



## **OHLTHAVER & LIST FINANCE AND TRADING CORPORATION LIMITED**

### **FINANCIAL STATEMENTS**

- 02 Statements of Financial Position
- 04 Statements of Comprehensive Income
- 05 Statements of Changes in Equity
- 06 Statements of Cash Flows
- 07 Accounting Policies
- 24 Notes to the Annual Financial Statements

## STATEMENTS OF FINANCIAL POSITION

	Notes	Group			Company	
		2013 N\$ '000	Restated 2012 N\$ '000	Restated 2011 N\$ '000	2013 N\$ '000	2012 N\$ '000
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Property, plant and equipment	2	2 305 890	2 215 497	1 925 782	-	-
Investment property	3	1 310 316	1 109 364	980 758	-	-
Biological assets	4	33 952	33 276	30 955	-	-
Intangible assets	5	23 687	17 587	17 563	-	-
Investments in subsidiaries	6	-	-	-	744 583	704 216
Investment in associate	7	5 718	7 867	7 755	-	-
Investments in joint ventures	8	14 791	18 516	15 045	-	-
Other financial assets	9	1 756	2 981	9 580	-	-
Non-current receivables	10	47 416	42 377	39 616	-	-
Deferred taxation	11&49	38 965	37 201	50 270	-	-
Loans to related parties	12	-	100 605	106 352	-	-
		<b>3 782 491</b>	<b>3 585 271</b>	<b>3 183 676</b>	<b>744 583</b>	<b>704 216</b>
<b>Current Assets</b>						
Inventories	13	428 352	327 579	268 694	-	-
Trade and other receivables	14	392 165	361 243	312 535	250	244
Construction contracts and receivables	15	115	809	309	-	-
Other financial assets	9	1 731	2 623	1 933	-	-
Current tax receivable	36	249	1	-	-	-
Cash and cash equivalents	16	290 407	130 994	132 816	27	14
Loans to related parties	12	113 568	271 853	221 076	688	444
		<b>1 226 587</b>	<b>1 095 102</b>	<b>937 363</b>	<b>965</b>	<b>702</b>
Non-current assets held for sale	17	17 479	23 934	5 796	-	-
<b>Total Assets</b>		<b>5 026 557</b>	<b>4 704 307</b>	<b>4 126 835</b>	<b>745 548</b>	<b>704 918</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
Share capital and premium	18	3 391	3 391	3 391	3 391	3 391
Reserves		587 123	532 281	403 068	54 949	54 949
Retained income		1 093 056	909 277	777 018	537 232	540 300
<b>Equity Attributable to Equity Holders of Parent</b>		<b>1 683 570</b>	<b>1 444 949</b>	<b>1 183 477</b>	<b>595 572</b>	<b>598 640</b>
Non-controlling interest		715 908	746 314	655 256	-	-
<b>Total Equity</b>		<b>2 399 478</b>	<b>2 191 263</b>	<b>1 838 733</b>	<b>595 572</b>	<b>598 640</b>

	Notes	Group			Company	
		2013 N\$ '000	Restated 2012 N\$ '000	Restated 2011 N\$ '000	2013 N\$ '000	Restated 2012 N\$ '000
<b>STATEMENTS OF FINANCIAL POSITION (CONTINUED)</b>						
<b>LIABILITIES</b>						
<b>Non-Current Liabilities</b>						
Other financial liabilities	19	965 035	1 270 081	1 034 882	125 000	75 000
Finance lease obligation	20	38 948	39 096	39 960	-	-
Deferred taxation	11&49	294 562	252 747	236 695	-	-
Provisions	21	41 584	37 397	32 052	-	-
Non-current payables	22	3 449	2 825	2 495	-	-
Loans from related parties	12	12 506	14 149	9 139	12 506	14 149
		<b>1 356 084</b>	<b>1 616 295</b>	<b>1 355 223</b>	<b>137 506</b>	<b>89 149</b>
<b>Current Liabilities</b>						
Trade and other payables	23	793 235	698 236	596 958	1 495	1 298
Other financial liabilities	19	448 053	167 083	272 662	9 020	10 738
Finance lease obligation	20	23 632	15 739	15 342	-	-
Provisions	21	865	880	3 626	-	-
Current tax payable	36	543	5 121	18 364	-	-
Dividend payable	35	304	3 828	3 806	304	3 828
Loans from related parties	12	4 363	5 862	22 121	1 651	1 265
		<b>1 270 995</b>	<b>896 749</b>	<b>932 879</b>	<b>12 470</b>	<b>17 129</b>
<b>Total Liabilities</b>		<b>2 627 079</b>	<b>2 513 044</b>	<b>2 288 102</b>	<b>149 976</b>	<b>106 278</b>
<b>Total Equity and Liabilities</b>		<b>5 026 557</b>	<b>4 704 307</b>	<b>4 126 835</b>	<b>745 548</b>	<b>704 918</b>

## STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Group		Company	
		2013 N\$ '000	Restated 2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
Revenue	24	4 585 661	4 133 899	30 267	64 107
Cost of sales	25	(3 230 885)	(2 776 438)	-	-
<b>Gross profit</b>		<b>1 354 776</b>	<b>1 357 461</b>	<b>30 267</b>	<b>64 107</b>
Other income		37 953	30 517	-	-
Operating expenses	26	(798 780)	(867 659)	(26 413)	(19 659)
<b>Operating profit</b>	27	<b>593 949</b>	<b>520 319</b>	<b>3 854</b>	<b>44 448</b>
Investment income	28	21 609	24 829	6 109	4 958
Fair value adjustments	29	194 285	108 204	-	-
Equity losses from joint ventures and associate (on-going operations)	7&8	(107 085)	(90 515)	-	-
Equity losses from joint venture (deferred tax asset write down)	8	(188 089)	-	-	-
Finance costs	30	(142 985)	(134 087)	(13 031)	(10 293)
<b>Profit (loss) before taxation</b>		<b>371 684</b>	<b>428 750</b>	<b>(3 068)</b>	<b>39 113</b>
Taxation	31&49	(139 844)	(131 754)	-	-
<b>Profit (loss) for the year</b>		<b>231 840</b>	<b>296 996</b>	<b>(3 068)</b>	<b>39 113</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified subsequently to profit and loss:</b>					
Gains on property revaluation		60 883	128 414	-	-
Taxation related to components of other comprehensive income		(1 300)	5 848	-	-
<b>Other comprehensive income for the year net of taxation</b>	32	<b>59 583</b>	<b>134 262</b>	-	-
<b>Total comprehensive income (loss)</b>		<b>291 423</b>	<b>431 258</b>	<b>(3 068)</b>	<b>39 113</b>
<b>Total comprehensive income (loss) attributable to:</b>					
Owners of the parent		238 640	274 191	(3 068)	39 113
Non-controlling interest		52 783	157 067	-	-
		<b>291 423</b>	<b>431 258</b>	<b>(3 068)</b>	<b>39 113</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		180 969	144 383	(3 068)	39 113
Non-controlling interest		50 871	152 613	-	-
		<b>231 840</b>	<b>296 996</b>	<b>(3 068)</b>	<b>39 113</b>

## STATEMENTS OF CHANGES IN EQUITY

	Share capital	Share premium	Total share capital	Re-valuation reserve	Equity settled share based payment reserve	Total non-distributable reserves	Retained income	Total attributable to equity holders of the company	Non-controlling interest	Total equity
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000
<b>GROUP</b>										
<b>Balance at 01 July 2011 - as previously reported</b>	<b>2 746</b>	<b>645</b>	<b>3 391</b>	<b>348 119</b>	<b>54 949</b>	<b>403 068</b>	<b>628 331</b>	<b>1 034 790</b>	<b>654 435</b>	<b>1 689 225</b>
Adjustments										
Change in accounting policy - refer to note 49	-	-	-	-	-	-	148 687	148 687	821	149 508
<b>Balance at 01 July 2011 (Restated)</b>	<b>2 746</b>	<b>645</b>	<b>3 391</b>	<b>348 119</b>	<b>54 949</b>	<b>403 068</b>	<b>777 018</b>	<b>1 183 477</b>	<b>655 256</b>	<b>1 838 733</b>
Changes in equity										
Total comprehensive income for the year (restated)	-	-	-	129 808	-	129 808	144 383	274 191	157 067	431 258
Purchase of own / treasury shares	-	-	-	274	-	274	(9 258)	(8 984)	8 984	-
Transfer between reserves	-	-	-	(869)	-	(869)	869	-	-	-
Dividends paid by subsidiaries	-	-	-	-	-	-	-	-	(75 007)	(75 007)
Reversal of shares forfeited by employees to NBL Share Purchase Trust	-	-	-	-	-	-	-	-	14	14
Dividends declared on ordinary shares	-	-	-	-	-	-	(3 735)	(3 735)	-	(3 735)
Total changes	-	-	-	129 213	-	129 213	132 259	261 472	91 058	352 530
<b>Balance at 01 July 2012 (Restated)</b>	<b>2 746</b>	<b>645</b>	<b>3 391</b>	<b>477 332</b>	<b>54 949</b>	<b>532 281</b>	<b>909 277</b>	<b>1 444 949</b>	<b>746 314</b>	<b>2 191 263</b>
Changes in equity										
Total comprehensive income for the year	-	-	-	57 671	-	57 671	180 969	238 640	52 783	291 423
Transfer between reserves	-	-	-	(2 829)	-	(2 829)	2 829	-	-	-
Dividends paid by subsidiaries	-	-	-	-	-	-	-	-	(83 208)	(83 208)
Changes in ownership interest - control not lost	-	-	-	-	-	-	(19)	(19)	19	-
Total changes	-	-	-	54 842	-	54 842	183 779	238 621	(30 406)	208 215
<b>Balance at 30 June 2013</b>	<b>2 746</b>	<b>645</b>	<b>3 391</b>	<b>532 174</b>	<b>54 949</b>	<b>587 123</b>	<b>1 093 056</b>	<b>1 683 570</b>	<b>715 908</b>	<b>2 399 478</b>
Notes	18	18	18							
<b>COMPANY</b>										
<b>Balance at 01 July 2011</b>	<b>2 746</b>	<b>645</b>	<b>3 391</b>	-	<b>54 949</b>	<b>54 949</b>	<b>504 922</b>	<b>563 262</b>	-	<b>563 262</b>
Changes in equity										
Total comprehensive income for the year	-	-	-	-	-	-	39 113	39 113	-	39 113
Dividends declared on ordinary shares	-	-	-	-	-	-	(3 735)	(3 735)	-	(3 735)
Total changes	-	-	-	-	-	-	35 378	35 378	-	35 378
<b>Balance at 01 July 2012</b>	<b>2 746</b>	<b>645</b>	<b>3 391</b>	-	<b>54 949</b>	<b>54 949</b>	<b>540 300</b>	<b>598 640</b>	-	<b>598 640</b>
Changes in equity										
Total comprehensive (loss) for the year	-	-	-	-	-	-	(3 068)	(3 068)	-	(3 068)
Total changes	-	-	-	-	-	-	(3 068)	(3 068)	-	(3 068)
<b>Balance at 30 June 2013</b>	<b>2 746</b>	<b>645</b>	<b>3 391</b>	-	<b>54 949</b>	<b>54 949</b>	<b>537 232</b>	<b>595 572</b>	-	<b>595 572</b>
Notes	18	18	18							

## STATEMENTS OF CASH FLOWS

	Notes	Group		Company	
		2013 N\$ '000	Restated 2012 N\$ '000	2013 N\$ '000	Restated 2012 N\$ '000
<b>Cash flows from operating activities</b>					
Cash generated from (used in) operations	34	729 537	666 973	(2 917)	(3 638)
Interest received	28	21 597	24 820	6 109	4 958
Dividends received	24&28	12	9	29 517	63 357
Finance costs	30	(142 984)	(134 087)	(13 031)	(10 293)
Dividends paid	35	(86 732)	(78 720)	(3 524)	(3 713)
Taxation paid	36	(105 919)	(110 028)	-	-
Employer benefit payments on provisions	21	(1 667)	(1 304)	-	-
<b>Net cash from operating activities</b>		<b>413 844</b>	<b>367 663</b>	<b>16 154</b>	<b>50 671</b>
<b>Cash flows from investing activities</b>					
Acquisition of property plant and equipment	2	(219 703)	(324 041)	-	-
Proceeds on disposal of property, plant and equipment		18 703	13 047	-	-
Acquisition of investment property	3	(11 001)	(31 555)	-	-
Proceeds on disposal of investment property	3	4 850	-	-	-
Acquisition of intangible assets	5	(3 233)	(4 490)	-	-
Proceeds on disposal of intangible assets		-	127	-	-
Acquisition of business operation	37	(5 250)	-	-	-
Disposal of subsidiary	38	-	3 791	-	-
Repayments of investments and loans		2 508	979	-	-
Acquisition of biological assets	4	(60)	-	-	-
Proceeds on disposal of biological assets		-	942	-	-
Payment of tenant allowances and commission		-	(3 437)	-	-
Proceeds on disposal of assets held for sale		15 791	76	-	-
Equity injection into joint venture	8	(293 260)	(95 745)	-	-
Acquisition of additional shares in subsidiaries		(2)	(6)	(2)	(6)
<b>Net cash from investing activities</b>		<b>(490 657)</b>	<b>(440 312)</b>	<b>(2)</b>	<b>(6)</b>
<b>Cash flows from financing activities</b>					
Proceeds from other financial liabilities		86 389	279 918	50 000	20 000
Repayment of other financial liabilities		(114 282)	(153 668)	(1 718)	(4 101)
Movement in non-current payables		624	330	-	-
Loans to related parties repaid / (advanced)		258 890	(45 030)	-	-
Repayment of loans from related parties		(3 142)	(10 254)	(1 501)	(6 016)
Finance lease payments		(22 272)	(18 118)	-	-
Finance lease receipts		30 019	17 649	-	-
Repayment of group companies loans		-	-	(62 920)	(60 647)
<b>Net cash from financing activities</b>		<b>236 226</b>	<b>70 827</b>	<b>(16 139)</b>	<b>(50 764)</b>
<b>Total cash and cash equivalents movement for the year</b>		<b>159 413</b>	<b>(1 822)</b>	<b>13</b>	<b>(99)</b>
Cash and cash equivalents at the beginning of the year		130 994	132 816	14	113
<b>Total cash and cash equivalents at the end of the year</b>	16	<b>290 407</b>	<b>130 994</b>	<b>27</b>	<b>14</b>

## ACCOUNTING POLICIES

### 1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

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

These accounting policies are consistent with the previous period except for the change in accounting policy as it pertains to IAS 12 on the treatment of deferred taxation on investment properties as set out in Note 49 Changes in accounting policy.

In December 2010, the IASB released amendments to IAS 12 effective from 1 January 2012. These amendments impact the rate at which deferred tax is recognised, specifically on the fair value movements of the building component of investment property as it establishes a presumption that the Company will recover the cost of the asset through disposal rather than through use. This change will mean that the tax rate applied should be the applicable capital gains tax rate. For Namibian properties this has the effect that no deferred tax is recognised on fair value movements, as there is currently no tax payable on capital gains. The group has elected the option presented by the amendments and applied the amendments retrospectively as required by IAS 8.

#### 1.1 Consolidation

##### **Basis of consolidation**

The consolidated annual financial statements incorporate the annual financial statements of the company and all entities, including special purpose entities, which are controlled by the company.

Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction, are regarded as an equity transaction and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

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

##### **Business combinations**

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

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

## 1.1 Consolidation (continued)

### **Business combinations (continued)**

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

Non-controlling interest arising from a business combination is measured either at their share of the fair value of the assets and liabilities of the acquiree 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.

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.

The group consolidates a Special Purpose Entity (SPE) when the substance of the relationship between the group and the SPE indicates that the company controls the SPE.

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

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Subsequently, goodwill is measured at cost less accumulated impairment losses.

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.

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.



**1.1 Consolidation (continued)*****Investment in associates (continued)***

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

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

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

***Investment in joint ventures***

A joint venture is a contractual agreement whereby the group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

***Jointly controlled entities***

Any goodwill arising on the acquisition of the group's interest in a jointly controlled entity is accounted for in accordance with the group's accounting policy for goodwill arising on the acquisition of a subsidiary.

An interest in a jointly controlled entity 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 jointly controlled entities 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 jointly controlled entity, less any impairment losses. Profits or losses on transactions between the group and a joint venture are eliminated to the extent of the group's interest therein.

When the group 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.

***Jointly controlled operations***

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

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

**1.2 Investments in subsidiaries*****Company annual financial statements***

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

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

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

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

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

**1.3 Property, plant and equipment**

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

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

Property, plant and equipment is initially measured at cost.

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

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

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying value.

Cost includes professional fees, and for qualifying assets, borrowing costs are dealt with in accordance with the group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

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

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

Buildings are depreciated over their useful lives (2–12% depreciation per year) to the residual value. Land is not depreciated. Leasehold land and buildings are accounted for at cost and amortised on the straight-line basis over the period of the lease.

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

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

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

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

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

The residual value of an item of property, plant and equipment is the amount it is estimated 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:

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

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

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

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

### 1.4 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

#### 1.4 Investment property (continued)

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.

##### **Fair value**

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

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

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

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

#### 1.5 Impairment of assets

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

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

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

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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

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

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

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

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

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

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

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

### 1.5 Impairment of assets (continued)

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

### 1.6 Intangible assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost if acquired separately or internally generated or at fair value if acquired as part of a business combination.

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

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

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

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

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

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

provided on a straight-line basis over their useful life and tested for impairment.

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

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

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

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

Amortisation commences when the project generating the intangible asset has been completed.

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

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

### 1.7 Inventories

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

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

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

**1.7 Inventories (continued)**

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

Cost is determined on the following bases:

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

**1.8 Biological assets**

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

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

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 lucerne field is determined using the discounted cash flow method as at the end of the reporting period.

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

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

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

<i>Item</i>	<i>Useful life</i>
Lucerne fields	5 years
Cattle	Indefinite
Game	12–50 years

**1.9 Provisions and contingent liabilities**

Provisions are recognised when:

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

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

Contingent assets and contingent liabilities are not recognised. Contingent liabilities are disclosed in note 40.

**1.10 Non-current assets held for sale**

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

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

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

### 1.11 Revenue

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 1.12 Cost of sales

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

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

### 1.13 Construction contracts and receivables

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

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

**1.13 Construction contracts and receivables (continued)**

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

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

**1.14 Leases**

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

**Finance leases – lessor**

The group recognises finance lease receivables in the 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.

**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. Finance costs directly attributable to qualifying assets are capitalised in accordance with the group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the period in which they are incurred.

**Operating leases – lessor**

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

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

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

**Operating leases – lessee**

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

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

**1.15 Translation of foreign currencies****Functional and presentation currency**

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

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

**Foreign currency transactions**

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

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and



**1.15 Translation of foreign currencies (continued)****Foreign currency transactions (continued)**

- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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

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

In order to hedge its exposure to certain foreign exchange risks, the group enters into forward contracts and options (refer to 1.19 for details of the group's accounting policies in respect of such derivative financial instruments).

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

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

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

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

**1.16 Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The amount of borrowing costs eligible for capitalisation is determined as follows:

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

The capitalisation of borrowing costs commences when:

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

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

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

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

**1.17 Employee benefits****Short-term employee benefits**

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



### 1.17 Employee benefits (continued)

#### **Short-term employee benefits (continued)**

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

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

#### **Retirement benefits**

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

#### **Medical benefits**

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

#### **Severance pay**

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

### 1.18 Taxation

#### **Current taxation assets and liabilities**

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

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

#### **Deferred taxation assets and liabilities**

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

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

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

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

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

#### **Taxation expenses**

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

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

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are

**1.18 Taxation (continued)****Taxation expenses (continued)**

credited or charged, in the same or a different period, to other comprehensive income.

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

**1.19 Financial instruments****Classification**

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

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

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

**Initial recognition and measurement**

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

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

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

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

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

**Subsequent measurement**

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

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

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

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

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

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

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

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

**Fair value determination**

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

### 1.19 Financial instruments (continued)

#### **Fair value determination (continued)**

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

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

#### **Derecognition**

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

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

#### **Impairment of financial assets**

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

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

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

removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

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

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

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

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

#### **Financial instruments designated as at fair value through profit or loss**

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

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

A financial liability is classified as held for trading if:

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

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

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

***Held to maturity***

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

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

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

***Financial instruments designated as available-for-sale***

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

***Loans to/(from) group companies***

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

Loans to group companies are classified as loans and receivables.

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

***Loans to/(from) related parties***

Loans to related parties are classified as loans and receivables.

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

***Trade and other receivables***

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

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

Trade and other receivables are classified as loans and receivables.

***Trade and other payables***

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

***Cash and cash equivalents***

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

***Bank overdraft and borrowings***

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

### 1.19 Financial instruments (continued)

#### **Bank overdraft and borrowings (continued)**

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

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

Non-interest-bearing debt is recognised at original debt less principal repayments.

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

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

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

#### **Derivatives**

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

Derivative financial instruments are initially recorded at fair value at the date the derivative contract is entered into and are re-measured to fair value at subsequent reporting dates. The fair value of foreign exchange forward contracts, options, interest rate swaps and interest rate collars represents the estimated amounts the group would receive, should the

contracts be terminated at the reporting date, thereby taking into account the unrealised gains or losses. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

#### **Hedging activities**

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

The group designates certain derivatives as either:

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

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

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 42.

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

#### **Fair value hedge**

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

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

## 1.19 Financial instruments (continued)

### **Cash flow hedge**

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

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

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

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

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

### **1.20 Share capital and equity**

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

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

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

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

### **1.21 Significant judgements and sources of estimation uncertainty**

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

#### **Post-employment benefit obligations**

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

#### **Severance pay obligation**

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

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

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

#### **Trade receivables and loans and receivables**

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

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

### **Available-for-sale financial assets**

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

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

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

### **Fair value estimation**

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

The Directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. Details of the assumptions used and of the results of sensitivity analyses regarding these assumptions are provided in Note 47.

### **Asset lives and residual values**

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

### **Taxation**

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

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



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 2. PROPERTY, PLANT AND EQUIPMENT

Group	2013			2012		
	Cost/ Valuation N\$ '000	Accumulated depreciation N\$ '000	Carrying value N\$ '000	Cost/ Valuation N\$ '000	Accumulated depreciation N\$ '000	Carrying value N\$ '000
Freehold land and buildings	1 186 243	(29 202)	1 157 041	1 163 998	(29 301)	1 134 697
Leasehold land and buildings	84 188	(9 810)	74 378	16 024	(5 830)	10 194
Plant and machinery	1 075 337	(438 696)	636 641	925 918	(382 429)	543 489
Furniture and fixtures	207 596	(119 337)	88 259	181 460	(100 791)	80 669
Vehicles	160 275	(76 896)	83 379	141 896	(67 734)	74 162
Office equipment	25 373	(17 869)	7 504	21 848	(14 987)	6 861
Spare parts	7 091	(1 257)	5 834	-	-	-
Containers	181 759	(78 451)	103 308	141 715	(49 879)	91 836
Fishing vessels	177 588	(89 153)	88 435	177 888	(73 667)	104 221
Work in progress	61 111	-	61 111	169 368	-	169 368
<b>Total</b>	<b>3 166 561</b>	<b>(860 671)</b>	<b>2 305 890</b>	<b>2 940 115</b>	<b>(724 618)</b>	<b>2 215 497</b>



**2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)****Reconciliation of property, plant and equipment - Group - 2013**

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

**Reconciliation of property, plant and equipment - Group - 2012**

	Opening balance N\$'000	Additions N\$'000	Disposals N\$'000	Disposed on disposal of subsi- diary N\$'000	Transfers N\$'000	Re- valuations N\$'000	Other changes and move- ments N\$'000	Depre- ciation N\$'000	Impair- ment loss N\$'000	Total N\$'000
Freehold land and buildings	998 211	16 520	(271)	-	(7 634)	128 415	3 470	(4 014)	-	1 134 697
Leasehold land and buildings	11 575	1 773	(25)	(1 760)	-	-	-	(1 369)	-	10 194
Plant and machinery	378 249	73 024	352	-	(2 635)	-	153 693	(58 281)	(913)	543 489
Furniture and fixtures	82 541	18 932	(1 357)	(1 265)	548	-	177	(18 907)	-	80 669
Vehicles	77 022	24 082	(6 068)	-	-	-	-	(20 874)	-	74 162
Office equipment	7 389	1 929	(12)	-	-	-	111	(2 556)	-	6 861
Containers	84 840	30 980	-	-	-	-	-	(23 984)	-	91 836
Fishing vessels	76 067	21 326	(2 538)	-	24 180	-	-	(14 814)	-	104 221
Work in progress	209 888	135 475	(491)	-	(18 053)	-	(157 451)	-	-	169 368
<b>Total</b>	<b>1 925 782</b>	<b>324 041</b>	<b>(10 410)</b>	<b>(3 025)</b>	<b>(3 594)</b>	<b>128 415</b>	<b>-</b>	<b>(144 799)</b>	<b>(913)</b>	<b>2 215 497</b>

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

## 2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Pledged as security

Carrying value of assets pledged as security:

Freehold land and buildings	705 686	674 655	-	-
Plant and machinery	136 046	135 718	-	-
Vehicles	59 840	50 152	-	-
Furniture, fixtures, equipment and spare parts	48 588	38 665	-	-
Fishing vessels	83 380	95 311	-	-

These assets are encumbered to secure liabilities as per Note 19 and Note 20.

### Transfers and reclassifications

Included in Transfers are the following transfers and reclassifications to/(from) property, plant and equipment:

Intangible assets	(7 961)	(3)	-	-
Non-current assets held for sale	(1 179)	(7 634)	-	-
Non-current assets held for sale	-	4 043	-	-
	<b>(9 140)</b>	<b>(3 594)</b>	-	-

### Revaluations

Freehold land and buildings, other than those where management believed that their fair values differed significantly from their carrying amounts at year end, were revalued during 2011 by independent valuers, not connected with the group, by reference to market evidence of recent transactions for similar properties, on a discounted cash flow basis or depreciated replacement cost approach.

Land and buildings are revalued independently every 3 years.

Freehold land and buildings of Consortium Fisheries Limited and Hanganá Seafood (Proprietary) Limited were revalued during the current year 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 Lofly-Eaton of Valuers Trust -John S Lofly-Eaton (National Diploma in Property Valuation (S.A.I.V)).

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

Hanganá Seafood (Proprietary) Limited has a notarial bond of N\$ 20 million (2012: N\$ 20 million) and WUM Properties Limited has a notarial bond of N\$ 31 million (2012: N\$ 32million) registered over their movable assets.

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

**3. INVESTMENT PROPERTY**

Group	2013		2012	
	At valuation N\$'000	Carrying value N\$'000	At valuation N\$'000	Carrying value N\$'000
Investment property	1 310 316	1 310 316	1 109 364	1 109 364

**Reconciliation of investment property - Group - 2013**

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

**Reconciliation of investment property - Group - 2012**

	Opening balance N\$'000	Additions N\$'000	Capitalised borrowing costs N\$'000	Reclassified as held for sale N\$'000	Transfers from assets held for sale N\$'000	Fair value adjustments N\$'000	Total N\$'000
Investment property	980 758	30 803	752	(16 000)	1 377	111 674	1 109 364

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

### 3. INVESTMENT PROPERTY (CONTINUED)

#### Pledged as security

Carrying value of assets pledged as security:  
Freehold land and buildings

1 274 347	1 070 717	-	-
-----------	-----------	---	---

These assets are encumbered to secure liabilities as per Note 19.

#### Borrowing costs capitalised

Borrowing costs capitalised to qualifying assets  
Capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation

-	752	-	-
-%	8.75%	-%	-%

#### Other disclosures

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

#### Details of valuation

In the current year, the Group's investment properties were revalued by the following independent professional valuers at N\$ 1 391 377 000: F A Frank-Schultz (National Diploma in Property Valuation), Chris Erb (S.A.I.V.), Tim Moulder (FRICS FIV (SA) and Belinda Curtis (BSc (Hons) Property Studies) of C B Richard Ellis (Pty) Ltd, Ms van der Smit of Gert Hamman Property Valuers cc (National Diploma in Property Valuation (S.A.I.V.)) and A Schröder (Namibia Estate Agents Board Certificate and Sworn Appraiser) and F Löhnert (National Diploma in Property Valuation (UNISA)) from Ludwig Schröder Estate Agents cc. These valuers are members of appropriate organisations, and have appropriate qualifications and experience in the valuation of similar properties.

The valuations were arrived at by reference to market evidence of transaction prices for similar properties on a discounted cash flow basis and comparative sales method basis.

There has been a change in valuation technique for Erf 990 W (Old Breweries) and Erf 261/1764 W (Fruit & Veg / Cashbuild) in 2013. In the prior year these Erven were valued using the discounted cash flow method, while in the current year the comparable sales method was used. The reason for the change in method is that these properties were earmarked for future development during the current year. The future impact of the change in valuation technique is impracticable to determine.

Capitalisation rates of 7.75%–9.00% (2012: 7.75%–10.50%) and discount rates of 13.25%–14.50% (2012: 13.25%–16.00%) were used.

These assumptions are based on current market conditions.

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

Rental income from investment property  
Direct operating expenses from rental generating property

119 933	110 218	-	-
(23 742)	(27 734)	-	-
<b>96 191</b>	<b>82 484</b>	-	-

#### Adjusted valuations

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

#### Fair value adjustment during the year

Valuation obtained from independent sworn appraisers  
Recognised lease obligations

198 901	119 844	-	-
(4 100)	(8 170)	-	-
<b>194 801</b>	<b>111 674</b>	-	-

**4. BIOLOGICAL ASSETS**

Group	2013		2012	
	At valuation N\$ '000	Carrying value N\$ '000	At valuation N\$ '000	Carrying value N\$ '000
Milk cows	33 715	33 715	33 039	33 039
Game	237	237	237	237
<b>Total</b>	<b>33 952</b>	<b>33 952</b>	<b>33 276</b>	<b>33 276</b>

**Reconciliation of biological assets - Group - 2013**

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

**Reconciliation of biological assets - Group - 2012**

	Opening balance N\$'000	Disposals and deaths N\$'000	Gains or losses arising from changes in fair value attributable to price changes N\$'000	Gains or losses arising from changes in fair value attributable to growth N\$'000	Impairment loss N\$'000	Total N\$'000
Lucerne fields	1 647	-	-	-	(1 647)	-
Milk cows	29 071	(2 526)	2 504	3 990	-	33 039
Game	237	-	-	-	-	237
	<b>30 955</b>	<b>(2 526)</b>	<b>2 504</b>	<b>3 990</b>	<b>(1 647)</b>	<b>33 276</b>

	Group		Company	
	2013	2012	2013	2012

#### 4. BIOLOGICAL ASSETS (CONTINUED)

##### Non-financial information

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

Milk cows	3 084	2 981	-	-
Game*	162	162	-	-
	<b>3 246</b>	<b>3 143</b>	-	-

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

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

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

#### 5. INTANGIBLE ASSETS

Group	2013			2012		
	Cost N\$ '000	Accumulated amortisation N\$ '000	Carrying value N\$ '000	Cost N\$ '000	Accumulated amortisation N\$ '000	Carrying value N\$ '000
Software	38 440	(20 768)	17 672	25 186	(12 362)	12 824
Business process re-engineering	-	-	-	2 291	(2 291)	-
Goodwill	6 015	-	6 015	4 763	-	4 763
<b>Total</b>	<b>44 455</b>	<b>(20 768)</b>	<b>23 687</b>	<b>32 240</b>	<b>(14 653)</b>	<b>17 587</b>

**5. INTANGIBLE ASSETS (CONTINUED)****Reconciliation of intangible assets - Group - 2013**

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

**Reconciliation of intangible assets - Group - 2012**

	Opening balance N\$'000	Additions N\$'000	Goodwill on additional shares purchased in subsidiary N\$'000	Disposals N\$'000	Transfers from property, plant and equipment N\$'000	Disposal of subsidiary N\$'000	Amorti- sation N\$'000	Total N\$'000
Licences	308	-	-	(98)	3	(145)	(68)	-
Software	12 357	4 490	-	(29)	-	-	(3 994)	12 824
Business process re-engineering	142	-	-	-	-	-	(142)	-
Goodwill	4 756	-	7	-	-	-	-	4 763
	<b>17 563</b>	<b>4 490</b>	<b>7</b>	<b>(127)</b>	<b>3</b>	<b>(145)</b>	<b>(4 204)</b>	<b>17 587</b>

**Other information**

Intangible assets, other than goodwill, are amortised over their useful lives. The foreseeable lives of the intangible assets range between 3 and 7 years. The charges to profit or loss are shown in Note 27. Goodwill is assessed for impairment annually.

During the 2013 year, the Group transferred the Business process re-engineering cost and accumulated amortisation to Licences.

**6. INVESTMENTS IN SUBSIDIARIES**

Name of company	Held by	Nature of business	Issued capital N\$ '000	Effective holding 2013	Effective holding 2012	Company carrying amount 2013 N\$ '000	Company carrying amount 2012 N\$ '000
Broll & List Property Management (Namibia) (Proprietary) Limited	OLFITRA*	Property management	1	51.00%	51.00%	1	1
Central Properties (Proprietary) Limited	OLFITRA*	Letting of property	8	100.00%	100.00%	8	8
Consortium Fisheries Limited	OLFITRA*	Investment holding	1 903	97.00%	97.00%	113 766	115 664
- Hangana Seafood (Proprietary) Limited	COFI*	Processing of fish	90	97.00%	97.00%	85 109	85 112
- Kraatz Marine (Proprietary) Limited	COFI*	Ship repair	30 349	97.00%	97.00%	22 632	23 572
O&L Natural Energy (Proprietary) Limited	OLFITRA*	Energy solutions	-	100.00%	-%	-	-
O&L Digital (Proprietary) Limited	OLFITRA*	Digital marketing	-	100.00%	-%	-	-
Eros Air (Proprietary) Limited	OLFITRA*	Aircraft charter	60	100.00%	100.00%	12 271	9 092
ICT Holdings (Proprietary) Limited	OLFITRA*	Consulting service to supply electronic communication	-	100.00%	100.00%	-	-
Khan Mine (Proprietary) Limited	OLFITRA*	Dormant	-	100.00%	100.00%	529	529
Namibia Breweries Share Purchase Trust	n/a	Employee share incentive scheme	-	-%	-%	(164)	44
O&L Beverage Company (Proprietary) Limited	OLFITRA*	Investment holding	123	100.00%	100.00%	132 650	115 851
- Namibia Breweries Limited	NBLIH*	Manufacturing and distribution of beer and soft drinks	1 024	29.50%	29.50%	25	25
O&L Centre (Proprietary) Limited	OLFITRA*	Corporate head office	-	100.00%	100.00%	223 541	218 467
O&L Energy (Proprietary) Limited	OLFITRA*	Manufacturing and distribution of all forms of energy	-	100.00%	100.00%	651	10
O&L South Africa (Proprietary) Limited	OLFITRA*	South Africa head office	-	100.00%	100.00%	-	-
Wernhil Park (Proprietary) Limited	OLFITRA*	Letting of property	1	100.00%	100.00%	16 521	16 521
Windhoek Parking (Proprietary) Limited	OLFITRA*	Dormant	-	100.00%	100.00%	483	483
Windhoek Schlachtereier (Proprietary) Limited	OLFITRA*	Earning royalty income	31 580	90.00%	90.00%	68 457	68 455
WUM Properties Limited	OLFITRA*	Retail, tourism and property	-	98.00%	98.00%	225 836	254 536
- Khan Construction Company (Proprietary) Limited	WUM*	Investment holding	-	98.00%	98.00%	17 975	12 559
- Namibia Dairies (Proprietary) Limited	WUM*	Manufacturing and distribution of dairy products	2	98.00%	98.00%	91 096	60 516
- O&L Leisure (Proprietary) Limited	WUM*	Hospitality industry	-	98.00%	98.00%	43 104	10 126
						1 054 491	991 571
Impairment of investment in subsidiaries						(309 908)	(287 355)
						744 583	704 216
<b>Investments in subsidiaries comprises of:</b>							
Investment of subsidiaries at cost						88 725	88 721
Loans to group companies						1 214 018	1 130 684
Impairment of investments in subsidiaries						(309 908)	(287 355)
Loans from group companies						(248 252)	(227 834)
Total						744 583	704 216

\* **OLFITRA** - Ohlthaver & List Finance and Trading Corporation Limited \* **COFI** - Consortium Fisheries Limited (only includes significant subsidiaries)

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



	Group		Company	
	2013	2012	2013	Restated 2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

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

### Subsidiaries pledged as security

N\$ 100.0 million (2012: N\$ 100.0 million) of the shareholder's loan to O&L Beverage Company (Proprietary) Limited has been ceded/pledged to Bank Windhoek as security for the preference shares they hold. Refer to Note 19.

The company has deferred its right to claim repayment of debt owing to it of N\$ 353.1 million (2012: N\$ 350.0 million) by certain subsidiaries until the assets of these subsidiaries, fairly valued, exceeded their liabilities. At 30 June 2013 these subsidiaries' liabilities exceed their assets, fairly valued, by N\$ 286.9 million (2012: N\$ 264.5 million).

### Aggregate profits/(losses) of subsidiaries

Aggregate profits	-	-	275 734	359 582
Aggregate losses	-	-	(31 330)	(23 896)
	-	-	<b>244 404</b>	<b>335 686</b>

	Group		Company	
	2013 N\$ '000	2012 N\$ '000	2013 N\$ '000	2012 N\$ '000

## 7. INVESTMENT IN ASSOCIATE

Name of company	Nature of business	% holding 2013	% holding 2012	2013 N\$ '000	2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
Dimension Data Namibia (Proprietary) Limited	Consulting services to supply electronic communication	49.00	49.00	5 718	7 867	-	-

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

### Carrying value

Cost of investment	135	135	-	-
<b>Share of associate's reserves</b>				
Beginning of the year	7 732	7 620	-	-
Profit for the year	1 811	1 759	-	-
Dividends received	(3 960)	(1 647)	-	-
	<b>5 718</b>	<b>7 867</b>	-	-

### Fair value

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

### Summarised financial information of associate

Total assets	35 034	29 756
Total liabilities	(18 724)	(9 061)
Revenue	90 545	72 036
Profit for the year	3 696	3 590
Group's share of associate's net assets	7 992	10 141
Group's share of profit for the year	1 811	1 759

### Associates with different reporting dates

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

				Group		Company	
				2013	2012	2013	2012
				N\$ '000	N\$ '000	N\$ '000	N\$ '000
<b>8. INVESTMENTS IN JOINT VENTURES</b>							
Name of company	Nature of business	% holding 2013	% holding 2012				
DHN Drinks (Proprietary) Limited	Distribution and marketing	15.50	15.50	13 635	17 466	-	-
Brandtribe (Proprietary) Limited	Digital marketing	50.00	-	-	-	-	-
Natural Value Foods Namibia (Proprietary) Limited	Supply of fresh produce	48.90	48.90	1 156	972	-	-
SIP Project Management Namibia (Proprietary) Limited	Project Management	25.50	25.50	-	78	-	-
				<b>14 791</b>	<b>18 516</b>	<b>-</b>	<b>-</b>

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

As of the date of issue of this report, Namibia Breweries Limited is in an on-going stage of negotiations with its Joint Venture partners concerning the amalgamation of DHN Drinks (Pty) Ltd and the Sedibeng Brewery operations. During the current year additional shares were acquired by the existing DHN Drinks (Pty) Ltd joint venture partners in proportion to the existing ownership percentages in DHN Drinks (Pty) Ltd. As a result of the ongoing negotiations, management reassessed the recoverability of the investment in DHN Drinks (Pty) Ltd and in particular the recoverability of the DHN deferred tax asset, taking into account that the negotiations with Joint Venture partners had not concluded by the end of the financial year. As a result, the Group has recognised a full write-down of its portion of the deferred tax asset in DHN Drinks (Pty) Ltd. This has in turn impacted the net asset value of the joint venture and consequently the group's equity accounted loss.

The Group recorded a loss of N\$ 78 016, in relation to SIP Project Management Namibia (Pty) Ltd, in the current year in accordance with IAS 28(2011):38 (previously IAS28(2003):29) which states, in part, that if an investor's share of losses of an associate equals or exceeds its interest in the associate, the investor discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the investor resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised (see IAS 28(2011):39, previously IAS 28(2003):30).

The unaudited loss as per SIP Project Management Namibia (Pty) Ltd financial statements amounts to N\$ 337 814 for the year ended 30 June 2013.

The unaudited loss as per Brandtribe (Pty) Ltd financial statements amounts to N\$ 959 719 for the year ended 30 June 2013.

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

## 8. INVESTMENTS IN JOINT VENTURES (CONTINUED)

### Carrying value

#### Cost of investment

Beginning of the year	305 925	210 180	-	-
Equity injection into joint venture	293 260	95 745	-	-
<b>Share of joint venture reserves</b>				
Beginning of the year	(287 409)	(195 135)	-	-
Loss for the year from ongoing operations	(108 896)	(92 274)	-	-
Loss for the year from deferred tax asset write down	(188 089)	-	-	-
	<b>14 791</b>	<b>18 516</b>	-	-

### Fair value

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

#### Summary of group's interest in joint venture

Non-current assets	54 374	13 683
Current assets	142 167	148 937
Non-current liabilities	(276)	(287)
Current liabilities	(129 914)	(277 516)
Revenue	682 165	632 708
Expenses	(834 609)	(780 464)

	Group		Company	
	2013 N\$ '000	2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
<b>9. OTHER FINANCIAL ASSETS</b>				
<b>At fair value through profit or loss - held for trading</b>				
Foreign exchange contracts	201	1 476	-	-
Fuel options	391	-	-	-
	<b>592</b>	<b>1 476</b>	-	-
<b>Available-for-sale</b>				
Unlisted investments	<b>14</b>	<b>14</b>	-	-
<b>Loans and receivables</b>				
HW Freyer	2 388	3 621	-	-
The loan to HW Freyer represents the present value of future amounts receivable from the sale of lucerne fields of Farm Otavifontein. The loan is repayable at N\$ 124 384 (2012: N\$ 119 600) per month and bears interest at a fixed rate of 10.5% (2012: 10.5%). The remaining period of the loan is 21 months (2012: 33 months).				
L Heydenrich	493	493	-	-
The loan to L Heydenrich bears interest at 0% (2012: 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.				
Freshuila loan receivable	10 905	10 905	-	-
A provision of N\$ NIL (2012: N\$ 5 452 000) has been charged to profit or loss in respect of the Freshuila loan				
	13 786	15 019	-	-
Freshuila loan receivable impairment	(10 905)	(10 905)	-	-
	<b>2 881</b>	<b>4 114</b>	-	-
<b>Total other financial assets</b>	<b>3 487</b>	<b>5 604</b>	-	-
<b>Non-current assets</b>				
Available-for-sale	14	14	-	-
Loans and receivables	1 742	2 967	-	-
	<b>1 756</b>	<b>2 981</b>	-	-
<b>Current assets</b>				
At fair value through profit or loss - held for trading	592	1 476	-	-
Loans and receivables	1 139	1 147	-	-
	<b>1 731</b>	<b>2 623</b>	-	-
	<b>3 487</b>	<b>5 604</b>	-	-

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

## 9. OTHER FINANCIAL ASSETS (CONTINUED)

### Fair value information

Financial assets at fair value through profit or loss are recognised at fair value, which is therefore equal to their carrying amounts. The fair value of financial assets with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

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

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

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

Holdings in unlisted shares are measured at cost.

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

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

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

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

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

#### Level 2

Foreign exchange contracts	201	1 476	-	-
Fuel options	391	-	-	-
	<b>592</b>	<b>1 476</b>	-	-

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

Refer to Note 42 for derivative financial instruments information.

#### Fair values of loans and receivables

HW Freyer	2 995	3 658	-	-
-----------	-------	-------	---	---

The fair value was determined using the discounted cash flow method. The interest rate used to discount the cash flows was the weighted average rate of interest of 9.3% at 30 June 2013 (2012: 9.9%)

This fair value would be categorised within level 3 in the fair value hierarchy. Except as detailed in the table above, the Directors consider that the carrying amounts of financial assets recorded at amortised cost in the financial statements approximate their fair values.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

### Credit quality of other financial assets

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

	Group		Company	
	2013	Restated 2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

## 10. NON-CURRENT RECEIVABLES

### Consist of:

Tenant commission	3 190	4 065	-	-
Tenant allowances	10 170	12 217	-	-
Deferred rental	34 056	26 095	-	-
	<b>47 416</b>	<b>42 377</b>	-	-

## 11. DEFERRED TAXATION

### Deferred taxation liability

#### Analysis for financial reporting purposes

Deferred taxation assets	38 965	37 201	-	-
Deferred taxation liabilities	(294 562)	(252 747)	-	-
	<b>(255 597)</b>	<b>(215 546)</b>	-	-

#### Deferred taxation liability arises from:

Fixed asset allowances	(455 401)	(431 240)	-	-
Tax losses available for set off against future taxable income	208 071	205 924	-	-
Retirement benefit obligations	11 390	8 698	-	-
Provisions	10 381	7 709	-	-
Customer deposits	11 118	7 627	-	-
Prepayments	(7 379)	(7 353)	-	-
Deferred rentals	(11 806)	(5 778)	-	-
Other deferred taxation	(21 971)	(1 133)	-	-
	<b>(255 597)</b>	<b>(215 546)</b>	-	-

#### Reconciliation of deferred taxation liability

At beginning of the year	(215 546)	(186 424)	-	-
Charge to profit or loss for the year	(38 751)	(34 970)	-	-
(Charge)/credit to other comprehensive income for the year	(1 300)	5 848	-	-
	<b>(255 597)</b>	<b>(215 546)</b>	-	-

	Group		Company	
	2013 N\$ '000	2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
<b>12. LOANS TO/(FROM) RELATED PARTIES</b>				
Non-current assets	-	100 605	-	-
Current assets	113 568	271 853	688	444
Non-current liabilities	(12 506)	(14 149)	(12 506)	(14 149)
Current liabilities	(4 363)	(5 862)	(1 651)	(1 265)
	<b>96 699</b>	<b>352 447</b>	<b>(13 469)</b>	<b>(14 970)</b>
Directors and past directors	(13 856)	(15 396)	(13 876)	(15 414)
DHN Drinks (Proprietary) Limited	90 587	347 615	-	-
Dimension Data Namibia (Proprietary) Limited	(1 317)	(2 735)	-	-
Natural Value Foods Namibia (Proprietary) Limited	(26)	(504)	-	-
Heineken South Africa Export Company (Proprietary) Limited	3 682	7 168	-	-
List Trust Company (Proprietary) Limited	688	248	688	248
Ohlthaver & List Holdings (Proprietary) Limited	(265)	212	(281)	196
The Werner List Trust	1 022	1 403	-	-
Ohlthaver & List Employee Catastrophe Fund Trust	(1 294)	(1 283)	-	-
Diageo South Africa (Proprietary) Limited	14 803	12 635	-	-
Diageo Great Britain Limited	1 938	3 084	-	-
Brandtribe (Proprietary) Limited	737	-	-	-
	<b>96 699</b>	<b>352 447</b>	<b>(13 469)</b>	<b>(14 970)</b>

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

The Directors' loans bear interest at an average rate of prime less 1% (2012: prime less 1%) and are repayable in monthly instalments of N\$ 226 260 (2012: N\$ 231 561) over an average remaining period of 131 months (2012: 143 months).

The non-current loan owing by DHN Drinks (Proprietary) Limited in the prior year was recapitalised into equity during the current year. The remainder of the DHN Drinks (Proprietary) Limited loan bears no interest and has 30 days (2012 : 45 days) from statement repayment terms.

The loan from the Ohlthaver & List Employee Catastrophe Fund Trust bears interest at prime less 2% (2012: prime less 2%) and no repayment terms have been set.

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

For detailed related party information refer to Note 43.



	Group		Company	
	2013 N\$ '000	2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
<b>12. LOANS TO/(FROM) RELATED PARTIES (CONTINUED)</b>				
<b>Loans to/(from) related parties are analysed as:</b>				
<b>Non-current assets</b>				
DHN Drinks (Proprietary) Limited	-	100 605	-	-
<b>Current assets</b>				
Directors and past directors	20	18	-	-
DHN Drinks (Proprietary) Limited	90 587	247 010	-	-
Dimension Data Namibia (Proprietary) Limited	91	75	-	-
Heineken South Africa Export Company (Proprietary) Limited	3 682	7 168	-	-
List Trust Company (Proprietary) Limited	688	248	688	248
Ohlthaver & List Holdings (Proprietary) Limited	-	212	-	196
The Werner List Trust	1 022	1 403	-	-
Diageo South Africa (Proprietary) Limited	14 803	12 635	-	-
Diageo Great Britain Limited	1 938	3 084	-	-
Brandtribe (Proprietary) limited	737	-	-	-
	<b>113 568</b>	<b>271 853</b>	<b>688</b>	<b>444</b>
<b>Non-current liabilities</b>				
Directors and past directors	12 506	14 149	12 506	14 149
<b>Current liabilities</b>				
Directors and past directors	1 370	1 265	1 370	1 265
Dimension Data Namibia (Proprietary) Limited	1 408	2 810	-	-
Natural Value Foods Namibia (Proprietary) Limited	26	504	-	-
Ohlthaver & List Employee Catastrophe Fund Trust	1 294	1 283	-	-
Ohlthaver & List Holdings (Proprietary) Limited	265	-	281	-
	<b>4 363</b>	<b>5 862</b>	<b>1 651</b>	<b>1 265</b>

**Fair value of loans to/(from) related parties**

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

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

**Loans to related parties pledged as collateral**

Total financial assets pledged as collateral	111 046	269 935	-	-
--	---------	---------	---	---

These assets are encumbered to secure liabilities as per Note 19.

	Group		Company	
	2013 N\$ '000	2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
<b>13. INVENTORIES</b>				
Raw materials	96 445	78 748	-	-
Work in progress	23 703	18 551	-	-
Finished goods	138 327	63 401	-	-
Merchandise	81 725	70 454	-	-
Consumable stores	93 586	100 994	-	-
	433 786	332 148	-	-
Provision for obsolete stock	(5 434)	(4 569)	-	-
	<b>428 352</b>	<b>327 579</b>	-	-
<b>Included in the amount above are the following inventories carried at net realisable value:</b>				
Carrying value of inventories carried at fair value less costs to sell	4	42	-	-

The inventories carried at net realisable value consisted of finished goods of N\$ 3 837 (2012: N\$ 42 247).

	Group		Company	
	2013 N\$ '000	2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
<b>14. TRADE AND OTHER RECEIVABLES</b>				
Trade receivables	285 228	228 798	-	-
Prepayments	10 502	7 949	-	14
Deposits	13 915	12 886	-	-
Value-added taxation	43 266	69 185	250	230
Deferred rental	2 380	1 481	-	-
Promotional and buying incentives	6 614	6 272	-	-
Fuel rebate	2 261	3 831	-	-
Tenant allowances and commissions	3 476	4 453	-	-
Other receivables	24 523	26 388	-	-
	<b>392 165</b>	<b>361 243</b>	<b>250</b>	<b>244</b>

#### Trade and other receivables pledged as security

N\$ 191 942 827 (2012: N\$ 180 923 072) of these assets are encumbered to secure liabilities as per Note 19.

#### Credit quality of trade and other receivables

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

#### Fair value of trade and other receivables

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

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

The average credit period on sales of goods of the group is 43.12 days (2012: 41.25 days). No interest is charged on the trade receivables for the first 30-60 days from the date of the invoice. Thereafter, interest is charged at between 0% and the prime overdraft rate plus 2% per annum on the outstanding balance. At June 30, 2013, N\$ 80 651 678 (2012: N\$ 63 674 475) were past due but not impaired. The group has not provided for these as there has not been a significant change in credit quality.

The group does not hold any collateral over these balances.

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

30–60 days	38 391	40 239	-	-
60–90 days	15 475	6 102	-	-
>90 days	26 786	17 333	-	-
	<b>80 652</b>	<b>63 674</b>	<b>-</b>	<b>-</b>

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

#### 14. TRADE AND OTHER RECEIVABLES (CONTINUED)

##### Trade and other receivables impaired

As of June 30, 2013, trade and other receivables of N\$ 6 823 061 (2012: N\$ 7 883 006) were impaired and provided for.

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

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

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

The ageing of impaired receivables is as follows:

10–90 days	305	260	-	-
90–120 days	272	288	-	-
120+ days	6 246	7 335	-	-
	<b>6 823</b>	<b>7 883</b>	-	-

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

Opening balance	(7 883)	(10 030)	-	-
Impairment losses recognised	(5 134)	(1 234)	-	-
Amounts written off as uncollectable	5 017	1 958	-	-
Amounts recovered during the year	1 177	1 423	-	-
	<b>(6 823)</b>	<b>(7 883)</b>	-	-

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

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

## 15. CONSTRUCTION CONTRACTS AND RECEIVABLES

### Contracts in progress at the end of the reporting period

Construction contract receivables	115	809	-	-
-----------------------------------	-----	-----	---	---

### Consisting of:

Construction costs incurred plus recognised profits less recognised losses to date	425	3 147	-	-
Less: Progress billing	(310)	(2 338)	-	-
	<b>115</b>	<b>809</b>	<b>-</b>	<b>-</b>

## 16. CASH AND CASH EQUIVALENTS

### Cash and cash equivalents consist of:

Cash on hand	801	726	-	-
Bank balances	59 441	85 676	27	14
Short-term deposits	230 165	44 592	-	-
	<b>290 407</b>	<b>130 994</b>	<b>27</b>	<b>14</b>

The carrying amount of these assets approximates their fair value.

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

## 17. NON-CURRENT ASSETS HELD FOR SALE

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

### Net assets of disposal group

#### Non-current assets held for sale

Property, plant and equipment	1 179	7 634	-	-
Investment property	16 300	16 300	-	-
	<b>17 479</b>	<b>23 934</b>	-	-

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

ERF 331 L - Lüderitz	300	300	-	-
ERF 282A - Windhoek	16 000	16 000	-	-
ERF 419/463 Prosperita - Windhoek	-	7 634	-	-
Keetmanshoop depot	1 179	-	-	-
	<b>17 479</b>	<b>23 934</b>	-	-

#### The following properties have been reclassified from Held-for-sale to Investment properties:

ERF 594	-	159	-	-
ERF 735	-	228	-	-
ERF 526	-	958	-	-
ERF 1567	-	29	-	-
ERF 1570	-	3	-	-
	-	<b>1 377</b>	-	-

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

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

---

**17. NON-CURRENT ASSETS HELD FOR SALE (CONTINUED)****2013**

The intention remains to sell Erf 282A during the 2014 financial year to Guinea Fowl Investments Twelve (Pty) Ltd for the purchase price of N\$ 16 000 000 payable by the creation of a loan account which will be payable on demand to WUM Properties Ltd. The property is to be sold "voetstoots" and WUM Properties gives no warranty in regard to the building and any improvements upon the property. The sale was finalised on 17 July 2012 and the proceeds are expected to be received upon transfer of the property which will take place during the period 1 January 2014 to 30 June 2014.

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

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

**2012**

Included in non-current assets classified as held for sale are various company houses in Windhoek and Lüderitz.

Due to a change in the intention of WUM Properties Limited, properties with a value of N\$ 1 377 000 were reclassified from Held-for-sale to Investment property in the 2012 financial year. Refer to Note 3.

WUM Properties Limited intends to sell Erf 282A to Guinea Fowl Investments Twelve (Proprietary) Limited for the purchase price of N\$ 16 million, payable by the creation of a loan account which will be repayable on demand by WUM Properties Limited. The property will be sold 'voetstoots' and WUM Properties Limited gives no warranty in regard to the buildings and any improvements upon the property. The sale was finalised on 17 July 2012.

Erf 419/463 relates to unused vacant land in Prosperita, Windhoek, that is not part of future expansion plans of Namibia Dairies (Proprietary) Limited. The intention of the sale is to utilise the funds to repay loans. The contract of sale was signed during May 2012 and proceeds from the sale was received during September 2012.

	Group		Company	
	2013 N\$ '000	2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
<b>18. SHARE CAPITAL AND PREMIUM</b>				
<b>Authorised</b>				
12 000 000 (2012: 12 000 000) Ordinary shares of N\$ 0.50 each	6 000	6 000	6 000	6 000
<b>Issued</b>				
5 492 917 (2012: 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>

6 507 083 unissued ordinary shares are under the control of the Directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.



	Group		Company	
	2013	Restated 2012	2013	Restated 2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000
<b>19. OTHER FINANCIAL LIABILITIES</b>				
<b>At fair value through profit or loss</b>				
Foreign exchange contracts	7 126	1 036	-	-
Interest rate swaps	2 845	4 615	-	-
Fuel options	-	503	-	-
	<b>9 971</b>	<b>6 154</b>	<b>-</b>	<b>-</b>
<b>Held at amortised cost</b>				
Bank overdrafts	65 976	52 735	8 007	6 848
Instalment sale creditors	114 739	140 977	-	3 127
Promissory loans	50 237	-	50 237	-
Preference share capital	229 762	254 265	-	-
Mortgage bond	866 627	907 270	-	-
Unsecured Domestic Medium Term notes	75 776	75 763	75 776	75 763
	<b>1 403 117</b>	<b>1 431 010</b>	<b>134 020</b>	<b>85 738</b>
	<b>1 413 088</b>	<b>1 437 164</b>	<b>134 020</b>	<b>85 738</b>

Bank overdraft facilities have been provided by Standard Bank of Namibia Limited, Bank Windhoek Limited, Nedbank Namibia Limited, First National Bank of Namibia Limited and ABSA Bank Limited and bear interest at between prime and prime + 1% (2012: prime + 1%) and are renegotiated every year.

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

<b>Non-current liabilities</b>				
Fair value through profit or loss	-	2 555	-	-
At amortised cost	965 035	1 267 526	125 000	75 000
	<b>965 035</b>	<b>1 270 081</b>	<b>125 000</b>	<b>75 000</b>
<b>Current liabilities</b>				
Fair value through profit or loss	9 971	3 599	-	-
At amortised cost	438 082	163 484	9 020	10 738
	<b>448 053</b>	<b>167 083</b>	<b>9 020</b>	<b>10 738</b>
	<b>1 413 088</b>	<b>1 437 164</b>	<b>134 020</b>	<b>85 738</b>
<b>Fair value of financial liabilities carried at amortised cost</b>				
Mortgage bond - First National Bank of Namibia Limited	505 404	509 543	-	-
Unsecured Domestic Medium Term Notes - DMT Notes OL001	26 585	26 986	26 585	26 986

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

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

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

The total amount of undrawn facilities available for future operating activities and commitments	51 583	47 528	3 785	4 907
--	--------	--------	-------	-------

	Group		Company	
	2013	Restated 2012	2013	Restated 2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

## 19. OTHER FINANCIAL LIABILITIES (CONTINUED)

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

Namibia Dollar	3 223	6 154	-	-
US Dollar	5 369	-	-	-
EURO	1 379	-	-	-
	<b>9 971</b>	<b>6 154</b>	<b>-</b>	<b>-</b>

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

Namibia Dollar	1 073 449	1 092 892	83 710	35 445
South Africa Rand	329 668	338 118	50 310	50 293
	<b>1 403 117</b>	<b>1 431 010</b>	<b>134 020</b>	<b>85 738</b>

### Other financial liabilities at fair value through profit or loss

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

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

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

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

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

Refer to Note 42 for derivative financial instruments information.

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

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

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

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

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

Level 2				
Foreign exchange contracts	7 126	1 036	-	-
Interest rate swaps	2 845	4 615	-	-
Fuel options	-	503	-	-
	<b>9 971</b>	<b>6 154</b>	<b>-</b>	<b>-</b>

	Group		Company	
	2013 N\$ '000	2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
<b>19. OTHER FINANCIAL LIABILITIES (CONTINUED)</b>				
<b>Preference share capital</b>				
<b>Authorised</b>				
200 (2012: 200) variable rate, redeemable, cumulative preference shares of N\$ 0.0002 each	-	-	-	-
2 000 (2012: 2 000) variable rate, redeemable, cumulative preference shares of N\$ 1.00 each	2	2	-	-
10 000 (2012: 10 000) variable rate, redeemable, cumulative preference shares of N\$ 0.01 each	-	-	-	-
	<b>2</b>	<b>2</b>	-	-
<b>Issued</b>				
94 (2012: 103) variable rate, redeemable, cumulative preference shares of N\$ 0.0002 each	-	-	-	-
675 (2012: 870) variable rate, redeemable, cumulative preference shares of N\$ 1.00 each	1	1	-	-
510 (2012: 510) variable rate redeemable, cumulative preference shares of N\$ 0.01 each	-	-	-	-
Share premium	228 499	252 799	-	-
Accrued preference share dividend	1 262	1 465	-	-
	<b>229 762</b>	<b>254 265</b>	-	-
<b>The preference shares (including accrued interest) can be allocated as follows:</b>	<b>Interest rate 2013 %</b>	<b>Interest rate 2012 %</b>	<b>Group 2013 N\$ '000</b>	<b>Group 2012 N\$ '000</b>
Bank Windhoek Limited	68–71% of prime	68–71% of prime	67 859	87 487
Standard Bank of Namibia Limited	73% of JIBAR	73% of JIBAR	110 622	115 482
Bank Windhoek Limited	72.5% of prime	72.5% of prime	51 281	51 296
			<b>229 762</b>	<b>254 265</b>

**19. OTHER FINANCIAL LIABILITIES (CONTINUED)**

N\$ 111 million (2012: N\$ 115 million) of the preference shares are redeemable over a ten-year period in equal quarterly redemptions, which escalate annually.

N\$ 20 million (2012: N\$ 33.5 million), N\$ 23.5 million (2012: N\$ 37.5 million) N\$ 11 million (2012: N\$ 16 million) and N\$ 13 million (2012: N\$ NIL) of the Bank Windhoek preference shares are redeemable over a 12 month (2012: 35 month), 24 month (2012: 41 month) 36 month (2012: 63 month) and 48 month (2012: 0 month) period respectively in six-monthly redemptions, which escalate annually.

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

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

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

The unissued 106 variable rate, redeemable, cumulative preference shares of N\$ 0.0002 each are under the control of the Directors. This authority expires at the next Annual General Meeting of WUM Properties Limited. Members will accordingly be asked to extend this said authority until the Annual General Meeting to be held in 2014

The unissued 1 325 variable rate, redeemable, cumulative preference shares of N\$ 1.00 each are under the control of the Directors of O&L Beverages (Proprietary) Limited.

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

**19. OTHER FINANCIAL LIABILITIES (CONTINUED)**

<b>Mortgage bond</b>	<b>Interest rate 2013 %</b>	<b>Interest rate 2012 %</b>	<b>Group 2013 N\$ '000</b>	<b>Group Restated 2012 N\$ '000</b>
<b>Group</b>				
<b>Agribank of Namibia</b>				
N\$ 865 646 (2012: N\$ 865 646) half-yearly	Prime - 0.5%	Prime - 0.5%	3 087	3 618
N\$ 3 303 748 (2012: N\$ 3 303 748) annually	Prime - 0.75%	Prime - 0.75%	25 380	26 504
			<b>28 467</b>	<b>30 122</b>
<b>Bank Windhoek Limited</b>				
N\$ 145 532 (2012: N\$ 156 973) monthly	Prime - 1%	Prime - 1%	2 618	3 840
N\$ 136 389 (2012: N\$ 136 389) monthly	Prime + 1%	Prime + 1%	9 369	9 973
N\$ 427 862 (2012: N\$ 433 324) monthly	Prime - 2%	Prime - 2%	20 711	24 227
N\$ 129 058 (2012: N\$ 130 962) monthly	Prime	Prime	7 093	7 951
			<b>39 791</b>	<b>45 991</b>
<b>First National Bank of Namibia Limited</b>				
N\$ NIL (2012: N\$ 330 932) monthly	Prime - 1%	Prime - 1%	-	650
Variable instalments monthly	9.20%	9.20%	451 381	465 188
			<b>451 381</b>	<b>465 838</b>
<b>Firstrand Bank Limited</b>				
3 equal quarterly instalments of R 26 666 667 from September 2013 and final payment of R 100 000 000 in June 2014 (2012: 3 equal quarterly instalments of R 26 666 667 from September 2013 and final payment in June 2014)	JIBAR + 1.85%	JIBAR +1.85%	180 000	180 000
<b>Standard Bank of Namibia Limited</b>				
N\$ 717 151 (2012: N\$ 717 151) monthly	Prime - 1%	Prime - 1%	35 963	41 419
<b>IFA Hotel and Resorts Namibia (Proprietary) Limited</b>				
N\$ NIL (2012: N\$ 677 040) monthly	Prime	Prime	-	5 224
<b>Development Bank of Namibia</b>				
N\$ 692 993 (2012: N\$ 692 993) monthly	Prime - 2%	Prime - 2%	31 667	36 718
<b>ABSA Bank Limited</b>				
12 equal monthly instalments from July 2013	JIBAR + 2.15%	JIBAR +2.15%	80 000	80 000
N\$ 362 704 (2012: N\$ 368 154 )	SA Prime	SA Prime	19 358	21 958
			<b>99 358</b>	<b>101 958</b>
<b>Total Group</b>				
Total mortgage and other secured loans			<b>866 627</b>	<b>907 270</b>

**19. OTHER FINANCIAL LIABILITIES (CONTINUED)****Unsecured domestic medium term notes and promissory notes**

<b>Group and Company</b>	<b>Interest rate 2013 %</b>	<b>Interest rate 2012 %</b>	<b>Group &amp; Company 2013 N\$ '000</b>	<b>Group &amp; Company 2012 N\$ '000</b>
DMT Notes OL001	12.72%	12.72%	25 466	25 470
DMT Notes OL003	JIBAR + 5.65%	JIBAR + 5.65%	50 310	50 293
Promissory notes	JIBAR + 3.8%	-	50 237	-
			<b>126 013</b>	<b>75 763</b>

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

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

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

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

**Instalment sale creditors**

<b>Group</b>	<b>Interest rate 2013 %</b>	<b>Interest rate 2012 %</b>	<b>Group 2013 N\$ '000</b>	<b>Group Restated 2012 N\$ '000</b>
<b>Bank Windhoek Limited</b>				
N\$ 59 164 (2012: N\$ 46 139) monthly	Prime	Prime	768	1 188
N\$ 563 559 (2012: N\$ 928 263) monthly	Prime - 1%	Prime - 1%	26 184	15 688
N\$ NIL (2012: N\$ 47 026) monthly	-	Prime - 1.5 %	-	605
N\$ 513 122 (2012: N\$ 513 122) monthly	Prime - 2%	Prime - 2%	9 221	14 483
N\$ 177 574 (2012: N\$ NIL) monthly	Prime + 0.5%	-	670	-
			<b>36 843</b>	<b>31 964</b>
<b>Nedbank Namibia Limited</b>				
N\$ 1 012 980 (2012: N\$ 1 020 283) monthly	Prime	Prime	22 913	32 860
N\$ 807 295 (2012: N\$ 814 931) monthly	Prime - 1.25%	Prime - 1.25%	25 737	32 731
N\$ 714 352 (2012: N\$ 700 754) monthly	Prime - 2%	Prime - 2%	19 257	24 227
			<b>67 907</b>	<b>89 818</b>

## 19. OTHER FINANCIAL LIABILITIES (CONTINUED)

	Interest rate 2013 %	Interest rate 2012 %	Group 2013 N\$ '000	Group Restated 2012 N\$ '000
<b>First National Bank of Namibia Limited</b>				
N\$ NIL (2012: N\$ 10 904) monthly	Prime - 0.75%	Prime - 0.75%	-	115
N\$ 223 687 (2012: N\$ 312 439) monthly	Prime - 2%	Prime - 2%	3 924	6 173
			<b>3 924</b>	<b>6 288</b>
<b>Standard Bank of Namibia Limited</b>				
N\$ NIL (2012: N\$ 162 007) monthly	-	Prime	-	953
N\$ 72 574 (2012: N\$ 325 521) monthly	Prime - 1%	Prime - 1%	1 974	3 127
N\$ 449 059 (2012: N\$ 551 156) monthly	Prime - 2%	Prime - 2%	4 091	8 827
			<b>6 065</b>	<b>12 907</b>
<b>Total Group</b>				
Total instalment sale creditors			<b>114 739</b>	<b>140 977</b>
<b>Company</b>			<b>Company 2013 N\$ '000</b>	<b>Company Restated 2012 N\$ '000</b>
N\$ NIL (2012: N\$ 325 521) monthly	-	Prime - 1%	-	3 127
			<b>-</b>	<b>3 127</b>
<b>Details of current portions</b>				
	<b>Group 2013 N\$ '000</b>	<b>Group Restated 2012 N\$ '000</b>	<b>Company 2013 N\$ '000</b>	<b>Company Restated 2012 N\$ '000</b>
<b>Fair value through profit or loss</b>				
Foreign exchange contracts	7 126	1 036	-	-
Interest rate swaps	2 845	2 060	-	-
Fuel options	-	503	-	-
	<b>9 971</b>	<b>3 599</b>	<b>-</b>	<b>-</b>
<b>At amortised cost</b>				
Bank overdrafts	64 509	49 068	8 007	6 848
Redeemable preference shares	27 462	25 765	-	-
Mortgage bond	306 946	40 509	-	-
Unsecured Domestic Medium Term notes	776	763	776	763
Promissory notes	237	-	237	-
Instalment sale creditors	38 152	47 379	-	3 127
	<b>438 082</b>	<b>163 484</b>	<b>9 020</b>	<b>10 738</b>

	Group		Company	
	2013	Restated 2012	2013	Restated 2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000
<b>20. FINANCE LEASE OBLIGATION</b>				
Non-current liabilities	38 948	39 096	-	-
Current liabilities	23 632	15 739	-	-
	<b>62 580</b>	<b>54 835</b>	-	-
<b>Minimum lease payments due</b>				
- Within one year	25 894	20 272	-	-
- In second to fifth year inclusive	45 525	45 419	-	-
- Later than five years	3 184	1 493	-	-
	74 603	67 184	-	-
less: Future finance charges	(12 023)	(12 349)	-	-
<b>Present value of minimum lease payments</b>	<b>62 580</b>	<b>54 835</b>	-	-

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

#### Currencies - At amortised cost

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

Namibia Dollar	62 580	54 835	-	-
----------------	--------	--------	---	---

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



**20. FINANCE LEASE OBLIGATION (CONTINUED)****Lease creditors**

<b>Group</b>	<b>Interest rate 2013 %</b>	<b>Interest rate 2012 %</b>	<b>Group 2013 N\$ '000</b>	<b>Group Restated 2012 N\$ '000</b>
<b>Avis Fleet Services</b>				
N\$ 536 280 (2012: N\$ 555 931) monthly	Prime	Prime	17 706	12 617
N\$ NIL (2012: N\$ 19 303) monthly	-	Prime - 1%	-	184
N\$ 197 824 (2012: N\$ 187 850) monthly	Prime - 1.25%	Prime - 1.25%	7 634	6 367
N\$ 71 692 (2012: N\$ 78 072) monthly	Prime - 2%	Prime - 2%	1 379	1 355
N\$ 92 468 (2012: N\$ 157 798) monthly	Prime - 3%	Prime - 3%	2 045	3 275
N\$ 4 113 (2012: N\$ NIL) monthly	Prime - 0.75%	-	105	-
			<b>28 869</b>	<b>23 798</b>
<b>Forklift &amp; Allied</b>				
N\$ 121 074 (2012: N\$ 79 262) monthly	Prime	Prime	3 509	1 000
<b>Eqstra Fleet Services</b>				
N\$ 109 986 (2012: N\$ 111 492) monthly	Prime + 0.5%	Prime + 0.5%	4 266	5 122
<b>Omatemba Fleet Services</b>				
N\$ 971 063 (2012: N\$ 971 604) monthly	Prime	Prime	24 639	24 915
<b>Bank Windhoek Limited</b>				
N\$ 25 061 (2012: N\$ NIL) monthly	Prime +0.5%	-	1 122	-
<b>First National Bank Limited</b>				
N\$ 4 503 (2012: N\$ NIL) monthly	Prime	-	175	-
<b>Total Group</b>				
Total lease creditors			<b>62 580</b>	<b>54 835</b>

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

**21. PROVISIONS**

Non-current liabilities	41 584	37 397	-	-
Current liabilities	865	880	-	-
	<b>42 449</b>	<b>38 277</b>	-	-

**Reconciliation of provisions - Group - 2013**

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

**Reconciliation of provisions - Group - 2012**

	Opening balance N\$ '000	Amounts charged to profit or loss N\$ '000	Employer benefit payments N\$ '000	Disposal of subsidiary N\$ '000	Total N\$ '000
Provision for post-retirement medical aid costs	15 015	2 061	(957)	-	16 119
Provision for severance pay	18 801	3 539	(347)	(59)	21 934
Provision for probable claims	1 862	(1 638)	-	-	224
	<b>35 678</b>	<b>3 962</b>	<b>(1 304)</b>	<b>(59)</b>	<b>38 277</b>

An independent actuarial valuation of the provision for post-retirement medical aid costs and the provision for severance pay was performed by Alexander Forbes Financial Services at 30 June 2013.

**21. PROVISIONS (CONTINUED)**

Amounts charged to profit or loss consist of:

	Provision for post-retirement medical aid costs N\$ '000	Provision for severance pay N\$ '000	Provision for probable claims N\$ '000	Total N\$ '000
<b>Group - 2013</b>				
Interest cost	1 276	1 955	-	3 231
Actuarial loss	1 696	413	-	2 109
Service costs	-	1 752	-	1 752
Utilisation	(188)	(841)	(224)	(1 253)
	<b>2 784</b>	<b>3 279</b>	<b>(224)</b>	<b>5 839</b>

	Provision for post-retirement medical aid costs N\$ '000	Provision for severance pay N\$ '000	Provision for probable claims N\$ '000	Total N\$ '000
<b>Group - 2012</b>				
Interest cost	1 261	1 753	-	3 014
Actuarial loss	985	286	-	1 271
Service costs	(60)	1 788	-	1 728
Utilisation	(125)	(288)	(1 638)	(2 051)
	<b>2 061</b>	<b>3 539</b>	<b>(1 638)</b>	<b>3 962</b>

**Provision for post-retirement medical aid costs**

The group subsidises 50% of the medical aid contribution in respect of certain retired employees on an ad-hoc basis based on past negotiations. Provisions are made for these costs.

**Valuation method and assumptions**

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

The most significant assumptions used are a discount rate of 7.70% (2012: 8.25%) and a health care cost inflation rate of 8.10% (2012: 7.75%). 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 effects:

The accrued liability as at 30 June 2013 will decrease by N\$ 1.597 million (2012: N\$ 1.397 million) or increase by N\$ 1.857 million (2012: N\$ 1.621 million) respectively; and

The current service cost and interest cost will decrease by N\$ 0.123 million (2012: N\$ 0.115 million) or increase by N\$ 0.143 million (2012: N\$ 0.133 million) respectively.

---

## 21. PROVISIONS (CONTINUED)

### Provision for severance pay

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

### Valuation method and assumptions

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

The most significant assumptions used are a discount rate of 8.20% (2012: 8.25%), an inflation rate of 5.80% (2012: 5.75%) and a salary increase rate of 5.80% (2012: 5.75%).

### Provision for probable claims

#### 2012

Provision for probable claims consists of a claim of N\$ 223 502 by a subcontractor against Kraatz Marine (Proprietary) Limited relating to service exchange spares that were charged and invoiced erroneously to the client. The provision is based on the remaining calculated value of the service exchange spares invoiced to the client.

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

## 22. NON-CURRENT PAYABLES

### Consist of:

Tenant deposits	3 449	2 825	-	-
-----------------	-------	-------	---	---

## 23. TRADE AND OTHER PAYABLES

Trade payables	489 398	451 191	1	-
Value-added taxation	6 333	2 037	-	-
Crates control account	5 589	5 915	-	-
Accrued leave pay	25 999	22 870	-	-
Accrued bonus	65 060	49 295	-	-
Excise duties	52 611	48 293	-	-
Accrued reimbursements	8 144	-	-	-
Value-added taxation on imports	1 158	1 691	-	-
Accrued audit fees	2 957	3 099	734	689
Deposits received	32 706	22 432	-	-
Quota levies	4 320	3 727	-	-
Other payables	22 102	16 933	-	-
Other accrued expenses	76 858	70 753	760	609
	<b>793 235</b>	<b>698 236</b>	<b>1 495</b>	<b>1 298</b>

### Fair value of trade and other payables

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade and other payables approximates their fair value.

The average credit period on the purchase of certain goods from major creditors is 30 to 90 days. No interest is charged on trade payables for the first 30 to 90 days from the date of the invoice. Thereafter, interest is charged at varying rates ranging from 0% to 30% per annum on the outstanding balance. The group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

	Group		Company	
	2013 N\$ '000	2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
<b>24. REVENUE</b>				
Sale of goods	4 337 262	3 931 691	-	-
Rendering of services	58 146	27 386	-	-
Insurance premiums received	-	-	750	750
Royalty income	69 071	59 071	-	-
Rental income	116 652	108 109	-	-
Dividends received	-	-	29 517	63 357
Quota levy income	1 943	2 619	-	-
Sale of scrap	153	148	-	-
Other revenue	2 434	4 875	-	-
	<b>4 585 661</b>	<b>4 133 899</b>	<b>30 267</b>	<b>64 107</b>
<b>Inclusive of:</b>				
Export sales	1 512 976	1 405 156	-	-
Revenue from subsidiaries and other related parties (Note 43)	1 418 375	1 371 006	30 267	64 107

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

	Group		Company	
	2013	Restated 2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

## 25. COST OF SALES

### Consist of:

Cost of sale of goods	3 268 676	2 833 679	-	-
Cost of rendering of service	39 879	19 372	-	-
Gains on biological assets and agricultural produce	(77 670)	(76 613)	-	-
	<b>3 230 885</b>	<b>2 776 438</b>	-	-

## 26. OPERATING EXPENSES

### Costs by function

Distribution costs	9 980	10 117	-	-
Administrative expenses	595 894	545 439	3 860	3 871
Other expenses	192 906	312 103	22 553	15 788
	<b>798 780</b>	<b>867 659</b>	<b>26 413</b>	<b>19 659</b>

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

## 27. OPERATING PROFIT

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

<b>Income from related parties</b>				
Dividends	-	-	29 517	63 357
Insurance premiums received	-	-	750	750
Management fees received	1 331	446	-	-
Royalties	70 456	60 594	-	-
<b>Expenses to related parties</b>				
Directors' remuneration	23 187	19 882	23 187	19 882
Management fees	5 544	5 110	-	-
Purchases	69 167	57 354	-	-
Royalties	2 713	4 408	-	-
Technical fees	-	774	-	-
<b>Fees for professional services</b>				
Administrative services	1	55	1	55
Managerial services	-	5 130	-	-
Technical services	456	932	5	112
Audit fees - current year	6 257	6 243	849	767
Audit fees - prior year	-	(43)	-	-
Audit fees - other services	178	791	-	-
<b>Operating lease charges</b>				
Premises				
• Contractual amounts	24 216	23 059	-	-
Motor vehicles				
• Contractual amounts	3 653	2 969	-	-
Equipment				
• Contractual amounts	1 583	1 200	-	-
• Contingent amounts	201	121	-	-



	Group		Company	
	2013 N\$ '000	2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
<b>27. OPERATING PROFIT (CONTINUED)</b>				
<b>Other material items</b>				
Profit on disposal of property, plant and equipment	4 765	2 637	-	-
Profit on disposal of subsidiary	-	5 270	-	-
Profit on disposal of non-current assets held for sale	8 157	-	-	-
Impairment on property, plant and equipment	8 839	913	-	-
Impairment loss on subsidiaries	-	-	22 553	15 788
Amortisation of tenant allowances	3 452	4 021	-	-
Impairment on trade and other receivables	5 134	1 234	-	-
Loss on exchange differences	19 383	4 970	-	-
Amortisation on intangible assets	6 346	4 204	-	-
Depreciation on property, plant and equipment	162 275	144 799	-	-
Employee costs	695 621	616 440	-	-
Impairment of other financial assets	-	5 453	-	-
Impairment of biological assets	-	1 647	-	-

	Group		Company	
	2013	Restated 2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

**28. INVESTMENT INCOME****Dividend income**

Available for sale - Listed investments	12	9	-	-
---	----	---	---	---

**Interest income**

Loans and receivables - Bank and other	8 905	10 478	228	659
Loans and receivables - Related parties	12 692	14 342	-	-
Loans and receivables - Group companies	-	-	5 881	4 299
	<b>21 597</b>	<b>24 820</b>	<b>6 109</b>	<b>4 958</b>
	<b>21 609</b>	<b>24 829</b>	<b>6 109</b>	<b>4 958</b>

**29. FAIR VALUE ADJUSTMENTS**

Investment property	194 801	111 674	-	-
Derivative financial instruments	(516)	(3 470)	-	-
	<b>194 285</b>	<b>108 204</b>	<b>-</b>	<b>-</b>

**30. FINANCE COSTS**

Subsidiaries	-	-	17	48
Related parties	1 236	1 623	1 142	1 512
Preference dividends	16 646	16 406	-	-
Trade and other payables	1 484	403	-	-
Bank and other	112 544	108 827	797	1 153
Domestic Medium Term notes	8 618	7 580	8 618	7 580
Promissory notes	2 457	-	2 457	-
Less: Amounts included in the cost of qualifying assets	-	(752)	-	-
	<b>142 985</b>	<b>134 087</b>	<b>13 031</b>	<b>10 293</b>

	Group		Company	
	2013 N\$ '000	Restated 2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
<b>31. TAXATION</b>				
<b>Major components of the taxation expense</b>				
<b>Current</b>				
Local income taxation - current period	84 292	76 872	-	-
Local income taxation - recognised in current tax for prior periods	-	(47)	-	-
Foreign income taxation - current period	19 717	19 959	-	-
Foreign income taxation - recognised in current tax for prior periods	(2 916)	-	-	-
	<b>101 093</b>	<b>96 784</b>	-	-
<b>Deferred</b>				
Originating and reversing temporary differences - restated	26 078	27 569	-	-
Changes in tax rates	(4 584)	-	-	-
Benefit of unrecognised tax loss	5 783	3 773	-	-
Deferred tax loss utilised	12 662	3 701	-	-
Arising from prior period adjustments	(1 188)	(73)	-	-
	<b>38 751</b>	<b>34 970</b>	-	-
	<b>139 844</b>	<b>131 754</b>	-	-
<b>Reconciliation of the taxation expense</b>				
Reconciliation between applicable tax rate and average effective tax rate.				
Applicable tax rate	34.00%	34.00%	34.00%	34.00%
Exempt income	(17.80)%	(9.51)%	(45.42)%	(55.07)%
Incentive allowances	(7.73)%	(7.37)%	- %	- %
Timing differences not provided for	(0.03)%	0.03%	- %	- %
Tax rate differential between tax jurisdictions	(1.14)%	(0.14)%	- %	- %
Disallowable charges	29.13%	10.88%	2.58%	16.19%
Prior year adjustment	(0.02)%	0.06%	- %	- %
Current year's tax losses available for use against taxable income	3.06 %	2.78%	8.84 %	4.88%
Use of tax losses relating to prior periods	(0.33)%	- %	- %	- %
Tax rate change	(1.52)%	- %	- %	- %
	<b>37.62%</b>	<b>30.73%</b>	<b>- %</b>	<b>- %</b>
Estimated capital allowances for set-off against future farming income	35 628	35 628	-	-

No taxation has been provided for in the company and certain subsidiaries as they did not earn any taxable income. The estimated tax loss available for set-off against future taxable income is Group: N\$ 1 118 145 171 and Company: N\$ 40 316 901 (2012 Group: N\$ 1 093 753 501) and Company: N\$ 32 548 607). In addition to the amount charged to profit or loss, deferred tax relating to the revaluation of the group's properties amounting to N\$ 1.300 million (2012: N\$ 5.848 million charge) was debited to other comprehensive income. A decrease in the market value of the buildings resulted in a release of deferred tax in the statement of comprehensive income.

**32. OTHER COMPREHENSIVE INCOME****Components of other comprehensive income - Group - 2013**

	Gross N\$ '000	Taxation N\$ '000	Net before non-controlling interest N\$ '000	Attributable to non-controlling interest N\$ '000	Attributable to equity holders N\$ '000
<b>Movements on revaluation</b>					
Gains on property revaluation	60 883	(1 300)	59 583	(1 912)	57 671

**Components of other comprehensive income - Group - 2012**

	Gross N\$ '000	Taxation N\$ '000	Net before non-controlling interest N\$ '000	Attributable to non-controlling interest N\$ '000	Attributable to equity holders N\$ '000
<b>Movements on revaluation</b>					
Gains on property revaluation	128 414	5 848	134 262	(4 454)	129 808

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

### 33. RETIREMENT BENEFIT INFORMATION

#### Retirement fund

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

Members' contributions	24 383	19 739	-	-
Employer contributions	46 238	34 856	-	-
	<b>70 621</b>	<b>54 595</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 2011 and its assets were found to exceed its actuarially calculated liabilities. The next statutory actuarial valuation will be performed at 31 January 2014.

#### Medical aid fund

Total value of company contributions during the year	19 070	15 095	-	-
--	--------	--------	---	---

	Group		Company	
	2013	Restated 2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000
<b>34. CASH GENERATED FROM (USED IN) OPERATIONS</b>				
Profit (loss) before taxation	371 684	428 750	(3 068)	39 113
<b>Adjustments for:</b>				
Depreciation and amortisation	168 621	149 003	-	-
Profit on disposal of assets	(4 765)	(2 637)	-	-
Profit on disposal of non-current assets and disposal groups	(8 157)	-	-	-
(Profit) loss on foreign exchange	10 752	(1 832)	-	-
Loss from equity accounted investments	299 134	92 162	-	-
Dividends received	(12)	(9)	(29 517)	(63 357)
Interest received	(21 597)	(24 820)	(6 109)	(4 958)
Finance costs	142 984	134 087	13 031	10 293
Fair value adjustments on investment properties and derivative financial instruments	(194 285)	(108 204)	-	-
Net impairment losses	13 972	9 246	22 554	15 788
Movements in provisions	5 839	3 962	-	-
Amortisation - Tenant allowances	2 922	11 163	-	-
Interest rate swap - Loss on reset payment dates	3 301	659	-	-
Movement on deferred rental	(7 961)	(10 376)	-	-
Fair value adjustment on biological assets	(3 124)	(6 494)	-	-
Loss on livestock due to deaths	2 508	1 584	-	-
Profit on sale of subsidiary	-	(5 270)	-	-
Reversal of tenant allowance asset	-	111	-	-
<b>Changes in working capital:</b>				
Inventories	(100 773)	(59 823)	-	-
Trade and other receivables	(46 810)	(48 384)	(6)	(136)
Construction contracts and receivables	694	(500)	-	-
Trade and other payables	95 001	105 117	198	(381)
Derivatives	(391)	(522)	-	-
	<b>729 537</b>	<b>666 973</b>	<b>(2 917)</b>	<b>(3 638)</b>

	Group		Company	
	2013 N\$ '000	2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
<b>35. DIVIDENDS PAID</b>				
Balance at the beginning of the year	(3 828)	(3 806)	(3 828)	(3 806)
Dividend paid to outside shareholders	(83 208)	(75 007)	-	-
Dividends declared on ordinary shares	-	(3 735)	-	(3 735)
Balance at the end of the year	304	3 828	304	3 828
	<b>(86 732)</b>	<b>(78 720)</b>	<b>(3 524)</b>	<b>(3 713)</b>
<b>36. TAXATION PAID</b>				
Balance receivable at the beginning of the year	1	-	-	-
Balance owing at the beginning of the year	(5 121)	(18 364)	-	-
Current taxation for the year recognised in profit or loss	(101 093)	(96 784)	-	-
Balance receivable at the end of the year	(249)	(1)	-	-
Balance owing at the end of the year	543	5 121	-	-
	<b>(105 919)</b>	<b>(110 028)</b>	-	-

	Group		Company	
	2013 N\$ '000	2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
<b>37. BUSINESS COMBINATIONS</b>				
<b>Acquisition of business operation</b>				
Property, plant and equipment	3 998	-	-	-
Total identifiable net assets	3 998	-	-	-
Goodwill	1 252	-	-	-
	<b>5 250</b>	-	-	-
<b>Consideration paid</b>				
Cash	(5 250)	-	-	-
<b>Net cash outflow on acquisition</b>				
Cash consideration paid	(5 250)	-	-	-

**OK Grocery Supermarket**

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



	Group		Company	
	2013 N\$ '000	2012 N\$ '000	2013 N\$ '000	2012 N\$ '000
<b>38. DISPOSAL OF SUBSIDIARY</b>				
<b>Carrying value of assets sold</b>				
Property, plant and equipment	-	(3 025)	-	-
Intangible assets	-	(145)	-	-
Loans with related parties	-	48	-	-
Provisions	-	59	-	-
Loans to group companies	-	947	-	-
Inventories	-	(938)	-	-
Trade and other receivables	-	(274)	-	-
Trade and other payables	-	4 049	-	-
Borrowings	-	758	-	-
Cash	-	(1 209)	-	-
Total net liabilities sold	-	270	-	-
Net liabilities sold	-	270	-	-
Profit on disposal	-	(5 270)	-	-
	-	<b>(5 000)</b>	-	-
<b>Consideration received</b>				
Cash	-	5 000	-	-
<b>Net cash outflow on acquisition</b>				
Cash consideration received	-	5 000	-	-
Cash sold	-	(1 209)	-	-
	-	<b>3 791</b>	-	-

On 1 February 2012 the shares of Kilimanjaro Trading (Proprietary) Limited were sold to Ondero Investment (Proprietary) Limited.

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

### 39. COMMITMENTS

#### Authorised capital expenditure

##### Already contracted for but not provided for

• Property, plant and equipment	41 260	91 520	-	-
• Investment property	2 537	5 734	-	-

##### Not yet contracted for and authorised by directors

	534 439	204 406	-	-
	<b>578 236</b>	<b>301 660</b>	-	-

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

Working capital	177 799	260 511	-	-
Long-term credit facilities	400 437	41 149	-	-
	<b>578 236</b>	<b>301 660</b>	-	-

#### Joint ventures

##### Joint Venture - proposed transaction (note 8)

As of the date of these Finance Statements, there are on-going discussions surrounding a proposed transaction which involves a restructuring of existing arrangements between Diageo Highlands Holdings B.V. ("Diageo"), Heineken International B.V. ("Heineken") and NBL ("the parties") in South Africa. By this transaction DHN Drinks (Pty) Ltd ("DHN"), the shareholders of which are Diageo, a subsidiary of Diageo Plc, Heineken, a subsidiary of Heineken N.V. and NBL, intend to acquire 100% of the issued share capital of Sedibeng Brewery (Pty) Ltd ("Sedibeng"), which owns the Sedibeng brewery, the current shareholders of which are Heineken and Diageo. Whilst negotiations are still in progress, it is anticipated that DHN may require a proportion of shareholder funding for this proposed transaction. Where such shareholder funding is requested by DHN, NBL will simultaneously raise additional financing to fund such a possible funding request.

##### DHN Funding obligation

Each financial year the shareholders of DHN shall estimate the amount of funding required by DHN. Each shareholder shall then provide this funding in proportion to its shareholding. In the current financial year, the group's share of the funding requirement was N\$ 293.6 million (2012: N\$ 94.5 million).

#### Operating leases – as lessee (expense)

##### Operating lease commitments

Land and buildings	57 747	57 152	-	-
Other	3 502	3 611	-	-
	<b>61 249</b>	<b>60 763</b>	-	-

##### Minimum lease payments due

- Within one year	16 381	17 064	-	-
- In second to fifth year inclusive	36 192	24 003	-	-
- Later than five years	8 676	19 696	-	-
	<b>61 249</b>	<b>60 763</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.

On 31 January 2005, Wernhil Park (Proprietary) Limited entered into an operating lease agreement with the Municipal Council of Windhoek whereby Wernhil leases Erf 6871 (southern parking) for the duration of 99 years subject to the right of the parties to terminate the agreement with a 12-month written notice. Monthly rent of N\$ 119 430 (excluding VAT) was paid for the months July 2012-April 2013 while the rental for the months May 2013-June 2013 amounts to N\$ 126 835 (excluding VAT) per month. The rental is subject to an annual increase linked to the increase of the Consumer Price Index. An estimate of 6% was used as the inflation rate to determine the commitments for the 2014 financial year.

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

### 39. COMMITMENTS (CONTINUED)

On 01 July 2011, Wernhil Park (Proprietary) Limited entered into an operating lease agreement with the Municipal Council of Windhoek whereby Wernhil leases a consolidated area of 24 666 square metres (northern parking) consisting of Erf RE/3548, Erf 6872 and Erf 6873 for the duration of 99 years subject to the right of the parties to terminate the agreement with a 12-month written notice. Monthly rent of N\$ 121 818 (excluding VAT) was paid for the months July 2012 - May 2013 while the rental for June 2013 amounts to N\$ 129 371 (excluding VAT) per month. The rental is subject to an annual increase linked to the increase of the Consumer Price Index. An estimate of 6% was used as the inflation rate to determine the commitments for the 2014 financial year.

### 40. CONTINGENT LIABILITIES

Legal disputes	-	1 057	-	-
Performance guarantees	8 311	6 685	-	-
Possible insurance claims from subsidiaries	-	-	-	137
Guarantees of loans, overdrafts and other banking facilities of certain subsidiaries and associate	-	-	402 480	394 247
Less: Provision for losses already provided for	-	-	(309 908)	(287 355)
	<b>8 311</b>	<b>7 742</b>	<b>92 572</b>	<b>107 029</b>

#### Legal disputes

The investment property of Oshakati Towers (Proprietary) Limited (Oshakati) was sold illegally during the 2005 financial year. The purchaser claimed to have made N\$ 724 763 improvements. Legal action was instituted by Oshakati, and a final Deed of Settlement was signed in June 2013. In terms of the Deed of Settlement it was agreed that Oshakati receives a final settlement amount of N\$ 5 200 000 and that Oshakati withdraws its legal challenge to re-register the property in the name of Oshakati Tower (Proprietary) Limited. Based on the First Settlement Offer, N\$ 350 000 of the N\$ 5 200 000 was allocated for recovering legal costs, with the balance of N\$ 4 850 000 being for the property.

#### Performance guarantees

##### 2013

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

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

##### 2012

Performance guarantees were issued in favour of Engen Namibia Limited and Puma Energy (Namibia) (Proprietary) Limited in respect of the upgrade of Tank No. 381 and the construction of pipelines, respectively.

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

**40. CONTINGENT LIABILITIES (CONTINUED)****Suretyships**

Unlimited and limited suretyships have been given to the following subsidiaries, associates and others which could result in an additional liability for the company. All outstanding exposures at 30 June 2013 have been included in the above amounts and all deficits between the assets and liabilities of the subsidiaries at 30 June 2013 have been provided for.

<b>In favour of:</b>	<b>For subsidiary/associate/other</b>	<b>Suretyship N\$ '000</b>
Agribank of Namibia	Namibia Dairies (Proprietary) Limited	N\$26 400
	WUM Properties Limited	N\$4 330
Bank Windhoek Limited	Dimension Data Namibia (Proprietary) Limited	N\$2 000
	Hangana Seafood (Proprietary) Limited	N\$53 000
	Kraatz Marine (Proprietary) Limited	Unlimited
	Namibia Dairies (Proprietary) Limited	Unlimited
	Ohlthaver and List Beverage Company (Proprietary) Limited	Unlimited
	Windhoek Schlachtereij (Proprietary) Limited	Unlimited
	WUM Properties Limited	Unlimited
First National Bank of Namibia	Namibia Dairies (Proprietary) Limited	Unlimited
	WUM Properties Limited	Unlimited
	O&L Property Security (Proprietary) Limited	N\$ 35 000
Nedbank Namibia Limited	Hangana Seafood (Proprietary)Limited	Unlimited
Standard Bank of Namibia Limited	ICT Holdings (Proprietary) Limited	N\$5 012
	Kraatz Marine (Proprietary) Limited	Unlimited
	Namibia Dairies (Proprietary) Limited	Unlimited
	WUM Properties Limited	N\$11 000
ABSA Bank Limited	WUM Properties Limited	N\$25 000
	O&L Leisure (Proprietary) Limited	N\$10 000
Development Bank of Namibia	Namibia Dairies (Proprietary) Limited	Unlimited
Tetra Pak	Namibia Dairies (Proprietary) Limited	N\$ 12 578

**41. UNALLOCATED SHARES IN EMPLOYEE SHARE INCENTIVE SCHEME**

<b>Allocation of number of shares in the employee share incentive scheme</b>	<b>Company 2013 Shares '000</b>	<b>Company 2012 Shares '000</b>
Shares offered to employees of the group	4 083	4 083
Shares originally taken up by the employees	(919)	(919)
Third offer withdrawn on 4 October 2001	2 000	2 000
Fourth offer withdrawn on 4 October 2001	1 202	1 202
Shares transferred from trust to company and sold	(6 434)	(6 434)
Shares forfeited by employees to the trust	321	323
	<b>253</b>	<b>255</b>

**42. DERIVATIVE FINANCIAL INSTRUMENTS INFORMATION**

The following information relates to derivative financial instruments included in other financial assets and other financial liabilities as per Note 9 and Note 19, respectively:

	2013		2012	
	Assets N\$ '000	Liabilities N\$ '000	Assets N\$ '000	Liabilities N\$ '000
<b>Group</b>				
Interest rate swaps - fair value hedges	-	2 845	-	4 615
Forward foreign exchange contracts - fair value hedges	201	7 126	1 476	1 036
Forward exchange options - fair value hedges	391	-	-	-
Fuel options	-	-	-	503
	<b>592</b>	<b>9 971</b>	<b>1 476</b>	<b>6 154</b>
Non-current portion	-	-	-	2 555
Current portion	592	9 971	1 476	3 599
	<b>592</b>	<b>9 971</b>	<b>1 476</b>	<b>6 154</b>

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

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

**Forward foreign exchange contracts**

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

Group	Foreign Amount 2013 '000	Foreign Amount 2012 '000	Average rate 2013	Average rate 2012
	Euro - Sell	6 941	8 298	12.41
US Dollar - Sell	1 100	2 333	8.82	8.26
US Dollar - Sell	-	452	-	8.37
Euro - Buy	(1 200)	(1 501)	13.15	10.58
<b>Namibia Dollar amount</b>				
Euro - Sell	86 156	86 793	-	-
US Dollar - Sell	9 701	22 967	-	-
Euro - Buy	(15 778)	(15 876)	-	-
	<b>80 079</b>	<b>93 884</b>	-	-

**42. DERIVATIVE FINANCIAL INSTRUMENTS INFORMATION (CONTINUED)****Interest rate swap**

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

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

<b>At 30 June 2013:</b>	<b>Notional N\$ '000</b>	<b>Cap</b>	<b>Value N\$ '000</b>
Less than 1 year	4 088	7.99%	2 845
<b>At 30 June 2012:</b>	<b>Notional N\$ '000</b>	<b>Cap</b>	<b>Value N\$ '000</b>
Less than 1 year	2 920	7.99%	2 060
1 to 2 years	4 088	9.08%	2 555
			<b>4 615</b>

**Fuel options**

The fuel options consist of various commodity swaps with settlement dates ranging from 1 August 2013 to 2 January 2014 (2012: 26 July 2012 to 28 February 2013) and can be summarised as follows:

**At 30 June 2013:**

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

**42. DERIVATIVE FINANCIAL INSTRUMENTS INFORMATION (CONTINUED)****At 30 June 2012:**

<b>Strategy</b>	<b>Currency</b>	<b>Quantity L '000</b>	<b>Value N\$ '000</b>
Commodity swap	USD	(105)	(141)
Commodity swap	USD	(105)	(146)
Commodity swap	USD	(84)	(25)
Commodity swap	USD	(84)	(26)
Commodity swap	USD	(84)	(26)
Commodity swap	USD	(84)	(28)
Commodity swap	USD	(84)	(28)
Commodity swap	USD	(84)	(27)
Commodity swap	USD	(84)	(28)
Commodity swap	USD	(84)	(28)
			<b>(503)</b>
Liabilities			(503)

**Maturities of derivatives**

The liquidity analysis is determined based on the maturity profile of the underlying instrument. Refer to Note 47 for maturity profiles of derivatives.



**43. RELATED PARTIES****Relationships**

Ultimate holding entity	The Werner List Trust
Holding company	O&L Holdings (Proprietary) Limited
Subsidiaries	Refer to Note 6
Associates	Refer to Note 7
Joint ventures	Refer to Note 8
Significant influence on Namibia Breweries Limited	Diageo Heineken Namibia B.V.
Entities related to Diageo Heineken Namibia B.V.	Diageo Great Britain Limited Diageo South Africa (Proprietary) Limited Heineken International B.V. Heineken South Africa Export Company (Proprietary) Limited
Significant influence on O&L Holdings (Proprietary) Limited	EPIA Investment Holdings (Proprietary) Limited
Directors/shareholders of EPIA Investment Holdings (Proprietary) Limited	Reverend WS Hanse TZM Hjarunguru Hon. Governor LV Mcleod-Katjirua A Mushimba EP Shiimi
Members of key management	S Bartsch S Chinhoi (up to 31/08/12) J Fitzgerald H Feris P Grüttemeyer H Hamm G Hanke P Hoeksema (since 01/03/13) B Hutchison (since 01/09/12) R Locke (2012 only) B Mukuahima M Reilly G Shilongo H Theron S Thieme H van der Westhuizen D van Niekerk B Walbaum M Wenk

**Related party balances**

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

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000
<b>43. RELATED PARTIES (CONTINUED)</b>				
<b>Related party transactions</b>				
<b>Interest paid to/(received from) related parties</b>				
The Werner List Trust	-	(121)	-	-
DHN Drinks (Proprietary) Limited	(12 474)	(14 221)	-	-
Directors and past directors	1 142	1 512	1 142	1 512
Hangana Seafood (Proprietary) Limited	-	-	(2 091)	(2 076)
Ohlthaver & List Employee Catastrophe Fund Trust	94	99	-	-
The Werner List Trust	(218)	12	-	-
Namibia Dairies (Proprietary) Limited	-	-	17	48
Namibia Dairies (Proprietary) Limited	-	-	(3 789)	(2 223)
<b>Purchases from/(sales to) related parties</b>				
DHN Drinks (Proprietary) Limited	(1 250 548)	(1 157 226)	-	-
Diageo Great Britain Limited	(8 739)	(13 616)	-	-
Diageo South Africa (Proprietary) Limited	(71 742)	(111 657)	-	-
Heineken South Africa Export Company (Proprietary) Limited	(87 115)	(88 278)	-	-
Dimension Data Namibia (Proprietary) Limited	(231)	(229)	-	-
Dimension Data Namibia (Proprietary) Limited	17 405	15 690	-	-
Natural Value Foods Namibia (Proprietary) Limited	51 762	41 664	-	-
<b>Management fees paid to/(received from) related parties</b>				
Dimension Data Namibia (Proprietary) Limited	(586)	(341)	-	-
The Werner List Trust	(104)	(104)	-	-
Diageo Plc	2 772	2 555	-	-
Heineken International B.V.	2 772	2 555	-	-
Brandtribe (Proprietary) Limited	(641)	-	-	-
<b>Dividends received from related parties</b>				
ICT Holdings (Proprietary) Limited	-	-	4 345	3 094
Namibia Breweries Limited	-	-	25	156
NBL Share Purchase Trust	-	-	146	36 706
Ohlthaver & List Beverage Company (Proprietary) Limited	-	-	25 000	23 000
Broll and List Property Management (Namibia) (Proprietary) Limited	-	-	-	401
<b>Insurance premiums received from related parties</b>				
O&L Leisure (Proprietary) Limited	-	-	54	52
Dimension Data Namibia (Proprietary) Limited	19	17	19	17
Eros Air (Proprietary) Limited	-	-	2	2
Hangana Seafood (Proprietary) Limited	-	-	66	56
Kraatz Marine (Proprietary) Limited	-	-	40	49
Namibia Dairies (Proprietary) Limited	-	-	439	445

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

#### 43. RELATED PARTIES (CONTINUED)

##### Related party transactions (continued)

##### Insurance premiums received from related parties (continued)

Ohlthaver & List Centre (Proprietary) Limited	-	-	76	75
Wernhil Park (Proprietary) Limited	-	-	2	5
WUM Properties Limited	-	-	52	49

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

DHN Drinks (Proprietary) Limited	(70 456)	(60 594)	-	-
Diageo South Africa (Proprietary) Limited	-	1 589	-	-
Heineken International B.V.	2 713	2 819	-	-

##### Insurance claims paid to/(received from) related parties

Hangana Seafood (Proprietary) Limited	-	-	276	22
Kraatz Marine (Proprietary) Limited	-	-	29	48
Namibia Dairies (Proprietary) Limited	-	-	387	521
Ohlthaver and List Centre (Proprietary) Limited	-	-	85	36
O&L Leisure (Proprietary) Limited	-	-	6	159
Dimension Data Namibia (Proprietary) Limited	33	-	33	-
WUM Properties Limited	-	-	6	(10)
Broll and List Property Management (Proprietary) Limited	-	-	72	-

##### Technical fees paid to related parties

Heineken International B.V.	-	774	-	-
-----------------------------	---	-----	---	---

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	45 514	32 063	23 187	19 882
------------------------------	--------	--------	--------	--------

**44. DIRECTORS' EMOLUMENTS - COMPANY****Executive****2013**

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

**2012**

	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	11 783	2 083	3 865	17 731

\* Other benefits comprise retirement, medical and other benefits

**Non-Executive****2013**

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

**2012**

	Directors' fees N\$ '000	Other services N\$ '000	Total N\$ '000
Non-executive directors	545	1 606	2 151

**45. FINANCIAL ASSETS BY CATEGORY**

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

**Group - 2013**

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

**Group - 2012**

	Loans and receivables N\$ '000	Fair value through profit or loss - held for trading N\$ '000	Available- for-sale N\$ '000	Total N\$ '000
Loans to related parties	372 458	-	-	372 458
Other financial assets	4 114	1 476	14	5 604
Trade and other receivables	278 175	-	-	278 175
Construction contracts and receivables	809	-	-	809
Cash and cash equivalents	130 994	-	-	130 994
	<b>786 550</b>	<b>1 476</b>	<b>14</b>	<b>788 040</b>

**Company - 2013**

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

**Company - 2012**

	Loans and receivables N\$ '000	Total N\$ '000
Loans to group companies	1 130 684	1 130 684
Loans to related parties	444	444
Cash and cash equivalents	14	14
	<b>1 131 142</b>	<b>1 131 142</b>

**46. FINANCIAL LIABILITIES BY CATEGORY**

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

**Group - 2013**

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

**Group - 2012**

	Restated Financial liabilities at amortised cost N\$ '000	Fair value through profit or loss - held for trading N\$ '000	Restated Total N\$ '000
Loans from related parties	20 011	-	20 011
Other financial liabilities	1 431 010	6 154	1 437 164
Trade and other payables	622 343	-	622 343
Finance lease obligation	54 835	-	54 835
Provisions - Probable claims	224	-	224
Non-current payables	2 825	-	2 825
Dividend payable	3 828	-	3 828
	<b>2 135 076</b>	<b>6 154</b>	<b>2 141 230</b>

**46. FINANCIAL LIABILITIES BY CATEGORY (CONTINUED)****Company - 2013**

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

**Company - 2012**

	<b>Restated Financial liabilities at amortised cost N\$ '000</b>	<b>Restated Total N\$ '000</b>
Loans from group companies	227 839	227 839
Loans from related parties	15 414	15 414
Other financial liabilities	85 738	85 738
Trade and other payables	1 298	1 298
Finance lease obligation	-	-
Dividend payable	3 828	3 828
	<u>334 117</u>	<u>334 117</u>

	Group		Company	
	Restated		Restated	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

## 47. RISK MANAGEMENT

### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Notes 12, 19 & 20, cash and cash equivalents disclosed in Note 16, 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 shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' and excluding deferred taxation as shown in the 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 met during the current and prior years.

There have been no changes to what the Company and Group manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratios at 2013 and 2012, respectively, were as follows:

<b>Total borrowings</b>					
Other financial liabilities	19	1 413 088	1 437 164	134 020	85 738
Finance lease obligation	20	62 580	54 835	-	-
Current tax payable	36	294	5 121	-	-
Provisions	21	42 449	38 277	-	-
Loans from related parties	12	16 869	20 011	14 157	15 414
Trade and other payables	23	793 238	698 236	1 495	1 298
Non-current payables	22	3 449	2 825	-	-
Dividend payable	35	304	3 828	304	3 828
		<b>2 332 271</b>	<b>2 260 297</b>	<b>149 976</b>	<b>106 278</b>
Less: Cash and cash equivalents	16	290 407	130 994	27	14
Net debt		2 041 864	2 129 303	149 949	106 264
Total equity		2 399 478	2 191 263	595 572	598 640
<b>Total capital</b>		<b>4 441 342</b>	<b>4 320 566</b>	<b>745 521</b>	<b>704 904</b>
Gearing ratio		46%	49%	20%	15%



---

## 47. RISK MANAGEMENT (CONTINUED)

### Financial risk management

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

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group's objective in using derivative financial instruments is to reduce the uncertainty over future cash flows arising from movements in currency, commodity prices and interest rates. Currency and interest exposure is managed within Board-approved policies and guidelines. As a matter of principle, the Group does not enter into derivative contracts for speculative purposes.

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

**47. 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.

**Group**

	<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>
<b>At 30 June 2013</b>					
Non-interest-bearing liabilities	1 699	-	-	-	1 699
Trade payables and provisions	695 638	2 802	-	-	698 440
Derivative financial liabilities	9 971	-	-	-	9 971
Variable interest rate instruments	491 079	459 040	218 196	(179 737)	988 578
Fixed interest rate instruments	74 761	410 167	348 127	(340 766)	492 289
	<b>1 273 148</b>	<b>872 009</b>	<b>566 323</b>	<b>(520 503)</b>	<b>2 190 977</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>
<b>At 30 June 2012</b>					
Non-interest-bearing liabilities	3 314	-	-	-	3 314
Trade payables and provisions	626 395	2 825	-	-	629 220
Derivative financial liabilities	3 599	2 555	-	-	6 154
Variable interest rate instruments	217 218	741 673	261 586	(218 754)	1 001 723
Fixed interest rate instruments	69 488	319 775	505 296	(393 740)	500 819
	<b>920 014</b>	<b>1 066 828</b>	<b>766 882</b>	<b>(612 494)</b>	<b>2 141 230</b>

**47. RISK MANAGEMENT (CONTINUED)****Liquidity risk (continued)****Company**

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

	1 year N\$ '000	2 - 5 years N\$ '000	> 5 years N\$ '000	Less: Interest N\$ '000	Total N\$ '000
<b>At 30 June 2012</b>					
Non-interest-bearing liabilities	227 839	-	-	-	227 839
Trade payables and provisions	5 126	-	-	-	5 126
Variable interest rate instruments	18 027	68 648	8 402	(19 395)	75 682
Fixed interest rate instruments	3 179	29 769	-	(7 478)	25 470
	<b>254 171</b>	<b>98 417</b>	<b>8 402</b>	<b>(26 873)</b>	<b>334 117</b>

**Risk from biological assets**

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

**Interest rate risk**

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The risk is managed by maintaining an appropriate mix between fixed and floating borrowings and placing them within market expectations. The Group also uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings. At reporting date, the carrying amount of cash and short-term deposits, accounts receivable, accounts payable and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities. During 2013 and 2012, the Group's borrowings at variable rate were denominated in the Namibia Dollar and South Africa Rand.

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

At June 30, 2013, if interest rates on variable rate borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been N\$ 6 545 083 (2012: N\$ 6 611 373) lower/higher for the Group and N\$ 809 770 (2012: N\$ 499 506) lower/higher for the company, mainly as a result of higher/lower interest expense on floating rate borrowings.

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

**47. RISK MANAGEMENT (CONTINUED)****Fair value interest rate risk**

Except as detailed in Note 9 Other financial assets and Note 19 Other financial liabilities, the directors consider that the carrying value of financial assets and financial liabilities recognised in the Group and the Company financial statements approximate their fair values.

**Credit risk**

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

Trade receivables comprise a widely spread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

The granting of credit is made on application and is approved by management of the individual entities. At year end, the Group did not consider there to be any significant concentration of credit risk or significant exposure to any individual customer or counter party which has not been adequately provided for.

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

Financial Instrument	Group - 2013 N\$ '000	Group - 2012 N\$ '000	Company - 2013 N\$ '000	Company - 2012 N\$ '000
Cash and cash equivalents	290 407	130 994	27	14
Derivative financial instruments	592	1 476	-	-
Trade and other receivables	332 541	278 175	-	-
Loans to related parties	113 568	372 458	688	444
Construction contracts and receivables	115	809	-	-
Loans and receivables	2 881	4 114	-	-
Unlisted investments	14	14	-	-
Loans to group companies	-	-	1 214 018	1 130 684

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	22 %	17%	- %	-%
Trading industry	11 %	13%	- %	-%
Manufacturing industry	67 %	70%	- %	-%
	<b>100 %</b>	<b>100%</b>	<b>- %</b>	<b>-%</b>

**Foreign exchange risk**

Management has set up Board-approved policies and guidelines to require the Group to manage its foreign exchange risk against its functional currency. To manage its foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group uses forward foreign exchange contracts or foreign exchange options. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency.

At June 30, 2013, 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\$ 366 110 (2012: N\$ 984 935) 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.

	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

#### 47. RISK MANAGEMENT (CONTINUED)

At 30 June 2013, 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\$ 2 168 328 (2012: N\$ 4 350 987) higher/lower, mainly as a result of foreign exchange gains or losses on translation of Euro denominated receivables, Euro denominated payables and foreign exchange contracts.

At 30 June 2013, 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\$ 25 581 higher/lower, mainly as a result of foreign exchange gains or losses on translation of Pound Sterling denominated receivables, Pound Sterling denominated payables and foreign exchange contracts. The Group had no foreign currency exposure to Pound Sterling at the end of the prior year.

At 30 June 2013, if the currency had weakened/strengthened by 5% against the Canada Dollar with all other variables held constant, post-tax profit for the year would have been N\$ 11 288 higher/lower, mainly as a result of foreign exchange gains or losses on translation of Canada Dollar denominated receivables, Canada Dollar denominated payables and foreign exchange contracts. The Group had no foreign currency exposure to Canada Dollar at the end of the prior year.

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

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

	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000
<b>Assets</b>				
Euro-denominated receivables	50 872	35 655	-	-
US Dollar-denominated receivables	14 644	10 530	-	-
Pound Sterling-denominated receivables	775	-	-	-
Canada Dollar-denominated receivables	342	-	-	-
<b>Liabilities</b>				
Euro-denominated payables	9 897	70 256	-	-
Pound Sterling-denominated payables	15	-	-	-
Swiss Franc-denominated payables	220	256	-	-
<b>Exchange rates used for conversion of foreign items were:</b>				
USD	10.02	8.41		
GBP	15.19	-		
Euro	13.06	10.48		
CHF	10.44	-		
CAD	9.37	-		

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

#### Fuel price risk

The Group is exposed to fuel price risk arising from its use of fuel (HFO and ADO) for energy or transport purposes. The Group uses fuel option derivatives to limit its exposure against changes in the fuel price. If fuel prices had been 10% higher or lower and all other variables were held constant, the Group's profit for the year ended 30 June 2013 would have (decreased)/increased by N\$ 547 000 (2012: N\$ 645 000).

#### 48. FAIR VALUE HIERARCHY

IFRS 13 requires that an entity discloses for each class of assets and liabilities measured at fair value the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety. The fair value hierarchy reflects the significance of the inputs used in making fair value measurements. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (un-observable inputs).

The following table reflects the fair value hierarchy for all instruments measured at fair value:

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

At 30 June 2013	Total instruments at fair value N\$ '000	Valuation technique applied		
		Level 1 N\$ '000	Level 2 N\$ '000	Level 3 N\$ '000
<b>Group</b>				
<b>Assets</b>				
Derivative financial instruments	592	-	592	-
Investment property	1 310 316	-	-	1 310 316
Freehold land and buildings	1 157 041	-	-	1 157 041
Non-current assets held for sale	17 479	-	-	17 479
Biological assets	33 952	-	-	33 952
	2 519 380	-	592	2 518 788
<b>Liabilities</b>				
Derivative financial instruments	9 971	-	9 971	-

**48. FAIR VALUE HIERARCHY (CONTINUED)**

There were no transfers between level 1 and level 2 for the year ended 30 June 2013.

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in level 3 of the fair value hierarchy:

<b>Group</b>	<b>Total level 3 instruments at fair value</b>	<b>Fair value movements through profit and loss</b>	<b>Fair value movements through other comprehensive income</b>
	<b>N\$ '000</b>	<b>N\$ '000</b>	<b>N\$ '000</b>
Net balance at 1 July 2012	2 301 271	-	-
Total gains or losses:			
In profit or loss: included in Fair value adjustments	194 801	194 801	-
In profit or loss: included in cost of sales	3 124	3 124	-
In other comprehensive income: Gain on property revaluations	60 883	-	60 883
Depreciation	(4 703)	-	-
Purchases	22 291	-	-
Disposals / herd population changes	(20 545)	-	-
Reclassifications	(38 334)	-	-
<b>Net balance as at 30 June 2013</b>	<b>2 518 788</b>	<b>197 925</b>	<b>60 883</b>

There were no transfers into or out of level 3 during the year ended 30 June 2013.

IFRS 13 does not mandate the preparation of disclosures for periods before initial application.

	Group			Company	
	2013	2012	2011	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000

#### 49. 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.

##### IAS 12 Taxation

In December 2010, the IASB released amendments to IAS 12 effective from 1 January 2012. These amendments impact the rate at which deferred tax is recognised, specifically on the fair value movements of the building component of investment property as it establishes a presumption that the group will recover the cost of the asset through disposal rather than through use. This change will mean that the tax rate applied should be the applicable capital gains tax rate. For Namibian properties this has the effect that no deferred tax is recognised on fair value movements, as there is currently no tax payable on capital gains.

It is the view of the board that this policy results in more accurate and meaningful information.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended June 30, 2013 is as follows:

##### Statements of Financial Position

###### Non-controlling interest

Opening balance previously stated	(745 389)	(654 435)	(541 199)	-	-
Adjustment	(925)	(821)	(541)	-	-
	<b>(746 314)</b>	<b>(655 256)</b>	<b>(541 740)</b>	-	-

###### Net deferred taxation liability

Previously stated	-	(400 991)	(335 932)	-	-
Adjustment	-	185 445	149 508	-	-
	-	<b>(215 546)</b>	<b>(186 424)</b>	-	-

###### Opening retained earnings

Previously stated	(724 757)	(628 331)	(490 342)	-	-
Adjustment	(184 520)	(148 687)	-	-	-
	<b>(909 277)</b>	<b>(777 018)</b>	<b>(490 342)</b>	-	-

###### Profit or Loss

###### Taxation expense

Previously stated	-	167 691	155 949	-	-
Adjustment	-	(35 937)	(51 644)	-	-
	-	<b>131 754</b>	<b>104 305</b>	-	-

###### Total comprehensive income

###### Non-controlling interest

Previously stated	-	(156 963)	(181 936)	-	-
Adjustment	-	(104)	(280)	-	-
	-	<b>(157 067)</b>	<b>(182 216)</b>	-	-



	Group		Company	
	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000

## 50. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to improve disclosure of the financial statements. In the previous financial year the fair value adjustment on biological assets was included in fair value adjustments. The reclassification now reflects under cost of sales and under other income.

The effects of the reclassification are as follows:

### Statement of Comprehensive Income

Cost of sales expense decrease	-	5 639	-	-
Other gains included in other income increase	-	855	-	-
Fair value adjustments decrease	-	(6 494)	-	-

Certain comparative figures have been reclassified to improve the disclosure of the financial statements. In the previous financial year the instalment sales creditors were categorised under finance lease obligations. The reclassification now correctly reflects under other financial liabilities.

The effects of the reclassification are as follows:

### Statements of Financial Position

Increase in other financial liabilities	-	173 157	-	3 127
Decrease in finance lease obligation	-	(173 157)	-	(3 127)

### Statements of Cash Flows

Decrease in proceeds from other financial liabilities	-	18 779	-	-
(Decrease) / increase in repayment of other financial liabilities	-	(887)	-	3 460
Decrease in finance lease payments	-	(29 335)	-	(3 460)
Decrease in finance lease receipts	-	11 443	-	-

Total	Restated		Eliminations		Beer and soft drinks		Fresh Produce		Fishing		Retail		Properties		Other	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000

**51. BUSINESS SEGMENTATION**

<b>Revenue</b>	4 585 661	4 133 899			2 379 309	2 157 186	402 301	383 458	441 728	381 565	1 114 770	977 468	1 114 687	105 819	132 866	128 403
Inter-segment revenue	-	-	(94 788)	(86 237)	3 899	2 881	15 711	25 040	272	467	3 268	2 653	1 1 709	16 199	59 929	38 997
<b>Total</b>	<b>4 585 661</b>	<b>4 133 899</b>	<b>(94 788)</b>	<b>(86 237)</b>	<b>2 383 208</b>	<b>2 160 067</b>	<b>418 012</b>	<b>408 498</b>	<b>442 000</b>	<b>382 032</b>	<b>1 118 038</b>	<b>980 121</b>	<b>126 396</b>	<b>122 018</b>	<b>192 795</b>	<b>167 400</b>
Segment result	826 343	656 914			499 956	422 275	17 996	5 315	19 840	29 343	28 024	20 662	267 578	187 500	(7 051)	(8 181)
Unallocated costs	(27 377)	(19 144)														
Finance costs	(142 985)	(134 087)														
Equity losses from joint ventures and associate	(295 174)	(90 515)														
Net impairment losses	(10 732)	(9 247)														
Income from investments	21 609	24 829														
Taxation	(139 844)	(131 754)														
<b>Net profit for the year</b>	<b>231 840</b>	<b>296 996</b>														
<b>Non-cash expenses per segment</b>																
Depreciation	162 275	144 799			95 521	81 746	18 028	16 611	25 943	25 198	11 567	9 932	1 133	867	10 083	10 445
Amortisation of intangibles	6 346	4 204			4 171	1 625	460	695	229	318	650	631	-	92	836	843
Impairment losses	10 732	9 247			1 893	1 399	-	7 100	-	250	-	-	-	498	8 839	-

	Total		Eliminations		Beer and soft drinks		Fresh Produce		Fishing		Retail		Properties		Other	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Restated															
	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000	N\$ '000
<b>51. BUSINESS SEGMENTATION (CONTINUED)</b>																
<b>ASSETS</b>																
Property, plant and equipment	2 305 890	2 215 497	-	-	1 027 836	1 001 412	300 239	309 950	535 824	488 324	63 166	47 424	73 692	72 896	305 133	295 491
Investment property	1 310 316	1 109 364	-	-	-	-	32 240	6 849	-	-	-	-	1 242 106	1 070 625	35 970	31 890
Biological assets	33 952	33 276	-	-	-	-	33 715	33 039	-	-	-	-	-	-	237	237
Intangible assets	23 687	17 587	-	-	17 004	11 563	2 243	2 703	163	392	2 442	1 840	-	-	1 835	1 089
Inventories	428 352	327 579	-	-	265 888	203 176	39 955	38 582	18 331	15 075	77 328	66 719	-	-	6 850	4 027
Trade, construction and other receivables and other financial assets	443 183	410 033	-	-	196 315	188 133	47 886	68 169	80 792	61 323	35 898	20 472	59 676	50 678	22 616	21 258
Non-current assets held for sale	17 479	23 934	-	-	-	-	1 179	7 634	-	-	-	-	16 300	16 300	-	-
<b>Segment assets</b>	<b>4 562 859</b>	<b>4 137 270</b>	<b>-</b>	<b>-</b>	<b>1 527 043</b>	<b>1 404 284</b>	<b>457 457</b>	<b>466 926</b>	<b>635 110</b>	<b>565 114</b>	<b>178 834</b>	<b>136 455</b>	<b>1 391 774</b>	<b>1 210 499</b>	<b>372 641</b>	<b>353 992</b>
Investments in associate and joint ventures	20 509	26 383														
Deferred tax assets	38 965	37 201														
Taxation	249	1														
Cash and cash equivalents	290 407	130 994														
Related parties	113 568	372 458														
<b>Consolidated total assets</b>	<b>5 026 557</b>	<b>4 704 307</b>														
<b>LIABILITIES</b>																
Trade payables and dividend payable	796 988	704 889	-	-	408 583	352 374	87 842	92 157	84 275	76 096	140 568	122 851	15 143	17 780	60 577	43 631
Provisions	42 449	38 277	-	-	18 945	16 531	4 314	4 191	11 021	9 649	3 426	3 216	358	281	4 385	4 409
<b>Segment Liabilities</b>	<b>839 437</b>	<b>743 166</b>	<b>-</b>	<b>-</b>	<b>427 528</b>	<b>368 905</b>	<b>92 156</b>	<b>96 348</b>	<b>95 296</b>	<b>85 745</b>	<b>143 994</b>	<b>126 067</b>	<b>15 501</b>	<b>18 061</b>	<b>64 962</b>	<b>48 040</b>
Other financial liabilities	1 413 088	1 437 164														
Finance lease creditors	62 580	54 835														
Deferred taxation liabilities	294 562	252 747														
Taxation	543	5 121														
Related parties	16 869	20 011														
<b>Consolidated total liabilities</b>	<b>2 627 079</b>	<b>2 513 044</b>														
<b>Capital additions</b>	<b>219 703</b>	<b>355 596</b>	<b>-</b>	<b>-</b>	<b>137 644</b>	<b>209 418</b>	<b>13 769</b>	<b>32 098</b>	<b>13 365</b>	<b>44 199</b>	<b>23 778</b>	<b>12 524</b>	<b>1 929</b>	<b>33 927</b>	<b>29 218</b>	<b>23 430</b>

<b>Total</b>	
2013	2012
N\$ '000	N\$ '000

**51. BUSINESS SEGMENTATION (CONTINUED)****GEOGRAPHICAL SEGMENTS**

<b>Revenue</b>	3 073 092	2 728 741
- Local	1 512 569	1 405 158
- Export	1 560 523	1 323 583
<b>Total segment revenue</b>	<b>4 585 661</b>	<b>4 133 899</b>

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

**CARRYING AMOUNT OF SEGMENT ASSETS**

- Local	4 392 893	3 725 239
- Export *	1 69 966	412 031
<b>Total segment assets</b>	<b>4 562 859</b>	<b>4 137 270</b>

**ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT**

- Local	219 675	355 596
- Export *	28	-
<b>Total additions</b>	<b>219 703</b>	<b>355 596</b>

\* The carrying amount of the 2012 export assets has been reduced by a reclassification of N\$761 806 000 to local assets. The export additions for 2012 have been reduced by a reclassification of N\$139 091 000 to local assets.

## 52. STANDARDS AND INTERPRETATIONS

### 52.1 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS EFFECTIVE IN THE CURRENT YEAR:

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

New/Revised International Financial Reporting Standards		Issued/ Revised	Effective for annual periods beginning on or after
IAS 1	Presentation of Financial Statements — Amendments to revise the way other comprehensive income is presented	June 2011	1 July 2012
IAS 12	Income Taxes — Limited scope amendment (recovery of underlying assets)	December 2010	1 January 2012

The adoptions of the above Standards and Interpretations have resulted in a number of changes in presentation and disclosure. The amended IAS 12 Standard has an impact on the reported results and financial position of the Group.

IAS 12 was amended through the insertion of paragraph 51C which establishes the rebuttable presumption that Investment Property that is measured at Fair Value will be recovered through sale as opposed to through use. The Group now follows this rebuttable presumption, whereas beforehand a presumption was followed that investment property was recovered through use. Adopting IAS 12 par. 51C resulted in all deferred taxation recognised on the recorded fair value gains in excess of original cost to be reversed. The adoption of Paragraph 51C is treated as a change in accounting policy, with retrospective application.

**52. STANDARDS AND INTERPRETATIONS (CONTINUED)****52.2 RECENT AMENDMENTS**

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

<b>New / Revised International Financial Reporting Standards</b>		<b>Issued/ Revised</b>	<b>Effective for annual periods beginning on or after</b>
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendments for government loan with a below-market rate of interest when transitioning to IFRS	March 2012	1 January 2013
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendments resulting from Annual Improvement 2009-2011 Cycle (repeat application, borrowing costs)	May 2012	1 January 2013
IFRS 7	Financial Instruments: Disclosure - Amendments related to the offsetting of assets and liabilities	December 2011	1 January 2013 and interim periods within those periods
IFRS 7	Financial Instruments: Disclosure - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures	December 2011	1 January 2015
IFRS 9	Financial Instruments – Original issue (Classification and measurement of financial assets)	November 2009	1 January 2015
IFRS 9	Financial Instruments — Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirements	October 2010	1 January 2015
IFRS 9	Financial Instruments — Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures	October 2010	1 January 2015
IFRS 10	Consolidated Financial Statements	May 2011	1 January 2013
IFRS 10	Consolidated Financial Statements - Amendments to transitional guidance	June 2012	1 January 2013
IFRS 10	Consolidated Financial Statements - Amendments for investment entities	October 2012	1 January 2014
IFRS 11	Joint Arrangements	May 2011	1 January 2013
IFRS 11	Joint Arrangements - Amendments to transitional guidance	June 2012	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	May 2011	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities - Amendments to transitional guidance	June 2012	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities - Amendments for investment entities	October 2012	1 January 2014

**52. STANDARDS AND INTERPRETATIONS (CONTINUED)****52.2 RECENT AMENDMENTS (CONTINUED)**

<b>New / Revised International Financial Reporting Standards</b>		<b>Issued/ Revised</b>	<b>Effective for annual periods beginning on or after</b>
IAS 1	Amendments resulting from Annual Improvements 2009-2011 Cycle (Comparative Information)	May 2012	1 January 2013
IAS 16	Property, Plant and Equipment - Amendments resulting from Annual Improvements 2009-2011 Cycle (servicing equipment)	May 2012	1 January 2013
IAS 19	Employee Benefits — Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects	Amended June 2011	1 January 2013
IAS 27	Consolidated and Separate Financial Statements — Original issue	May 2011	1 January 2013
IAS 27	Consolidated and Separate Financial Statements — Amendments for investment entities	October 2012	1 January 2014
IAS 28	Investments in Associates — Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011)	May 2011	1 January 2013
IAS 32	Financial Instruments: Presentation — to clarify certain aspects because of diversity in application of the requirements on offsetting	December 2011	1 January 2014
IAS 32	Amendments resulting from Annual improvements 2009-2011 Cycle (tax effect on equity distribution)	May 2012	1 January 2013
IAS 34	Amendments resulting from Annual improvements 2009-2011 Cycle (Interim Reporting Segment assets)	May 2012	1 January 2013
IAS 36	Amendments arising from Recoverable Amount Disclosures for Non-Financial Assets	May 2013	1 January 2014
IAS 39	Amendments for Novations of Derivatives	June 2013	1 January 2014
<b>New/Revised International Financial Reporting Interpretations Committee</b>			<b>Effective for annual periods beginning on or after</b>
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine		1 January 2013

## 52. STANDARDS AND INTERPRETATIONS (CONTINUED)

### 52.2 RECENT AMENDMENTS (CONTINUED)

The following IFRS was adopted early by the Group:

New/Revised International Financial Reporting Standards		Issued/ Revised	Effective for annual periods beginning on or after
IFRS 13	Fair Value Measurement	May 2011	1 January 2013

#### IFRS 13 Fair Value Measurements

The Group has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad, the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purpose of measuring inventories or value in use for impairment assessment purposes.)

IFRS 13 requires prospective application from 1 January 2013. In addition, specific transactional provisions were given to entities such that they need not to apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by IFRS 13 for the 2012 comparative period (please see Note 48 for the 2013 disclosures). Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the group financial statements.