on or after 1 January 2021</b>  Not yet endorsed for use in the EU.
<b>IFRS 7 Financial Instruments: Disclosures -</b>  Amendments regarding pre-replacement issues in the context of the IBOR reform	September 2019	Annual periods beginning on or after 1 January 2020
<b>IFRS 9 Financial Instruments –</b>  Amendments regarding pre-replacement issues in the context of the IBOR reform	September 2019	Annual periods beginning on or after 1 January 2020
<b>IFRS 16 Leases –</b>  Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	May 2020	Annual periods beginning on or after 1 June 2020
<b>IAS 1 Presentation of Financial Statements –</b>  Amendments regarding the definition of material	October 2018	Annual periods beginning on or after 1 January 2020
<b>IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors –</b>  Amendments regarding the definition of material	October 2018	Annual periods beginning on or after 1 January 2020

The directors are assessing the impact of adopting these standards but do not currently expect the adoption of any of these standards to have a significant impact on these accounts.