Ohlthaver & List
Group of Companies

Annual Report 2009

Ohlthaver & List
Finance and Trading Corporation Limited

VISION:

To create wealth by building innovative and sustainable businesses and thereby enhancing living conditions and socio-economic wealth.

MISSION:

Every day we challenge our past to improve the future for everyone.

VALUES:

- Let's do it
- Let's talk
- We are hooked on results
- We grow people
- We do the right thing right
- We all serve
- Naturally Namibia, today for tomorrow

CONTENTS

OUR GROUP PORTFOLIO REVIEW

BEER AND SOFT DRINKS

Established in 1920, Namibia Breweries Limited (NBL) is one of the leading beverage manufacturing companies in Namibia. The company is the leader in the domestic beer market and has a significant share of the premium beer category in South Africa. The company's total exports account for more than half of total production output. Brewed by choice according to the German purity law, the *Reinheitsgebot* of 1516, *Windhoek Lager*, *Windhoek Light*, *Windhoek Draught* and *Tafel Lager* enjoy the reputation of quality and purity for which the brands have earned international recognition, most recently by winning gold medals during the prestigious Deutsche Landwirtschafts Gesellschaft (DLG) Awards in 2008.

DAIRIES

Namibia Dairies (Proprietary) Limited was created in 1997 following the merger between Rietfontein Dairies and Bonmilk. Since then the company has grown into the leading dairy and juice manufacturing company in Namibia, with a total annual production in excess of 30 million litres. Namibia Dairies is the market leader with significant market share in all product categories. In addition to the Namibian footprint the company has a depot infrastructure in Lubango in Southern Angola through its Freshuila subsidiary.

Namibia Dairies is known for product innovation and value adding production in Namibia. The company was the first to produce extended-shelf-life (ESL) milk in Southern Africa, and long-life milk in Namibia. The company has a diverse product portfolio which includes fresh and traditional milk products, cheese, water and fruit juices.

With its own fodder production, dairy farms and strategic dairy-producing partners, Namibia Dairies forms an integrated network of milk supply, processing, value adding production and the largest national cold-chain distribution network in Namibia.

As from July 2009, Namibia Dairies is operating one of the most modern dairy farms in the world. Known as the !Aimab Superfarm, it is located in Mariental, in southern Namibia. It is anticipated that the Superfarm will double the milk production capacity of Namibia Dairies over the next five years and will add between 30% and 40% to Namibia's total milk production.

FISHING

Consortium Fisheries Limited was incorporated in 1968 as a subsidiary of the Ohlthaver & List (O&L) Group of Companies, whose beneficial control is vested in Namibian citizens. Consortium Fisheries directs, administers and executes its entire fishing operation from the Port of Walvis Bay. The company continued to consolidate its position as a recognised operator in the fishing industry during the year under review, growing from strength to strength through the skillful reinvestment of proceeds from its fishing operations into its own economic activities and the Namibian economy at large.

Established through a merger in 1997, Hangana Seafood (Proprietary Limited) – the operating company for the white hake quota holders Consortium Fisheries Ltd and Kuiseb Fish Products (Pty) Ltd – is committed to a leadership role in the Namibian fishing industry. To achieve and maintain this position we subscribe to the highest service standards for a cost-effective and efficient operation. Hangana's wet-fish fleet consists of eight vessels and two chartered trawlers, each with hold capacities of approximately 70 t per vessel. The land-based factory, with a capacity of approximately 60 t throughput of hake per day – depending on size and product mix, secures employment for approximately 1,100 people, inclusive of all the land-based staff.

Hangana explores foreign markets on an ongoing basis and owes its remarkable market growth in white fish exports to pre-planned and focused market research. Hangana is recognised globally, especially in Europe, as being associated with consistent quality. This status was achieved in a remarkably brief period, in highly competitive and sensitive markets. Hangana Seafood's land-frozen products are mainly exported to Australia, France, Germany, Italy, Japan, the Netherlands, Spain, the United Kingdom, the United States and the Southern African Development Community (SADC) Region.

RETAIL

Leading Namibian retailer, Model Pick n Pay, is the direct descendant of Model Supermarkets. For over 30 years, Model Supermarkets traded as Model Woolworths until the expiry of the franchise agreement with Woolworths in 1997. A new franchise agreement was then entered into with Pick n Pay South Africa. The first Model Pick n Pay Supermarket was subsequently inaugurated on 28 August 1997. In view of building its brand, Model Pick n Pay has embarked on a strategy to extend its network of franchise stores throughout Namibia. Model Pick n Pay has grown the network to 17 stores countrywide. The company attributes its success to the constant delivery of quality, variety, excellent customer service and value for money.

PROPERTIES

Over the past few years, the O&L Group's commercial property portfolio has made significant progress, making the various properties a premier destination within Namibia. Located in the central business districts (CBDs) not only of the capital Windhoek, but also the coastal hubs of Swakopmund and Walvis Bay, the portfolio mainly provides prime retail and office accommodation. Managed by Broll Namibia, a strategic partnership between the O&L Group and the Broll Property Group South Africa, O&L's property group has embarked on a transformation of note since 2002. Developments include the Standard Bank Centre constructed during 2002–2003, Fruit & Veg City/Cashbuild during 2004–2005, the Wernhil Park Shopping Centre extension Phases 1 and 2 during 2005–2007, and the upgrading of the Old Breweries Building during 2007–2008. These developments have resulted in significant growth in portfolio value, with an overall market value of N$620 million as at the end of June 2009. The Wernhil Park Shopping Centre, a premier shopping and leisure destination in Windhoek, hosts a number of retail outlets, including the Model Pick n Pay and Woolworths flagship stores in Namibia. Planned upgrades and extensions for both the Carl List Haus and Wernhil Park Shopping Centre will ensure the portfolio will grow to N$1 billion by 2011.

OTHER FULLY-OWNED BUSINESSES

The **Mugg & Bean**, established in October 2003 as a coffee-themed, casual restaurant, trades in a five-part day: early morning, breakfast, lunch, dinner and night. The **Ocean Basket** is a seafood restaurant with a business concept based on stringent service delivery. Namibia's first **Ocean Basket** restaurant opened in Windhoek on 23 October 2004, followed by Swakopmund on 12 October 2005. **Milky Lane** caters for the entire spectrum between young and old, including families. The Windhoek outlet specialises in ice creams, milk shakes, waffles, pancakes, and spinners. **Kraatz Marine (Proprietary) Limited**, established in 1947, offers steel and general construction, grid blasting, retail in steel and repair functions. The **Midgard Country Estate**, acquired by Carl List in 1937, is situated an hour-and-a-half's drive from Windhoek. Nestled in the unspoiled natural splendour of the Otjihavera Mountains, the Midgard Country Estate has recently undergone a structural refurbishment aimed at positioning it as the preferred destination for families and the business conference segment. **Windhoek Schlachterei (Proprietary) Limited**, acquired in the 1970s, is known for its processed meat in the European continental tradition. The company produces an average of 895 t per annum and has a local market share of over 35%. It is the second-largest meat processor in the country and has commenced exporting to Angola. For the year under review, Windhoek Schlachterei had one principal critical success factor, namely to "Establish the brand". With this as the main focus, a significant investment was made in re-launching the Windhoek Schlachterei brand in the market in May 2009. The company looks forward to further optimising its sales and distribution functions, which are currently outsourced to Namibia Dairies. With the benefits of the Quality, Distribution, Visibility, Price, Promotion and Persuasion (QDVP3) Programme standards, along with active and focused marketing, it is anticipated that consumer demand for the product will increase – leading to increased revenue and sustainability for the company. The **Ohlthaver & List Centre** assumes the functions of an 'investor role' and shared services centre and provides and facilitates human capital, procurement, finance, public relations, secretarial and corporate governance services to the O&L Group's companies. **Eros Air** was founded in 1978, and provides express corporate transport and charter flights for medical and private purposes.

JOINT VENTURES AND ASSOCIATES

OLIFA Hotels & Resorts, established in 2008 as the successor to the Group's Namib Sun Hotels, has begun operations as part of a joint venture between the Group and renowned IFA Hotels and Resorts South Africa (IFA HR SA). Through their joint venture, the O&L Group and IFA HR SA have introduced hospitality partner Kempinski Hotels (Kempinski) to Namibia. The agreement will see this international hotel brand operate the joint-venture hotel properties, namely the Strand Hotel (Swakopmund), Chobe King's Den Lodge (Caprivi Region), Mokuti Lodge (Etosha National Park), and a new 5-star hotel to be developed in Windhoek. Meanwhile, the renowned Mokuti Lodge at the gateway to Etosha has already commenced operating as the Kempinski Mokuti Lodge – the first 5-star lodge in Namibia. **Dimension Data Namibia** was established on 1 October 2006 as a business partnership between the Group and Dimension Data Middle East and Africa. Dimension Data Namibia has gone from strength to strength since then, and today stands as one of Namibia's most successful information technology (IT) solution providers, serving highly strategic Namibian clients both in and outside the Group. Dimension Data's experience and global footprint, together with its penetration into Africa, makes it the trusted advisor for a number of global businesses, thus enabling Africa to do great things.

EXECUTIVE TEAM OF THE OHLTHAVER & LIST GROUP

From left to right:

PETER GRÜTTEMEYER
Chief Executive Officer

TJERIPO HIJARUNGURU
Chief Business & Strategy Development Officer

SVEN THIEME
Executive Chairman

BERTHOLD MUKUAHIMA
Human Capital Director

GÜNTHER HANKE
Group Financial Director

EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REVIEW

OVERVIEW

The Group is preparing itself for the stretched and necessary targets set for 2011 by the "Growth Through Change" plan. A steady focus is required to maintain the balance between achieving those targets and the ones set for the interim period of 2009–2010. Thus, this year's results should be seen in the context of the road map to 2011, by which date the positive financial benefits of the heavy investments made in process improvement, capacity enhancement and human capital should be more tangible.

The fairly unstable global, regional and local economy that prevailed in the 2009 reporting year was impacted even further by one of the worst international financial crises in the last century. Despite the various macro- and microeconomic aftershocks resulting from this, the Group achieved a healthy financial result in net earnings before taxation – which bears testimony to the success of restructuring and rightsizing in the Group over the past few years, making the Group far more able to weather the global storm.

The dramatic fluctuations in oil prices, the local currency, inflation rates and interest rates had various positive and negative impacts on the Group's operating companies. These global competitive forces will continue to impact the Group going forward and require that our strong portfolio of businesses is further enhanced by continuing our heavy investment programme and by exploring further synergies to ensure we remain resilient and competitive in the global arena.

Despite the hard road, considerable progress has been made on it and we can be proud of our various achievements. This augurs well for the future and builds further confidence in the Group.

FINANCIAL REVIEW

The Group revenue for the year under review improved from N$2,639 million to N$3 119 million, representing an exceptional increase of N$480 million or 18.2%. Earnings before taxation decreased slightly from N$248 million to N$245 million – an excellent result if one takes into account that the budgeted property revaluations did not all materialise, that a foreign exchange hedging loss was incurred, that further provisions for losses on the High-Energy Stereoscopic System (HESS) satellite project had to be made and that provision was made for severance payments. Earnings attributable to ordinary shareholders amounted to N$34 million.

The highlights in terms of the contribution towards this year's earnings before interest and taxation (EBIT) are as follows:

- An excellent EBIT result for Namibia Breweries of N$225 million, which represents an improvement of 26% over the previous year. This was mainly due to a strong increase in volume in Namibia, as well as the excellent utilisation of the brewing plant.
- A marked improvement in Kraatz Marine's performance, which generated an EBIT of N$16 million if one excludes the negative impact resulting from the additional HESS satelite project provisions, and
- EBIT for Namibia Dairies grew by 30%, due to the extraordinary performance of the company's own brands. The results were, however, severely impacted by a lack of raw milk; the company could have shown much better results if this had not been the case.

Disappointments in terms of contributions towards the financial year's EBIT were as follows:

- The change in the labour law requires the Group to make an additional provision of N$17 million for severance pay for employees retiring at the age of 65.
- A further N$20 million was set aside for the HESS satellite project, bringing the total provision for losses to N$28.49 million. However, it has benefitted Kraatz Marine and its people through improving processes, quality systems and technical capabilities, thus enabling Kraatz Marine to undertake big ger and more complex projects in the future.
- The hedging strategy had a negative impact of N$13 million on the year's results owing to interest rates being lower than expected. In the previous year, we accounted for a profit of N$16 million.
- The Property Division achieved good operating results, but due to the generally negative short-term outlook on the performance of properties in terms of the forward yield, actual revaluations fell short by N$15 million, and

- The result for Model Pick n Pay was extremely disappointing, resulting in a shortfall of N$10 million in comparison with the projected figures. Nonetheless, this is an improvement on the previous year and with the planned interventions already undertaken, the outlook is positive for this operation.

STRATEGIC REVIEW AND FUTURE CHALLENGES

The reporting period saw the implementation of the new exciting plan, known as "Growth Through Change 2011". The plan was devised to create a platform for growth that is executed through the following identified critical success factors:

- **Operational excellence:** A new operational excellence team was established to drive a number of commonly identified initiatives. This was supported by a watershed meeting facilitated by our business partners from GAP International. Some key initiatives that have already commenced are the TOP 50 controls initiative, the implementation of a time and attendance system and other process and systems alignments. The implementation of the International Organisation for Standardisation (ISO) and other standards is progressing very well. The British Retail Consortium (BRC) a rating accreditation for Hangana Seafood and the achievement of the ISO 22000 standard accreditation deserves mention here. Exceptional highlights for the Group were the commissioning of the !Aimab Superfarm, the commissioning of the new fuel-blending station at Hangana Seafood and capacity expansion at Namibia Breweries, which will dramatically reduce costs going forward. Continued focus will be on improving reporting deadlines and financial reports through optimising SAP processes and further strengthening financial controls.
- **Employer of choice:** Having set a goal to be amongst the Top 10 "Best companies to work for" in the large category in Southern Africa in terms of a survey being conducted by Deloitte, the Group showed satisfactory results for the first virtual participation, with some operating companies doing better than others. Various actions were embarked upon to improve the working environment and conditions for employees and the positive response by employees so far has been overwhelming. Furthermore, the world-class leadership programme introduced in the previous financial year to uplift the quality of leadership throughout the Group successfully entered its second year. In the coming year, focus on leadership performance throughout the Group will be sharpened, as will the focus on business communication skills, performance management skills and sales execution standards.
- **Create an exceptional trust relationship with the customer and consumer:** A new central marketing function was established to pay more attention to marketing excellence and innovation and to provide support for smaller companies in the Group. Various initiatives have already been undertaken by our companies to measure brand health, customer/consumer satisfaction and product- and service-related innovations. We aim to standardise and rationalise a number of these initiatives to ensure that we improve our knowledge of our customer/consumer, improve innovations and further reduce costs.
- **Stretched financial target:** The stretched financial target of N$760 million EBIT for 2011 is beginning to take shape. The heavy expenditure programme undertaken during the period under review will continue next year. This means increasing our efforts to improve funding structures, working capital management and margin management.

Hard work remains ahead in the next few years, but overall, we believe that the foundations have been laid for the attainment of our ambitious operational and financial goals.

Four-year review

for the year ended 30 June

	2009 N$ '000	2008 N$ '000	Restated 2007 N$ '000	Restated 2006 N$' 000
Consolidated Income Statements				
Revenue	3 119 358	2 639 004	2 235 467	1 864 282
Profit from operations	343 248	315 710	266 145	84 959
Finance costs	(82 255)	(100 823)	(90 770)	(82 510)
Income from associates and joint ventures	(38 967)	(4 437)	1 046	(140)
Income from investments	23 315	37 948	37 386	27 787
Profit before taxation	245 341	248 398	213 807	30 096
Taxation	93 563	71 996	(63 808)	28 020
Profit for the year	151 778	176 402	277 615	2 076
Attributable to:				
Equity holders of the parent	33 931	76 917	194 331	(55 422)
Minorities	117 847	99 485	83 284	57 498
	151 778	176 402	277 615	2 076
Consolidated Balance Sheets				
Property, plant and equipment	1 524 201	1 212 075	973 892	884 874
Investment properties	230 144	284 794	276 394	247 260
Goodwill and other intangible assets	11 721	17 670	23 157	25 377
Deferred taxation	64 670	87 468	111 234	18 477
Investments	453 556	487 150	61 451	99 529
Derivative financial instruments	-	9 724	2 340	-
Biological assets	32 021	23 319	27 130	25 180
Non-current trade and other receivables	27 292	27 986	25 706	17 036
Related parties	34 521	-	-	-
Current assets	995 503	882 385	813 141	606 370
Total assets	3 373 629	3 032 571	2 314 445	1 924 103
Ordinary shareholders' equity	767 127	713 952	540 261	325 903
Minority interest	501 246	440 511	341 837	295 731
Deferred taxation	280 069	252 037	208 901	169 648
Interest-bearing borrowings	423 245	444 223	302 150	382 310
Deferred income	256 292	250 034	777	-
Non-current provisions	30 963	12 266	11 316	10 926
Non-current trade and other payables	-	-	-	1 098
Non-current related parties	232 047	232 754	30 387	1 625
Current liabilities	882 640	686 794	878 816	736 862
Total equity and liabilities	3 373 629	3 032 571	2 314 445	1 924 103

OPERATIONAL REVIEW

BEER AND SOFT DRINKS

Namibia Breweries Limited

The vision of the Namibia Breweries Limited (NBL) is to be not only the most inspiring company to work for, but also an employer of choice, with the strongest brands and superior customer and supplier relationships.

To meet this vision, the business identified five critical success factors that are crucial to achieving its goals:

- People
- War on cost
- Demand fulfilment
- Ensuring the NBL has a winning portfolio of brands, and
- Driving export growth.

NBL remained focused on its critical success factors and strategic initiatives, which were designed to improve shareholder value and to continue moving the company towards viable and profitable growth. The *Windhoek* brand again increased its market share both domestically and in South Africa, which resulted in increased turnover. Overall, revenue grew by 18% from N$1,331.4 million in the previous financial year to N$1,566.5 million for the year under review. Operating profit for the year ended 30 June 2009 increased by 47.3% to N$267.5 million when compared with the previous financial year. This translates into an operating margin of 17.1%, compared with 13.6% in the previous year.

Towards the end of June 2008, the relationship of the South African joint venture with DHN Drinks (Proprietary) Limited was further contracted, moving from a cost-sharing joint venture to a profit-sharing concern. The current review period is the first time that figures for a full 12-month period can be presented for the concern. The year's results were better than planned, with DHN Drinks delivering a much smaller start-up phase loss than expected. The Group equity accounted a loss from the joint venture of N$35.6 million, compared with a loss of N$6.3 million in the previous year.

Demand fulfilment was further guaranteed with the completion and installation of another beer-bottling line during the year. This has given the NBL additional bottling capacity, increasing our flexibility to adapt quickly to changes in market demand.

As part of our continuous drive to ensure that the NBL maintains its winning portfolio, the company launched campaigns for both the *Windhoek* and *Tafel* brands, with the "Keep it real" campaign for the *Windhoek* range being launched mid-financial year. This campaign has proved to be a success so far, with positive feedback from the market. In line with NBL's brand positioning goals, we recently launched the "It's a guy thing" campaign for the *Tafel* brand. NBL remains excited about the potential that can be unlocked from this brand.

In line with our identified critical success factor of driving export growth, NBL entered into a global licensing agreement with one of its global partners, namely Diageo. Diageo is the world's leading premium drinks company. NBL retains brand ownership and will receive royalties on future volumes sold. Through this agreement, for the next ten years, Diageo will be able to brew and distribute NBL brands on a truly global scale, fully exploiting the global arena in which Diageo operates. Delivering and monitoring export market growth in the years ahead remains critical to NBL's continued success.

Our continued focus on sales excellence standards has enabled NBL to expand its leadership in the domestic beer market. This excellence in sales standards has been powered by the identified QDVP3 standards, together with a focus on support programmes, which ensure high quality at both trade and retail level.

DAIRIES

Namibia Dairies (Proprietary) Limited ["Namibia Dairies"]

The vision of Namibia Dairies is to be recognised as an international model for a vertically integrated and independent dairy.

During the year, Namibia Dairies focused on six critical success factors to achieve its business goals and drive strategic initiatives:

- Declaring war on costs
- Owning the route to the consumer
- Growing our export volumes
- Building additional capacity
- Operational excellence, and
- Our people.

NAMIBIA BREWERIES

The Group reported a turnover of N$368.1 million for the year reviewed, compared with N$275.7 million during the 2008 financial year. EBIT amounted to N$25.9 million, representing an increase of 28.0% from 2008, which reflects the dedication and drive of the entire workforce.

Costs within the business were managed well, although expenditure on animal feed was significantly higher than in previous years. Nonetheless, costs remained below the market price due to good hedging and our own fodder production.

The benefits of the continued focus on our QDVP3 sales excellence programme are clearly visible in the trade. Merchandising standards again improved and this led to improved sales performance and consumer acceptance.

The implementation of better forecasting and planning processes and tools reduced ullages and significantly improved stock availability. Improved forecasting and planning further supported our efforts to improve the route to our consumer and deliver on consumer needs in accordance with our company slogan – "On Time In Full Every Time".

The continued success of Rietfontein's *Oshikandela* brand drove volumes in the Value Added category. This great brand will continue to grow as we expand its numeric distribution and reach. *Oshikandela* was the key driver of growth in export volumes through our joint venture with Freshuila in Angola. This partnership continues to grow and it will be a key pillar of Namibia Dairies' success in the coming years.

After the groundbreaking ceremony in honour of the new N$80 million !Aimab Superfarm investment in Mariental in July 2008, the building works progressed well, with the farm becoming fully operational by the end of the review period. The dairy farming operations in Windhoek (at Gocheganas) and Mariental (at Pardah) have now been consolidated into this world-class dairy, which is expected to drive costs down and production volumes up. At full production, the Superfarm will house 2,000 cows in milk and 4,300 animals in total. It will supply in excess of 50% of Namibia Dairies' growing need for raw milk to cater for both the Namibian market and our export business.

In early 2009, supply to the market was negatively affected by lower raw milk intake from local dairy producers. However, the availability of raw milk should steadily improve due to increased production from the !Aimab Superfarm as well as by local producers. In addition, to compensate for lower volumes, bulk tankers of pasteurised milk are being imported from South Africa to ensure our stretched volume targets are achieved.

All technical quality audits, namely regulatory, supplier and compliance, were passed. This confirms that the quality management systems at Namibia Dairies are world-class. We have also optimised our systems and processes to improve effectiveness and efficiency and will keep on driving our "Continuous Improvement" philosophy.

FISHING

Hangana Seafood (Proprietary) Limited

Our aim continues to be that of becoming a world-class value adding hake company by 2011.

Critical success factors identified for the financial year under review were the following:
- Being marketing- and sales-orientated
- Having a complete infrastructure, and
- Maximising revenue

Focus on these critical success factors, among other external factors such as the exchange rate, resulted in revenue increasing from N$268.0 million to N$316.5 million for the period under review, while earnings before interest reduced to N$36.3 million, compared with N$40.0 million in the previous year. The shortfall in earnings was mainly driven by the collapse of the world trade markets and high fuel price increases. The EBIT figure for the 2009 financial year also includes provision for severance pay to the amount of N$4.1 million, as per the requirements of section 35 (1) of the Labour Act, 2007.

The company experienced surging oil prices, with increases of more than 160%, which had an intensely severe impact on the business. This impact was mitigated to some extent by a weakening Rand towards the end of the first half of the financial year,

MODEL PICK n PAY

meaning that the Namibia Dollar could benefit. We have also seen our main export markets entering a period of liquidations and recessions, impacting our consumers and resulting in enormous pressure on our hard currency prices.

Various projects in the spirit of "Operation Excellence" were identified and implemented to reduce the impact of the pressure on hard currency prices and low demand. These included a change in catching strategy to reduce fleet unit costs, improved utilisation of raw material and a sharper focus on variable expenses.

The Group continued with its investment programme by spending N$40 million on a younger vessel compared to the current fleet. N$28 million was invested in an innovative, state-of-the-art fuel blending plant, as well as converting four vessels to run on the cheaper fuel. The Group is also in the process of building a new Sorting/Grading Area and an ice plant.

These investments are expected to improve efficiency and contribute positively to the 2010 financial year's results.

RETAIL

Model Pick n Pay (a division of WUM Properties Limited)

The company continued with its aim to be the leading and most trusted retail group in Namibia and targeting revenue growth to N$1 billion by 2011.

The critical success factors identified for this financial year included concentrating on –

- the basics, like shrinkage control
- management development
- focusing on customer service, and
- improving cost efficiency.

Although it was again a challenging year for Model Pick n Pay to realise its EBIT commitments, commendable improvements were made in the above critical areas. Despite internal inefficiencies such as high shrinkage and expenses, a turnover of N$675.7 million was achieved for the review period, representing a 16.3% growth. The increase in revenue was mainly due to incremental expansion from existing stores like Auas Valley, Katima Mulilo, Ondangwa and Oshikango. One new store, namely Rundu, was opened in September 2008. However, to date it has not performed as expected. Overall, EBIT decreased from N$2.8 million in the previous year to N$1.8 million for the year under review.

Various strategies were implemented to improve the competence level of Store Managers, the application of the SAP systems and procedures and the execution of sales. Also of importance in this respect are the relationship and improvement strategies introduced in conjunction with our franchisor, Pick n Pay South Africa, which included skills transfer, application of resources and brand building.

PROPERTIES

Broll & List Property Management (Namibia) (Proprietary) Limited
Central Properties (Proprietary) Limited
O&L Properties Division (a division of WUM Properties Limited)
Wernhil Park (Proprietary) Limited

The aim of the property portfolio for the year under review was to become the best and most trusted destination for shoppers and tenants.

Critical success factors identified to achieve this included –

- increased foot traffic;
- property developments, and
- portfolio growth.

The portfolio generated revenue of N$72.6 million, compared with N$67 million in the previous financial year. EBIT decreased from N$68 million to N$61.3 million in the period under review, and includes fair value adjustments of N$8.7 million (2008: N$16.5 million).

The Namibian commercial property industry followed the trend of its neighbour South Africa, with commercial developments being put under tremendous strain, particularly due to the ability of developers to produce feasible projects which financial institutions are prepared to finance. Feasibilities, on the other hand, were pressurised not only by construction costs, but also by retailers acting extremely cautiously when considering new developments and scrutinising their own expansion strategies. This approach resulted in an overall decrease in appetite from the retailer's side, lower rental offers, and higher installation cost requirements to reduce their own risk.

Overall shopper spend also reduced, resulting in lower retailer turnovers. This, in turn, put strain on current rental levels as well as future rental escalations. At the same time, prevailing market conditions were affected by market valuations, with capitalisation rates increasing due to a combination of a lack of demand for commercial properties, prime interest rates, and inflationary changes during the past 12 months.

Based on the above, our main objective during the past financial year was to ensure that we increased foot traffic by spurring on our marketing drive, growing value added services and perfecting service levels within our property portfolio. This paid off: foot traffic increased by approximately 10% within our main retail properties during the past financial year, as did the overall parking income streams.

Smaller developments, which include the upgrade to our Ruhr Street warehouse and the Old Breweries Building, were completed or in an advanced stage by 30 June 2009. Our strategy pertaining to the larger refurbishments and extensions such as the Wernhil Park Shopping Centre, Carl List Haus, and the Seagulls Shopping Mall was to ensure that all three projects would commence during the 2009/10 financial year. Although the Carl List Haus development will only commence during the first quarter of the coming financial year, by 30 June 2009 significant progress on facilitating the project had already been made. This included the signing of a ten-year lease with the Alexander Forbes Group as well as preparing the property for refurbishment. This included having to vacate approximately 20% of Carl List Haus's letable area to ensure development would not be held up.

Further emphasis was placed on portfolio growth by ensuring that strong relationships with major stakeholders were maintained and grown, in order ultimately to contribute significantly to the success of our growth strategy and achieve the June 2011 target set. The review and optimisation of prevailing finance structures was another priority for portfolio augmentation. This resulted in the successful renegotiation of our finance structure with First National/Rand Merchant Bank during the financial year.

OTHER FULLY-OWNED BUSINESSES

Kilimanjaro Trading (Proprietary) Limited
Mugg & Bean, Ocean Basket and Milky Lane

Kilimanjaro Trading aims to be the restaurant group of choice in Namibia.

Critical success factors identified for the 2008/9 financial year included the following:

- Grow revenue
- Improve gross profit
- War on Cost, and
- Great people.

Revenue increased by 8% from N$23.0 million in 2007/8 to N$24.8 million in 2008/9. Nonetheless, a loss of N$1 million before interest and taxation was recorded, compared with a loss of N$2.6 million for the previous financial year. Highlights of the year was the 16% and 34% revenue growth at Ocean Baskets Maerua and Town Square respectively and the above-budget overall performance of Ocean Basket Swakopmund.

Although the revenue target was achieved, gross profit remains 5% below target. Total expenses decreased by 1.8%, but were still 2% above budget. The major challenges in the business remain the development of skilled human resources, system controls and process discipline. Various training initiatives have since been embarked upon that should reap improved results going forward.

The customer satisfaction initiatives in the form of Mystery Diner Assessments and guest comment cards continued to be a valuable tool in measuring customer satisfaction and sharpening our focus on delivering consistent service excellence. We are confident about the strong performance in the brands, as evidenced by the guest count and per-head spend increases experienced during the financial year.

Kraatz Marine (Proprietary) Limited

Kraatz Marine continued to build on the previous years' success-

MILKY LANE

es and experienced phenomenal revenue growth. Furthermore, strategic focus was placed on the following areas:

- Sustainable revenue growth
- Great people
- Operational excellence, and
- Completion of the Large Cherenkov Telescope (LCT) project.

Revenue for the current year was N$88.1 million, compared with N$48.0 million in the previous financial year. EBIT amounted to a N$4.5 million loss, compared with N$2.9 million profit in the previous financial year. This is mainly due to the increased anticipated loss for the LCT project.

Solid revenue growth was experienced in marine, offshore and industrial market segments. The highlight of the year was work done on the Hercules 185 jack-up oil rig, which contributed 38% of overall revenue. The industrial market continued to grow through key clients like Rössing Uranium and Murray & Roberts. The marine segment experienced similar growth via key clients such as Tide Water and ABC Maritime. The biggest constraining factor for further growth in the marine dry-dock segment is access to the floating docks.

Capacity was added at supervisory level during the financial year, and will be continued in the next financial year. The company had strong participation in the Deloitte "Best Company to Work For" survey and various people benefited from development plans and the talent attraction programme.

A time and attendance monitoring system is in the process of being implemented and fully integrated into the projects module in SAP. This will not only reduce administrative overheads, but will also improve the timely availability of information on aspects such as overtime, leave, and absenteeism and will reduce the complexity of month-end closing procedures.

Great progress was made on the LCT project during the second half of the financial year, but the project remains a big risk for the company. Project overruns were larger than anticipated during the previous year.

The company performed exceptionally well during the review period and is positioned to do so in future as well, especially with the good market conditions in the offshore and mining segments.

Midgard Country Estate (a division of WUM Properties Limited)

Midgard Country Estate aims to be the premier country retreat in Namibia, and should generate profit by 2011. The following were identified as critical success factors for this division of WUM Properties:

- Operational excellence, and
- Establishing the product.

Midgard Country Estate generated a loss before interest of N$4.2million, compared with a loss of N$3.0 million for the previous year. Revenue amounted to N$3.9 million, compared with turnover of N$2,3 million in the prior year.

Operating procedures were established for stock control. Amongst these are monthly stocktakes, invoice authorisations and a standardised ordering process. Other administrative controls have also been put in place. All departments now have standard operating procedure manuals and service standards have been defined. A significant change in the operation of Midgard was the outsourcing of catering services to Alpine Caterers, as well as the outsourcing of the gardening function. Ultimately, the new methods being employed at Midgard should contribute significantly to its bottom line.

In addition, Midgard has begun upgrading its facilities and services, a process that will continue into the coming financial year.

Windhoek Schlachterei (Proprietary) Limited

The company pursued its goal of becoming the first-choice supplier of premium processed meat products in Namibia.

The critical success factor pursued in support of its stated goal to "Establish the Brand" entailed the employment of a number of strategic initiatives, which were supported by enablers.

The company generated revenue amounting to N$32.5 million in the financial year under review, compared with revenue of N$26.8 million in the previous review period. A loss before inter-

MIDGARD

est and taxation of N$5.6 million was incurred, compared with a loss of N$3.0 million in the previous financial year, the increase mainly being the result of increased brand expenditure incurred.

The financial year also saw the employment of further sales resources in support of implementing and maintaining QDVP3 standards in the markets, and led to increased consumer off-take of the various meat products. Increased sales volumes were witnessed after the introduction of updated packaging for the Windhoek Schlachterei brand. In addition to new packaging, the brand was re-launched in the market, supported by an active marketing campaign. The early effect of the brand re-launch was evident in a 63.1% increase in revenue for June 2009 in comparison with June 2008.

Two enablers were focused on to support the strategic initiatives, namely Operational Excellence and People. The company embarked on an intensive project where improved systems and controls were introduced. Indeed, Windhoek Schlachterei was listed No. 1 among Ohlthaver & List's operating units in the "Best Company to Work For" virtual survey conducted by Deloitte in 2008.

JOINT VENTURES AND ASSOCIATES

OLIFA Hotels and Resorts Namibia (Proprietary) Limited ["OLIFA"]

OLIFA Hotels and Resorts Namibia, the joint venture between the Group and renowned IFA Hotels and Resorts South Africa (IFA HR SA) became fully operational during the year under review. Construction work of the first phase of upgrading the renowned Kempinski Mokuti Lodge at the gateway to Etosha was also completed during the review period.

After initial synchronisation challenges between the upgrade project and 5-star Kempinski operations, many customers visiting Mokuti are now very impressed with the new spa facilities and renovated rooms, with the reptile park serving as a key attraction. Kempinski also plans to expand its service portfolio to guests by way of activities such as game drives into the Etosha National Park. Kempinski's internationally renowned quality standards are being instilled in the Namibian staff being trained to its service levels.

The design of the Strand Hotel (Swakopmund) has been completed. Construction will commence as soon as the financing has been finalised.

The Group equity accounted a loss resulting from OLIFA of N$5.9 million for the year ended 30 June 2009, compared with a loss of N$27 thousand in 2008.

Dimension Data Namibia (Proprietary) Limited

Dimension Data Namibia was established in November 2006 as a joint venture between the O&L Group and Dimension Data Middle East and Africa, to become the leading information technology (IT) service provider in Namibia.

Dimension Data focused on the following critical success factors during the current reporting period:

- The client experience
- Sustainable profitable growth, and
- A services strategy.

During the 2009 financial year, Dimension Data substantially restructured its management team. The new team is now positioned to take the business forward, with many exciting ventures and opportunities. The year under review delivered extremely positive results in terms of our focus on the three critical success factors. Considerable time, effort and costs also went into developing all our staff. We believe this investment in our people will build a strong foundation for realising our ideals in years to come. In particular, the building of a powerful sales team promises to reap benefits by the next financial period.

The Group equity accounted a profit of N$2.6 million from Dimension Data for the year ended 30 June 2009, compared with a profit of N$1.7 million in the comparable 2008 period.

APPRECIATION

The above achievements would not have been possible without the cooperation, commitment and hard work of all our colleagues throughout the Ohlthaver & List Group, as well as the support of their spouses. We appreciate this and thank you.

We would also like to express our sincere gratitude to our consumers and customers, the Government, and the suppliers of goods and services to us. We look forward to your continued support in the year ahead.

PETER GRÜTTEMEYER
CHIEF EXECUTIVE OFFICER

SVEN THIEME
EXECUTIVE CHAIRMAN

OCEAN BASKET

Group Value Added Statement

	Notes	2009 N$' 000	2008 N$' 000
WEALTH CREATED			
Revenue		3 119 358	2 639 004
Paid to suppliers for materials and services		2 291 089	1 872 046
VALUE ADDED		828 269	766 958
Income from investments		23 314	37 948
TOTAL WEALTH CREATED		851 583	804 906
WEALTH DISTRIBUTION			
Salaries, wages and other employment costs	1	428 534	361 752
Providers of capital			
Finance costs on borrowings		82 255	100 823
Government	2	61 027	45 061
Reinvestment in Group to maintain and develop operations			
Amortisation		5 849	11 816
Depreciation		77 283	71 665
Profit for the year attributable to ordinary shareholders		33 931	76 917
Income attributable to minorities		117 847	99 485
Deferred taxation		44 857	37 387
TOTAL WEALTH DISTRIBUTED		851 583	804 906
NOTES TO THE VALUE ADDED STATEMENT			
1. Salaries, wages and other employment costs			
Salaries, wages, overtime payments, commissions, bonuses and allowances		393 999	332 434
Employer contributions		34 534	29 318
		428 533	361 752
2. Central and local government			
Current normal taxation		48 706	34 609
Quota levies and royalty fees		8 523	5 505
Rates and taxes paid on properties		3 798	4 947
		61 027	45 061
3. Additional amounts collected on behalf of central and local government			
Customs and excise duties, including import surcharges		288 818	284 662
Value added tax collected on revenue		357 196	339 142
PAYE deducted from remuneration paid		46 740	39 877
NRST deducted from dividends paid		1 496	1 494
		694 250	665 175

DIRECTORATE AND ADMINISTRATION

EXECUTIVE DIRECTORS

S Thieme
Chairman. Appointed to the Board in 2001.
Elected Chairman of the Board on 17 April 2002.

P Grüttemeyer
Chief Executive Officer
Appointed to the Board on 1 October 2003.

G Hanke
Appointed to the Board on 16 November 2004.

TZM Hijarunguru
Appointed to the Board in 2002 as Non-executive Director.
Changed to Executive Director on 31 March 2004.

AMW Roberts**
Appointed to the Board on 16 November 2004.
Resigned 30 June 2009

B Mukuahima
Appointed to the Board on 1 May 2006.

NON-EXECUTIVE DIRECTORS

UM Stritter
Vice-chairman. Appointed to the Board in 1994.
Elected Vice-chairman on 17 April 2002.
Changed to Non-executive Director on 31 March 2008.

A Mushimba
Vice-chairman
Appointed to the Board in 2002.
Elected Vice-chairman on 17 April 2002.

C-L List
Appointed to the Board in 1980.

HE List (Mrs)
Appointed to the Board in 1980.

EECH Lorck (Mrs)
Alternate Director to HE List.
Appointed to the Board in 1991
Resigned 26 March 2009.

BHW Masche
Appointed to the Board in 1980.

EP Shiimi
Appointed to the Board on 1 August 2007.

E Ender*
Appointed to the Board on 23 June 2008.

H Müseler
Alternate Director to HE List
Appointed to the Board on 26 March 2009.

AUDIT COMMITTEE

BHW Masche (Chairman)
TZM Hijarunguru
EP Shiimi

REMUNERATION COMMITTEE

A Mushimba (Chairman)
P Grüttemeyer

Administration

Company Registration Number 331
(Incorporated in Namibia)

Secretary
Ohlthaver & List Centre (Pty) Ltd

Business address and registered office
First Floor, Carl List Haus
27 Fidel Castro Street
Windhoek

Postal address
PO Box 16
Windhoek

Auditors
Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants
PO Box 47, Windhoek

Principal bankers
Bank Windhoek Limited
PO Box 15, Windhoek

Attorneys
Engling, Stritter & Partners
PO Box 43, Windhoek

*German ** British

APPROVAL OF FINANCIAL STATEMENTS

RESPONSIBILITY OF DIRECTORS

The Directors of the Company are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Company's independent external auditors, Deloitte & Touche, have audited the financial statements and their report appears on page 24.

The Directors are also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for the foreseeable future.

These financial statements were approved by the Board of Directors on 21 September 2009 and signed on its behalf by:

SVEN THIEME
EXECUTIVE CHAIRMAN

PETER GRÜTTEMEYER
CHIEF EXECUTIVE OFFICER

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the annual financial statements and Group annual financial statements of Ohlthaver & List Finance and Trading Corporation Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 30 June 2009, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, cash flow statement and the consolidated cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 25 and 52 to 118.

DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Director's are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Namibian Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 30 June 2009 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Namibian Companies Act.

Deloitte & Touche

DELOITTE & TOUCHE
Registered accountants and auditors
Chartered Accountants (Namibia)
Per RH MC DONALD
Partner
Windhoek, 21 September 2009
8th floor, Namdeb Centre
10 Dr Frans Indongo Street
Windhoek, Namibia
Regional Executives: G.G Gelink (Chief Executive),
A Swiegers (Chief Operating Officer), G.M Pinnock
Local partners: J Mungunda, R.H Mc Donald, J Kock, H De Bruin

REPORT OF THE DIRECTORS

NATURE OF BUSINESS

The Group is engaged in business activities. Details of the Group's activities are set out on pages 1 to 20.

FINANCIAL RESULTS

The consolidated profit attributable to ordinary shareholders for the year ended 30 June 2009 was N$33.9 million (2008: N$76.9 million). The results of the Company and the Group are fully set out on pages 48 to 50.

DIVIDENDS

An ordinary dividend of 68c per share was declared in respect of the past financial year (2008: 68c per share).

CAPITAL EXPENDITURE

Capital expenditure during the year amounted to N$302.2 million (2008: N$172.1 million), of which N$279.8 (2008: N$149.2 million) was in respect of plant, equipment and operating assets, and N$22.4 million (2008: N$22.9 million) for land and buildings.

SHARE CAPITAL

Full details of the authorised and issued share capital of the Company at 30 June 2009 are set out in Note 17 to the financial statements. The unissued shares are under the control of the Directors, but in terms of the Companies Act, this authority expires at the forthcoming Annual General Meeting.

DIRECTORATE AND SECRETARY

The names of the Directors as well as the name and the address of the Company's Secretary appear on page 22.

HOLDING COMPANY

The Company's holding company is List Trust Company (Proprietary) Limited.

GOING CONCERN

In the Directors' opinion, the Group has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the "going concern" assumption as a basis for preparing the financial statements.

SUBSEQUENT EVENTS

Since the date of the Balance Sheet and to the date of this report, no events have occurred which are material in their effect on the affairs of the Group.


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CORPORATE GOVERNANCE REVIEW

The Directors confirm their commitment to the principles of discipline, transparency, accountability, responsibility and integrity, as advocated in the King Report on Corporate Governance. Through this process, the stakeholders may derive the assurance that the Ohlthaver & List Group of Companies ("the Group") is managed according to prudently determined risk parameters in compliance with generally accepted corporate practices, with the emphasis on striking a sustainable balance between our drive for profit growth, developing our human resource base, and improving the environment in which we operate.

BOARD ACCOUNTABILITY AND DELEGATED FUNCTIONS

The Board of Directors maintains full and effective control over the affairs of the Group. In addition to those powers conferred on it by the Articles of Association, the Board has reserved to itself the following matters:

- Setting the strategic objectives of the Group
- Identifying key risks and performance areas
- Determining levels of materiality, and
- Monitoring the implementation of Board plans and strategies by management.

The Board has a clear understanding of the key aspects regarding vision, mission, business objectives, priorities, focus areas for monitoring achievement, and accountability of the executive team for performance.

The Board approves the Group's business plans and monitors overall performance against objectives appropriate to the current stage of the business cycle and the prospects of business. The Board consists of five Executive and seven Non-executive Directors. While retaining overall accountability and subject to matters reserved to itself, the Board has delegated to the Executive Directors the authority to run the day-to-day affairs of the Group. The Board of Directors meets quarterly.

A protocol for Board and corporate management meetings is in place. The purpose of this protocol is to provide guidelines for the proper conduct of Board and Group corporate management meetings. As such, these guidelines form part of the Group's corporate governance system. Whilst the protocol seeks to maintain the standards of generally recognised codes of corporate governance, notably those contained in the King Report on Corporate Governance and its associated Code of Corporate Practices and Conduct, it also reflects the unique context and requirements of the Group.

GROUP OPERATIONAL MEETINGS

The purpose of these meetings is to review and evaluate the Group's performance and progress in disciplines such as finance, marketing, human capital, risk management, corporate citizenship responsibility and information technology. The meetings provide a platform for identifying opportunities and synergies within the Group and for discussing issues requiring the Group's attention. Meetings are held quarterly.

BUSINESS PERFORMANCE REVIEWS

The purpose of these meetings is to conduct an in-depth review of a specific operation's performance and progress in disciplines such as finance, marketing, human capital, risk management, corporate citizenship responsibility and information technology. Meetings are held monthly.

ACCOUNTING AND REPORTING

The Board places strong emphasis on achieving the highest level of financial management, accounting and reporting to stakeholders. The Directors are responsible for preparing the financial statements and other information presented in the annual report in a manner that fairly presents the state of affairs and the results of operations and cash flows of the Group.

The external auditors are responsible for carrying out an independent examination of the financial statements in accordance with statements of International Standards on Auditing and reporting their opinion thereon. The Auditor's Report is set out on page 24 herein. The financial statements set out on pages 52 to 118 have been prepared by management in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board

(IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB. The financial statements incorporate full and reasonable disclosure and are based on appropriate accounting policies which, apart from the implementation of new and revised standards, have been consistently applied and are supported by reasonable and prudent judgements and estimates.

INTERNAL CONTROL

Internal control is an important tool in good corporate governance. The Directors are responsible for ensuring that internal control systems exist that provide reasonable assurance regarding the safeguarding of assets and the prevention of their unauthorised use or disposition, as well as for maintaining proper accounting records and the reliability of financial and operational information used in business.

In order to discharge this responsibility, the Directors appointed management to set standards and implement systems of internal control to achieve these objectives. Such controls and systems are based on establishing policies and procedures, including budgeting and forecasting disciplines and monitoring actual results against such budgets and forecasts. The policies and procedures are implemented by trained personnel and are monitored through reviews and reports from senior executives and cost centre managers and through the establishment of defalcation reporting procedures.

Nothing has come to the attention of the Directors to indicate any material breakdown in the functioning of these controls, procedures and systems during the year under review.

AUDIT COMMITTEE

BHW Masche (Chairman)
TZM Hijarunguru
PE Shiimi

The primary objective of the Group's Audit Committee is to ensure that the Group is managed and controlled in accordance with good corporate governance, that management have implemented and are maintaining an effective control environment within the organisation and that internal and external audits are performed in agreement with International Standards on Auditing and in line with the additional scopes set by the Audit Committee.

The Audit Committee meets at least twice a year, preferably prior to the commencement of the annual external audit or prior to the Board's approval of the interim results, as well as after the annual external audit has been completed.

The Audit Committee has outsourced the Internal Audit function to Ernst & Young, who will review the reliability and integrity of the financial and operating functions, systems of internal control and risk management, means of safeguarding assets, the efficient management of the Group's resources and the effective conduct of its operations.

The Board of Directors appoints the members of the Audit Committee, taking into consideration members' education or business experience within the Committee's scope of activities. Members are appointed for a three-year term, with the initial term for at least one member being two years and being one year for at least one other member. The external auditors have access to the Audit Committee and its Chairman.

REMUNERATION COMMITTEE

A Mushimba (Chairman)
P Grüttemeyer

The primary objective of the Group's Remuneration Committee is to ensure and make recommendations to the effect that the Group's Directors and senior executives are fairly rewarded with regard to individual contributions to the Group's overall performance; that the remuneration of Directors and senior executives is determined by Committee members who will take due regard of the interests of the shareholders and the financial and commercial health of the Group; and that a Bonus Steering Committee is properly constituted to enable due recommendations to be made on the overall bonus performance scheme of the Group.

The Remuneration Committee is at liberty to solicit the assistance of outside consultants with specialised skills and expertise to formulate and maintain an equitable compensation structure.

The Board of Directors appoints the members of the Remuneration Committee, taking into consideration members' education or business experience within the Committee's scope of activities. Members are appointed for a three-year term, with the initial term for at least one member being two years and being one year for at least one other member.

The Bonus Steering Committee acts as a sub-committee of the Remuneration Committee. It is tasked to develop, implement and maintain the bonus performance scheme throughout the Group, under the Remuneration Committee's guidance.

One of the overriding objectives of the remuneration policy is to gradually reduce the fixed elements of management's remuneration and to increase the variable components through performance-related remuneration. To this end, the aim is to achieve a 60:40 relationship between fixed remuneration and variable performance-related remuneration. The Bonus Steering Committee was tasked to ensure that the variable portion of remuneration was directly linked to the achievement, or non-achievement, of key performance indicators in the respective operations. Since the Board's strategy for an operation explicitly also addresses key performance indicators in the related business unit, it follows that the remuneration of management in the Group is more closely aligned to strategy than ever before. Although the bonus performance scheme is currently limited to executives and senior management, the objective is to gradually roll out the scheme to all levels of employees.

The Bonus Steering Committee consists of the following members:

P Grüttemeyer (Chairman) – Chief Executive Officer
H-H Diehl – Manager: Compensation (O&L Centre)
G Hanke – Group Financial Director
B Mukuahima – Group Human Capital Director

BOARD SECRETARY

Appointment and removal of the Board Secretary are matters for the Board. The Secretary ensures that, in accordance with pertinent laws, the proceedings and affairs of the Directorate and, where appropriate, members of the company are properly administered. The Secretary administers the statutory requirements of the Group in Namibia. All Directors have direct access to the Secretary at all times.

THIRD-PARTY MANAGEMENT ISSUES

No part of the Group's business was managed during the year by any third party in which any Director had an interest.

EMPLOYEE PARTICIPATION

The Directors believe that economically viable and self-sustainable Affirmative Action is an integral part of corporate governance within the Group, and are committed to equal opportunities for all its employees regardless of their ethnic origin or gender. To this end, a formalised Affirmative Action strategy was put in place to ensure alignment with relevant equity legislation.

The Group has a variety of participative structures on issues that affect employees directly or materially. These structures, set up with trade unions and/or employee representatives, are designed to achieve good employer–employee relations through the effective sharing of information, consultation and the identification and resolution of conflict.

EFFECTIVE COMMUNICATION WITH ALL STAKEHOLDERS

The Group subscribes to the principle of timely, balanced, relevant and understandable communication, focused on substance, and communicating regularly and systematically with all relevant parties. A comprehensive communication strategy is in place and its effectiveness is periodically reviewed by external consultants.

RISK AND OPPORTUNITY MANAGEMENT

The Board is committed to effective risk and opportunity identification and management. These measures ensure not only that risks and opportunities are adequately identified, evaluated and managed at the appropriate level, but also that their individual and joint impact is taken into consideration.

The risk and opportunity assessment is conducted on an annual basis at respective business units to ensure that management remains aware of risks and opportunities throughout the Group. This process identifies the critical business, operational, financial and compliance exposures facing the respective operations, and the adequacy and effectiveness of control factors at all levels.

The materiality levels are set at each business unit level and vary depending on the nature, scope and size of the business. In setting these levels, due consideration is given not only to financial impact, but also to the potential threat to the integrity of the business as a going concern, its reputation and the well-being of employees and other stakeholders.

The top risks of the Group are discussed in the Sustainability report on page 33.

Tjeripo Hijarunguru
Chief Business & Strategy Development Officer

KEMPINSKI MOKUTI LODGE

KRAATZ MARINE

SUSTAINABILITY REPORT

The O&L Group's overall purpose is to create wealth by building innovative and sustainable businesses, thereby enhancing living conditions and socio-economic wealth. The Group embraces its obligation as a corporate citizen towards the society within which it operates, as well as towards its shareholders, employees, stakeholders and the environment. Accordingly, we contribute meaningfully to the economy, social welfare and the environment, while at the same time aiming to build and sustain corporate reputation and conditions conducive to profitable businesses.

GROUP RISK MANAGEMENT PROCESS

To ensure that risk management is embedded in the day-to-day management of every business within the Group, major risks are identified and ranked in a risk matrix (see Table 1). The matrix is regularly reviewed and updated to keep track of the business risk environment.

The risk matrix is used as a tool to assist management in recognising all material risks to which the Group is exposed and in ensuring the requisite risk management culture, practices, policies, resources and systems are progressively implemented and functioning effectively. The risk tolerance levels are set in each operating company and vary depending on the nature, scope and size of the business concerned.

The systematic risk assessment process ensures that risks are not only adequately identified, evaluated and managed at the appropriate level in each operating company, but also that their impact on the Group as a whole is taken into consideration.

Table 1: Top risks for the O&L Group, 2009

KEY RISK	CATEGORY OF RISK AND MANAGEMENT RESPONSE
Large project exposure Delivery of the Large Cherenkov Telescope (LCT) within agreed deadline.	***Large Cherenkov Telescope risk*** Quality execution of the project programme and improved monitoring and review systems are in place. Additional resources have been acquired and new measuring techniques adopted.
Partnerships Maintaining partnership relations.	***Partnership risk*** Communication channels are kept open and resuscitated from time to time where necessary.
Non-profitable operations Not being able to bring about profitable business models.	***Enterprise risk*** A central Marketing Division has been established to assist smaller businesses in the Group to drive revenue. Operational excellence is one of the critical success factors in the O&L Group strategic triangle. The purpose of operational excellence is to drive down costs and institutionalise systems and controls. A performance-related reward system is in place to drive profitable businesses.
Unfair competition This risk involves excessive unfair competition and dumping of products.	***Competitor risk*** Effective stakeholder communication and lobbying Government for infant industry protection where necessary.

KEY RISK	CATEGORY OF RISK AND MANAGEMENT RESPONSE
Cash availability Inadequate cash resources limiting growth.	***Liquidity risk*** The Group has embarked upon projects to reduce the inventory levels at various operations as well as to manage working capital to release tied-up cash. The Group is investigating alternatives and pursuing various ways of sourcing funds to reduce its dependence on the banking sector.
Global financial crisis The global economic instability has affected property valuations, the Group's retail businesses, the fishing sector results and credit availability.	***Commercial risk*** Since property valuations and the fishing and retail industries are impacted, there is a continued drive towards improving the efficiency of our businesses and thereby reducing our costs. To drive revenue, effective management of these risks through the new sales negotiation of contracts with retail businesses in the fishing industry as well as by through marketing campaigns has mitigated these risks.
Health and safety concerns A potential health and safety challenge is a major concern.	***Quality risk*** Preventive health and safety systems are regularly reviewed and strengthened. Best practice in manufacturing is pursued, and subscription to Hazard Analysis of Critical Control Points (HACCP), BRC and ISO standards is encouraged throughout the Group.
Changes in interest rates High current gearing and additional capital requirements for projects increases the Group's exposure to increases in interest rates.	***Interest rate risk*** The Group is currently restructuring its debt portfolio to optimise the gearing ratio. In addition, interest rate derivatives were entered into in order to mitigate the risk.
Exposure to foreign currency transactions Fluctuations of the Namibia Dollar against other currencies affect the cost of importing raw materials as well as exporting goods and commodities.	***Currency risk*** Those operating companies in the Group that are exposed to foreign currency fluctuations are required to hedge their positions in order to minimise their exposure. The Group has also entered into various options and foreign exchange contracts to minimise fluctuations of the Namibia Dollar against the Euro and the United States Dollar.

SOCIAL ASPECTS

EMPLOYMENT EQUITY

The O&L Group subscribes to the principle of equal opportunity, while keeping sharply focused on adhering to one of their core values, namely "Naturally Namibia, today for tomorrow", and thereby strives to fill all vacancies across the Group with Namibian citizens wherever possible. Furthermore, the Group strongly supports employment equity and dutifully submits Affirmative Action (AA) compliance reports to the Office of the Employment Equity Commission on an annual basis for all relevant O&L operating companies.

Table 2 is a clear indication of the spread of employees across the Group, indicating the number of employees from Job Grades 1 (the lowest) to 9 (the highest) on the basis of previously disadvantaged and previously advantaged individuals.

Table 2: Categories of filled positions in the O&L Group, 2009

Category and grade of position	***2009***		***2008***	
	Previously advantaged	Previously disadvantaged	Previously advantaged	Previously disadvantaged
General staff (Grades 1-5)	15	3668	14	3452
Supervisory level/Junior management (Grades 6A-7B)	141	567	116	534
Middle management (Grades 7C-8B)	80	96	82	69
Senior/Executive management (Grades 8C-9)	23	5	24	5

We believe that achieving equity in the workplace is a business imperative and, thus to the long-term benefit of the Group.

The O&L Group aims to create a feasible and flexible strategy that addresses work-related employment barriers and employee expectations in the designated groups, namely Racially Disadvantaged, Women and Persons with Disabilities. At the same time, the Group recognises the shortage of skills in Namibia as well as the ambitions and aspirations of current and future non-designated employees.

It is the Group's objective that there will be –

- no discriminatory practices of any nature anywhere within the organisation
- no barriers to employment with the O&L Group as a whole that unfairly restrict employment and/or opportunities for further advancement of any potential employee working for the Group, and
- equitable representation of previously disadvantaged persons across all employment levels and across all occupational categories within the O&L Group, ensuring that the demographics of the society within which the Group operates are reflected and met.

In terms of our Group overall vision – which includes enhancing the living conditions and socio-economic health not only of its employees, but also of Namibians at large – by being a builder of innovative and sustainable businesses – it is our intent to balance our current employees' demographic profiles to more accurately reflect the wider Namibian community in the areas in which we conduct business.

In conforming to the above, the O&L Group subscribes to the requirements of the Affirmative Action (Employment) Act, 1998 (No. 29 of 1998) and the rules and regulations promulgated in terms of it.

The Group fully commits itself to undertake the following:

- Utilise our human capital to the full
- Take steps to ensure that our policy of non-discrimination is known
- Continue to implement specific training interventions to develop designated employees, and
- Continue to source new talent from outside with a special focus on candidates from the designated groups.

In implementing its AA plans, the Group does not intend to unfairly discriminate against any employee who does not belong to a designated group as defined in the Affirmative Action Act.

The Group has also instituted active AA measures to ensure that equity is achieved within the organisation. In doing so, we will systematically reduce the under-representation of designated groups within the three-year time frame accorded by the AA Act or, where possible, even sooner.

In implementing positive AA measures, the O&L Group will, as in the past, focus specifically on the following:

- Recruitment and promotion
- Selection and placement of employees
- Induction and communication
- Training and development
- Succession planning
- Remuneration practices
- Mentorship, and
- Setting AA standards of performance.

In external recruitment, measures will be taken to attract applicants from the designated groups in particular. It is Group policy to ensure that individuals from the designated groups are provided with the opportunity to compete fairly. Periodic reviews will be made to ensure that the Group attracts applicants from the various designated groups, and that we interview and recruit employees from designated groups for vacancies at all levels.

Suitable succession plans are being developed for appropriate key positions in order to accelerate the development of select employees in designated groups who show potential in their specific areas of work. The O&L Group recognises that, for some specialised roles, competent designated incumbents may only be available in the long term, but undertakes to ensure that there will be a learning path to achieve this.

The Group subscribes to the principle of informal mentoring. In this regard, we will encourage a process whereby potential candidates are assisted in choosing a suitable manager to guide them on an ongoing basis with regard to the complexities and uniqueness of the functions in question.

In accordance with the AA Act, the O&L Group will facilitate the mentoring and development of every Namibian, working with a non-Namibian as an understudy.

VALUE CREATION FOR EMPLOYEES

The Group embraces open communication throughout our business areas, since it is essential in creating an environment of trust. Open communication is also imperative when it comes to driving business objectives as well as improving employee commitment and participation.

TALENT ATTRACTION PROGRAMME

The Talent Attraction Programme was introduced in 2005. Among others, candidates from the designated groups are represented in the programme. The O&L Group launched this initiative as part of its transformation process in order to attract young, talented Namibian students from tertiary education institutions within our borders and in South Africa.

BEST COMPANY TO WORK FOR

The O&L Group has set itself the strategic objective of becoming one of the top ten companies to work for in Southern Africa by 2011. The associated survey is conducted by Deloitte once a year. For the Group it was very clear from the beginning that, in order to achieve this objective, value needed to be added to its employees' experiences at the workplace, thereby creating a motivated workforce. The Group participated in the survey in 2008 for the first time. Its participation was on a virtual basis, as will be the case this year again, in preparation for actual participation in 2011.

WERNHIL PARK

LEADERSHIP DEVELOPMENT

The O&L Group realises that a good leadership foundation is needed in order to ensure sustainability in a very challenging economic environment. A leadership model was therefore devised, focusing on leadership competencies such as –

- strategic thinking
- motivating and inspiring people
- driving high performance
- embracing diversity
- personal effectiveness
- creating a trust relationship with customers, and
- creating conditions for people to succeed.

The model was then applied to all leadership levels across the Group. Furthermore, the competencies in question were inculcated into the hearts and minds of leadership teams across the Group through a highly intensive training intervention entitled "Breakthrough Intensive".

TRAINING INTERVENTIONS

During the second half of the financial year under review, the Human Capital Division at the Ohlthaver & List Centre embarked on an exercise to customise all generic training interventions based on the needs of the various operating companies, in order to ensure that their contents addressed the specific needs of individual business units. These interventions were then implemented across the Group as from February 2009.

The Group invested significantly in the development of our human resources in the year under review. From Adult Basic Education Training (ABET), to leadership training for middle and top management and QDVP3 training for the sales force, training has been a focus area and will continue to be in the period ahead. The Group continued with ABET, whereby employees are offered the basics in English literacy and arithmetic, allowing them opportunities for growth and empowering them to improve the quality of their lives. Figure 1 illustrates the total investment by the Group's operating companies during the financial year under review.

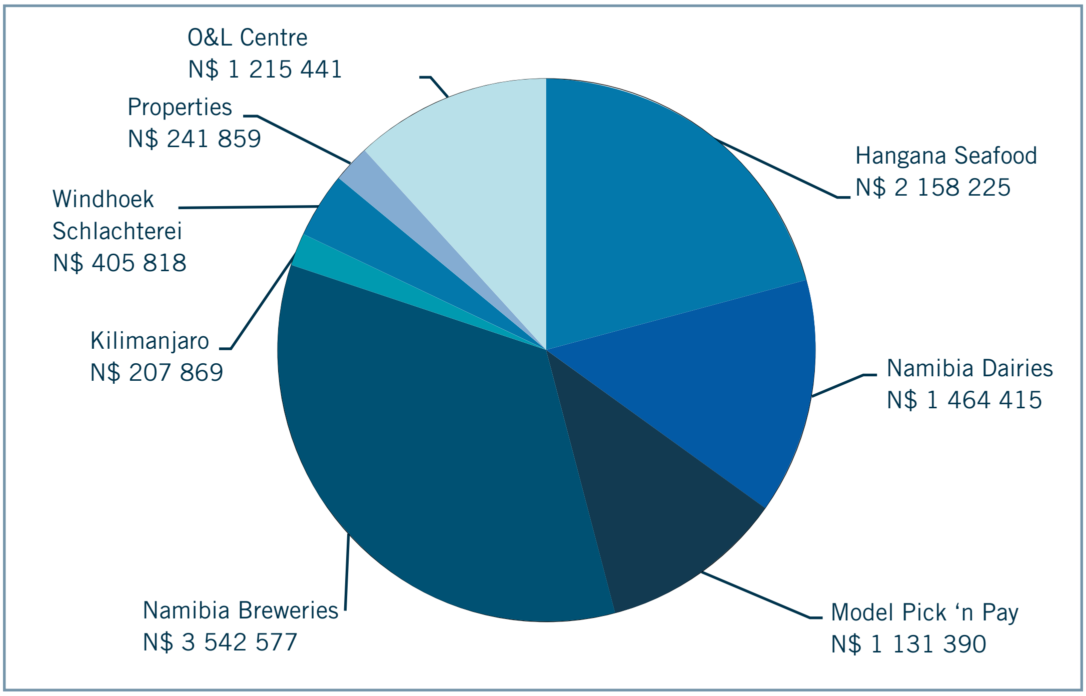

Figure 1: Expenditure on training in the various operations, 2009

PERFORMANCE MANAGEMENT

The formal and structured Performance Management System (PMS) was further refined and rolled out across the Group. The PMS was applied to all employees at non-management (Job Grades 6–7B) as well as management level (Grades 7C–9) during the period under review. Value is further added to all employees at management level by means of a development strategy entitled "My Growth Plan", whilst a condensed version of it has been designed for lower-level employees. The application of the PMS is managed by means of bi-monthly performance interviews.

MWENYOPALEKA – "THE DREAM LIVES ON"

Mwenyopaleka is an *Oshiwambo* word meaning "revitalisation", but it can also be used as a synonym for *rebirth*. The *Mwenyopaleka* Programme is a long-term strategy launched in 2004 to instil the Group's vision, mission and values as well as the associated behaviours in the hearts and minds of each employee in the O&L Group. Over the past few years, the *Mwenyopaleka* Road Show Programme has allowed the Group to promote and communicate these objectives to employees.

The main purpose of the Programme is to –

- revitalise the O&L Group through active and consistent communication of its vision, mission and values
- move from a rule-driven to a value-driven employment relationship, gaining long-term employee commitment, and
- use our vision, mission and values as drivers in achieving all goals for the "Growth Through Change – 2011" Project.

ANNUAL ROAD SHOWS

Each year, a total of 14 Road Shows are hosted in all the major towns and cities in which the Group has business representation. The Road Shows are all linked to a specific annual theme, and consist of various activities such as industrial theatre, song, dance and games. The theme for the 2009 programme was "My Company, My Pride" The theme for the 2010 programme will be "My Company, My Pride" again, with "Inspiring People" as the supporting theme.

ANNUAL SPORTS FUN DAY

The annual Sports Fun Day marks the conclusion of the Mwenyopaleka road show programme. Approximately 1,200 employees from the various operating companies compete against one another in various sporting codes and fun activities at these annual events.

ANNUAL "VALUE STAR" AWARD CEREMONY AND EDUTAIN TRIP

At an annual gala event, recognition is given to the respective monthly "Value Star" winners from the various operating companies and an overall "Value Star" winner per operating company is announced.

Once a year, the overall "Value Star" winners are taken on an all-expenses-paid trip. The 2009 winners were awarded a trip to Mauritius, at a value of about N$17,000 per employee. Every effort is made to ensure that all participants participate in educational and entertaining activities during the trip. Locations visited by previous winners include Victoria Falls in Zambia (2005 and 2006), Sun City (2007) and Monte Casino (2008) in South Africa.

EMPLOYEE WELLNESS PROGRAMME

The Employee Wellness Programme run by the Employee Wellness Department was established with the vision to "enhance and sustain employee well-being". This vision is one of the pillars supporting the realisation of the O&L Group vision, namely "To create wealth by building innovative and sustainable businesses and thereby enhancing living conditions and socio-economic wealth."

By enhancing and sustaining employee well-being, the Programme aims to –

- have a healthier workforce
- improve employee performance
- decrease absenteeism, and
- increase productivity and profitability.

The Employee Wellness Programme has a practical focus that empowers employees to take ownership of their health and well-being through various wellness activities.

HIV/AIDS Programme

The O&L Group prides itself on being at the forefront on the battle against HIV/AIDS. During the year under review, we continued with our awareness campaign on the dangers of HIV/AIDS, and implemented combative plans to prevent spreading of the virus.

The Programme is governed by the Group HIV/AIDS Policy, in line with the National HIV/AIDS Policy and the National HIV/AIDS Strategic Plan incorporated into the Third Medium-term Plan (MTPIII).

The following activities have been implemented successfully since the Programme's inception:

- A Voluntary Counselling and Testing (VCT) Campaign, with an average participation rate of 91% in 2007 and 78% for 2009, which is currently still in progress.
- Free anti-retroviral (ARV) treatment is provided to all employees who live with HIV/AIDS through the Vitality Scheme Benefit. The Group covers the premiums for all employees regardless of their HIV status. However, only employees who are HIV-positive and whose CD4 cells are lower than 200 according to the Ministry of Health and Social Services' guidelines are eligible for ARV treatment.
- Counselling and support for affected and/or infected employees are available to all staff. Employees can opt to make use of the Employee Wellness Department or external counselling services through the Vitality Scheme Benefit.

Peer educator interventions

After attending training interventions, peer educators are empowered to transfer knowledge to fellow employees through monthly health information sessions. Such health awareness activities are implemented to prevent the spread of HIV. Peer educators are expected to identify certain wellness cases in their work environment and to refer these to the Department.

Wellness screening

Wellness tests – including a test for HIV – are conducted directly at the workplace. These tests, which are free and voluntary for all employees, check for healthy readings on the following:

- Cholesterol
- Glucose
- Haemoglobin
- Hepatitis B
- Syphilis
- Blood pressure, and
- Body mass index.

These tests enable employees to limit their unhealthy habits and risky behaviour in order to maintain a healthier lifestyle. The exercise also benefits business units, as it provides an insight into the current health status of the workforce in order to –

- identify specific health risks in the workforce, and
- design workplace programmes for health concerns that pose a threat to the workforce and to productivity.

Management of absenteeism

The Department has embarked on developing and implementing measurable targets that will assist management in monitoring and managing absenteeism. The current data by business unit will be analysed and distributed to determine the root cause of absenteeism and determine appropriate remedies.

Executive Wellness Programme

Executive management are key to the continued future of any business. Due to the demanding nature of their occupations, however, executives are at a higher risk of developing life-threatening diseases associated with constant pressure and stress. A clinical risk management programme focused on preventative and personal health and well-being for executives has, therefore, been initiated to maintain a healthy executive team.

In January 2009, the O&L Group, in collaboration with Medscheme Namibia, also launched an Executive Wellness Programme. Some 58% of the Windhoek-based Senior Leadership Team have already been through the first round of consultations.

Wellness counselling

The Department offers counselling services to all employees who are in need, with the aim of empowering them emotionally and mentally. Operating companies are making increasing use of this service. The success factors associated with counselling are –

- an increased relationship of trust between the operating company and Group and our employees
- guaranteed confidentiality, and
- a good working synergy between business units and the Employee Wellness Department.

The Department has dealt with a number of cases since its inception. These include –

- alcohol and drug abuse
- sexual abuse
- HIV/AIDS
- cholesterol
- cancer
- basic personal financial management, and
- stress.

CORPORATE SOCIAL INVESTMENT

As the Group continues to grow, we continue to increase our positive contribution through corporate social investment aimed at bettering the society within which we operate.

The operating companies within the Group have initiated a variety of such investments, engagements and programmes. Since we do business with a wide range of stakeholders, it is important to maintain a well-balanced approach towards employees, customers and the relevant communities.

As HIV/AIDS severely impacts the lives of thousands of children, who are left orphaned and vulnerable, we work with various institutions such as the Organisation for the Empowerment of Widows and Orphans of Namibia (OEWONA) and the Dr Christina Swart-Opperman Foundation Trust to provide basic care and support through the provision of blankets, clothing and school fees and by supporting feeding schemes. The benefit of working with institutions that are dedicated to community upliftment is that we are assured that our support benefits those who need it most.

The flooding which affected northern Namibia prompted an immediate response by Namibia Breweries as well as Model Pick n Pay to not only provide employees with relief, but also to assist the Government's Emergency Management Unit with its national relief effort by sponsoring much-needed mosquito nets, blankets and food items, while making equipment available to offer temporary accommodation to those displaced by the floods.

In June 2009, the Kaokoland Clean-up saw the removal of more than 30 tonnes of glass as well as other recyclables from the fragile Kaokoland area in north-western Namibia. This partnered clean-up enterprise, led by 4X4 Trax and Trails and sponsored by Namibia Breweries, required careful planning and coordination over almost a year to ensure the collection of recyclables from very remote areas, and transporting these materials to recycling centres in South Africa. Members of the O&L Group participated in the clean-up together with the local community, who were rewarded with food items for their involvement. The recycling experts Rent-a-drum and other environmental enthusiasts left behind knowledge on better waste management and conserving the pristine environment.

Namibia Breweries' activities aimed at promoting responsible drinking also proceeded well, with a focus on creating awareness of the dangers of drinking and driving through our "Too Much is Too Much" campaign, and under-age drinking through our "Too Young is Too Young" campaign. One of the successes of the latter campaign was the launch of a booklet titled Under-age drinking: A guide to individual and community action, developed in collaboration with the Legal Assistance Centre. In addition, industry cooperation in addressing issues of harmful drinking was strengthened with the appointment of a coordinator for the Self-regulating Alcohol Industry Forum (SAIF) in Namibia, and the establishment of the Botswana Alcohol Industry Association (BAIA) in Botswana. In order to create responsible drinking ambassadors in the company, Namibia Breweries launched the "Zero to Hero" campaign, which equips employees with the facts about alcohol and encourages responsible choices.

Corporate sponsorships like the Cycle Classic and Katutura Fun Walk were among other events supported by Model Pick n Pay that have created a high level of community and customer involvement. Model Pick n Pay also launched a Community-based Social Responsibility Project (CBSRP), focusing on giving back to communities in which Model Pick n Pay has outlets. Furthermore, a school called "Kwakas" with 115 children from previously disadvantaged communities received a donation of blankets and food.

Windhoek Schlachterei commenced a support sponsorship by way of donating products to the Dagbreek School. The aim of the sponsorship is to assist the school in feeding needy children for whom they are responsible. Joint Compassion Keepers (JCK) operates in Swakopmund and is a home for orphans from the squatter camp in that town. On an ad hoc basis, Windhoek Schlachterei contributes to this organisation by way of continuous product sponsorship as well, in an effort to ensure each child has a nutritious meal.

ENVIRONMENTAL ASPECTS

The O&L Group is aware of the impact our activities have on the environment, particularly in terms of climate change.

The Group's environmental policy is therefore entrenched in its overall Safety, Health and Environmental (SHE) Policy. During July 2008, an Environmental Strategic Plan was developed with the aim of reducing the Group's carbon footprint. The various initiatives, some of which are elaborated on below, include the following:

- An in-house awareness campaign
- Measuring and monitoring procedures
- Environmental impact assessments for all major new projects, including the Superfarm and the Strand Hotel developments

HANGANA SEAFOOD

- A Biodiesel Project, whereby spent vegetable oil originating from some of our operations is converted into a biofuel which is used to fuel some of the Group's delivery trucks
- A planned biogas plant for the Superfarm
- Various solid waste disposal and recycling initiatives, including the rehabilitation of some waste dumps, the installation of community recycling banks, support of the "Collect-a-Can" initiative, and support for the Kaokoland Clean-up campaign
- Use of energy-saving lighting in all our operations
- Improved heat utilisation and conservation
- Electricity management systems
- Optimisation of water consumption and seeking alternative sources, including water recycling and desalination, and
- Alternative fuel for fishing vessels.

LAUNCH OF BIODIESEL PROJECT

In March 2009, the O&L Group announced their biodiesel initiative, which is part of the environmental strategic plan to reduce our carbon footprint by reducing energy consumption and investigating alternative energy sources. The project is run with a number of subsidiaries in the Group, including Model Pick n Pay, OLIFA Hotels & Resorts, Kilimanjaro, Namibia Breweries, and Namibia Dairies. Through this initiative, used vegetable oil that is no longer suitable for human consumption is collected and converted to a biodiesel. The biodiesel is usable as it is or as an addition to normal diesel fuel.

Namibia Breweries and Namibia Dairies each identified a truck to run on biodiesel, which they have now done for some time. In comparison with petroleum diesel in a conventional diesel engine, biodiesel reduces the release not only of carbon monoxide by up to 48%, but also of particulate matter.

The Group is active in driving a culture of recycling and environmental consciousness in the workplace. For example, all solid waste at Namibia Dairies' Windhoek plant is recycled, and all product waste is supplied to pig farmers as fodder.

Efforts are also made to utilise organic waste. Spent grain at Namibia Breweries is used as fodder on the dairy farm and dairy organic waste is utilised as pig fodder – as mentioned previously.

At Hangana Seafood, fish offal is processed into fishmeal.
At the !Aimab Superfarm at Namibia Dairies, the highest environmental standards have been employed and a feasibility study to fully utilise all animal waste for biogas and fertiliser production has been completed. The use of biogas to fuel part of the distribution fleet will significantly reduce the Group's carbon footprint.

Various water conservation programmes have also been introduced. For example, Namibia Breweries completed the first phase of an effluent water treatment facility and is in the process of implementing a second phase whereby the treated water will be used for secondary production purposes. Hangana Seafood is already utilising treated sea water in their secondary manufacturing processes, and is considering a desalination plant to minimise the use of potable water.

Namibia Breweries has also increased their CO_2 recovery capacity in order to minimise blow-off losses during peak periods.

Hangana Seafood has implemented an Energy Management System, which will be updated to cater for increased maximum demand due to the new sorting and grading processing and ice plants. The OPTO system now also allows for water use to be measured. This is vital input for decision-making on water saving measures, especially in respect of the cleaning and cooling processes.

Further initiatives to save energy in the Group include geyser blankets, energy-saving lighting and solar geysers.

The Group intends to focus on the following aspects which it regards as the most relevant and major contributors to its carbon footprint:

- Electricity consumption
- Fuel consumption
- Water consumption, and
- Solid and hazardous waste disposal.

The Group's energy consumption figures for the last two financials years are depicted in Table 3.

Table 3: Consumption figures, July 2008 – June 2009

Consumable	**2009**	**2008**
Diesel and petrol (litre) *	9 771 585	9 638 390
Heavy fuel oil (l)	4 494 182	3 855 156
Liquefied petroleum gas (kg)	180 977	181 885
Electricity (kWh)	49 322 782	44 926 032
Water (kl)	1 189 802	1 168 554

**Excludes fuel for chartered fishing vessels and outsourced transport in the Beer & Soft Drinks segment*

The increase in energy demand can be attributed to increased volume growth in the Group's manufacturing operations as well as the addition of new facilities such as the new store in the retail sector.

The Group's carbon footprint is dominated by fuel consumption for its fishing operations, electricity consumption in its manufacturing and retail operations and heavy fuel oil consumption for heat generation in the Beer & Soft Drinks and Dairies segments.

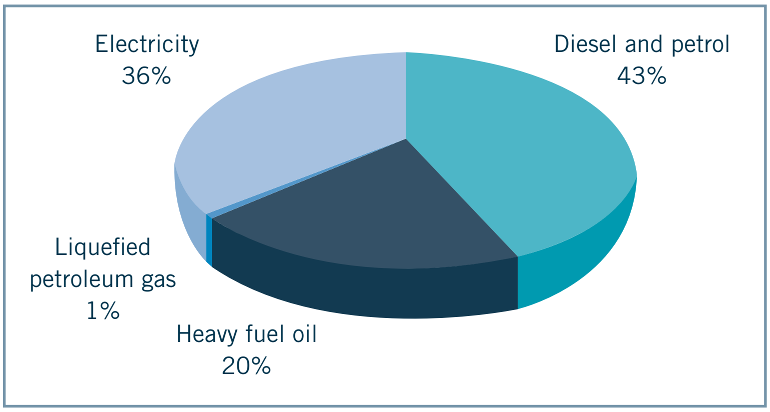

Figure 2: Carbon footprint contributors, 2009

ISO 14001, an internationally recognised environmental management system, is planned for all major operations during the next two years. The Group is confident that our energy and water consumption are within – and, in some cases, even well below – industry benchmarks, and continuously strives to improve on this picture.

SUSTAINABLE FISHERIES

Namibia's fishing grounds of 200 nautical miles are amongst the most productive in the world. Over 20 commercially important fish species are landed, using various fishing methods. To prevent overexploitation and to promote economic viability in the industry, the Ministry of Fisheries and Marine Resources issues rights of exploitation, fishing vessel licences and, in some fisheries, total allowable catch (TAC) quotas, individual catch quotas, and closed seasons.

The Ministry's overall objectives are to promote and regulate the responsible and sustainable utilisation of living marine and freshwater resources and aquaculture within the context of environmental sustainability. The strategies being applied to attain these objectives, as stipulated in Namibia's Vision 2030 are as follows:

- Setting TAC quotas at a conservative level in order to promote the sustainability of resources and to enhance the recovery of depleted stocks
- Adopting and implementing all the policies and programmes in support of sustainability and equity
- Developing strategies that create incentives for fishing companies to adopt more sustainable fishing practices
- Utilising the services of expert consultants to assist Government fisheries scientists in setting their estimates for TAC quotas
- Continuing research – involving outside researchers – into the functioning of the marine environment and marine biodiversity, and
- Developing new ways of adding value to Namibia's marine products.

During May 2009, the Minister announced an increase from 130,000 tonnes to 135,000 metric tonnes in the TAC quotas for hake for the 2009/10 fishing season, due to an increase of 58% in the hake stocks. Hake stocks are expected to improve further by 2011.

OCCUPATIONAL HEALTH AND SAFETY PERSPECTIVE

The O&L Group implemented a customised internal safety, health, environment and quality (SHEQ) measuring system, in which all operating companies and their subsidiaries are audited twice a year. The last four SHEQ audits have shown a continuous improvement throughout the Group.

However, we regret to report that one fatality occurred during the year under review in a scaffolding accident.

Lost-time injuries have nonetheless declined steadily over the past 18 months, and the current rate is 1.91 lost-time injuries per 200,000 hours worked. A target of less than 1.5 has been set for the new financial year.

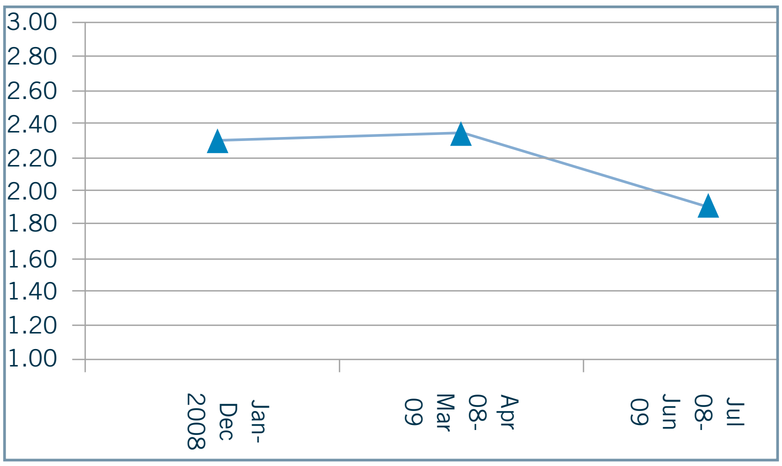

Figure 3: Group lost-time-injury rate (number of lost-time injuries per 200,000 hours worked)

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FINANCIAL REVIEW

ACCOUNTING POLICIES

The Group's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and are consistent with the previous year.

GROUP OPERATING PERFORMANCE

Salient features
The salient features for the year under review are as follows:

		2009 N$ '000	2008 N$ '000
Revenue	+18.2%	3 119 358	2 639 004
Other gains and losses		(14 204)	39 848
Operating expenses		(2 761 906)	(2 363 142)
Operating profit	+8.7%	343 248	315 710
Share of net losses of associates and joint ventures		(38 967)	(4 437)
Net finance costs		(58 940)	(62 875)
Profit before taxation	-1.2%	245 341	248 398
Taxation		93 563	71 996
Profit for the year	-14%	151 778	176 402

REVENUE

Despite the economic downturn, all major businesses showed strong revenue growth which resulted in revenue increasing by 18.2% to N$3 119 million. Revenue from the Dairy industry showed exceptional growth of 34%.

OPERATING PROFIT

Operating profit increased by N$27.5 million or 8.7% to N$343.2 million for the year under review.

Other gains and losses amounted to a loss of N$14.2 million in the year under review compared to a gain of N$39.8 million in the previous year. The current year includes a negative fair value adjustment on interest rate derivatives of N$13.7 million (2008: gain of N$16.4 million) and a positive fair value gain adjustment on investment property amounting to N$8.7 million (2008: N$16.5 million). The net foreign exchange loss is N$22.8 million higher than the previous year which mainly relates to losses on foreign exchange forward contracts of Namibia Breweries Limited. The current year also includes a release of N$11.2 million from deferred income (2008 N$0.3 million) which mainly relates to the release of the deferred income relating to the sale of NBL brands to DHN Drinks (Pty) Ltd.

The operating profit of Namibia Breweries Limited increased by 47.3% from N$181.6 million to N$267.5 million. This is mainly due to good volume growth as well as increased margins. The Namibia Dairies (Proprietary) Limited Group's operating profit increased by N$5 million from N$20.2 million to N$25.9 million which can be attributed to the revenue growth of Namibia Dairies (Proprietary) Limited's Angolan subsidiary, Freshuila Limitada. Hangana Seafood (Proprietary) Limited Group contributed N$36.3 million to operating profit compared to N$40.0 million in the previous year. The decrease can be attributed to a provision for severance pay of N$4.1 million which was raised in the current year due to the implementation of the new Labour Act. The Property sector contributed N$61.3 million (2008: N$ 68 million) and continued to perform well despite a lower fair value adjustment on investment property as mentioned earlier. The Retail Industry remained under pressure contributing an operating profit of N$1.8 million. Various strategies were implemented to improve the profit in the next financial year. Included under "Other" in the segment report is a N$20 million provision for loss on the LCT Project of Kraatz Marine (Proprietary) Limited.

Included in the operating profit of the group for the year is a total provision for severance pay of N$17.0 million which had to be raised to due the change in Labour legislation.

SHARE OF LOSSES FROM ASSOCIATE AND JOINT VENTURES

The Group equity accounted for N$ 2.6 million (2008: N$ 1.7 million) profit from Dimension Data Namibia (Proprietary) Limited.

The Group equity accounted a loss of N$35.6 million (2008: N$ 6.3 million) from DHN Drinks (Proprietary) Limited and a loss of N$5.9 million (2008: N$27 thousand) from OLIFA Hotels & Resorts Namibia (Proprietary) Limited.

FINANCE COSTS

Net finance costs decreased by N$3.9 million to N$58.9 million. This is mainly due to decreases in the prime rate throughout the current financial year.

Interest-bearing borrowings (including liabilities held for sale) increased by N$105.4 million.

PROFIT BEFORE TAXATION

Profit before taxation decreased by N$3.0 million or 1.2% from N$248.4 million to N$245.3 million for the year under review.

TAXATION

The current financial year's taxation charge amounted to N$93.6 million (2008: N$72.0 million). The effective taxation rate amounted to 38.1% (2008: 29.0%). The increase in the effective taxation rate can mainly be attributed to the higher share of losses in joint ventures, which is an after taxation loss, but is included in the calculation of the effective taxation rate.

BALANCE SHEET

Total assets have grown by N$341 million from N$3 032.6 million to N$3 373.6 million. Property, plant and equipment has increased by N$312.1 million to N$1 524.2 million. Capital additions amounted to N$301.8 million. Capital expenditure in Namibia Breweries Limited amounted to N$110.8 million which mainly relates to an additional beer-bottling line and further brewery automation. Hangana Seafood (Proprietary) Limited invested N$103.6 million which includes the purchase of a new fishing vessel, the Avro Warrior, a sorting and grading facility, an ice plant and an IFO fuel blending station. Namibia Dairies (Proprietary) Limited invested a further N$61.5 million mainly relating to the completion of the Superfarm.

Investment property decreased by N$54.7 million to N$230.1

million. This can be attributed to a re-classification of N$63.8 million from Investment Property to Property, plant and equipment. Related party non-current assets of N$34.5 million relates to an advance made to DHN Drinks (Proprietary) Limited by Namibia Breweries Limited.

Inventories increased by N$107.2 million to N$312.9 million. The increase includes an increase in inventories of Namibia Breweries Limited of N$67.2 million as well as an increase of N$25.5 million in Kraatz Marine (Proprietary) Limited mainly relating to work-in-progress on the LCT project.

Related party current assets have increased by N$78.6 million to N$234.6 million. Included in related party current assets in the current year is N$178.8 million owed by DHN Drinks (Proprietary) Limited and N$55.2 million owed by OLIFA Hotels and Resorts Namibia (Proprietary) Limited.

Total Interest-bearing borrowings have increased by N$105.4 million to N$707.9 million which can be attributed to the investments made in Property, plant and equipment. Short-term borrowings have increased by N$126.4 million. This can be attributed to debentures of N$39 million and the Pointbreak Financial Trading (Proprietary) Limited loan of N$24.1 million being classified as current in this financial year. There is also a corresponding investment which is now classified as current assets from non-current assets. These balances relate to a debtors securitisation transaction of Hangana Seafood (Proprietary) Limited and Namibia Dairies (Proprietary) Limited which terminates in December 2009. Short-term borrowings also include N$38.2 million spent on the sorting and grading facility and the IFO fuel project in Hangana Seafood (Proprietary) Limited, which will be converted to long-term debt once these projects are completed.

Deferred income mainly relates to prepaid operating lease income received for the brands from the DHN Drinks joint venture transaction, which is amortised over 25 years to the income statement.

Provisions included under non-current liabilities include the new severance pay provision of N$17.0 milllion as well as a post-retirement medical aid liability. The non-current related party payable balance consists of the N$188.3 million payable representing the fair value of the distribution rights on Namibia Breweries Limited's products, if the DHN Drinks (Proprietary) Limited joint venture is terminated and a N$44.8 million loan from Development Bank of Namibia for the Superfarm.

The provision classified as current liability mainly relates to a provision for losses on the LCT Project of N$28.4 million. The LCT Project will be completed in the 2010 financial year.

CASH FLOW

Cashflow from operating activities increased from N$188.0 million to N$251.3 million as a result of improved operating profits. Operating profit in the current year also includes a number of non cash flow losses such as the increase in provisions and the loss on derivatives.

Net cash spend on investing activities increased from N$99.0 million to N$314.0 million. The increase is mainly due to the investments in Property, Plant and Equipment of N$301.8 million (2008: N$166.3 million).

Net cash outflow from financing activities amounted to N$12.0 million (2008: N$85.2 million). The reduction in long and medium term financing is in line with the previous year, but proceeds from new long and medium-term financing as well as short-term borrowings increased due to increased capital expenditure.

Cash and cash equivalents amounted to N$119.4 million (2008: N$194.0 million) of which N$67.2 million (2008: N$153.4 million) related to Namibia Breweries Limited.

DIVIDENDS

The Company declared a dividend of 68c (2008: 68c) per share on 30 June 2009. Although the Group's results and financial position have improved significantly over the past three years, the Group still has limited free cash flow.

G. Hanke

Günther Hanke
Group Financial Director


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SUPERFARM

Balance Sheets at 30 June 2009

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		Note	GROUP 2009 N$ '000	GROUP 2008 N$ '000
		ASSETS			
		Non-current assets			
-	-	Property, plant and equipment	2	1 524 201	1 212 075
-	-	Investment property	3	230 144	284 794
-	-	Biological assets	4	32 021	23 319
-	-	Trade and other receivables	14	27 292	27 986
-	-	Intangible assets	5	11 721	17 670
631 434	595 939	Interest in subsidiaries	6	-	-
61	-	Investment in associates	7	4 027	2 958
-	-	Investment in joint ventures	8	449 022	463 465
20 209	-	Investments and loans	9	507	20 727
-	-	Derivative financial instruments	10	-	9 724
-	-	Deferred taxation	11	64 670	87 468
-	38	Related parties	12	34 521	-
651 704	595 977			2 378 126	2 150 186
		Current assets			
-	-	Inventories	13	312 942	205 726
-	-	Biological assets	4	50	50
204	162	Trade and other receivables	14	298 111	295 201
-	-	Assets classified as held for sale	15	4 505	14 153
9 924	-	Derivative financial instruments	10	1 780	17 109
-	24 082	Investments and loans	9	24 082	-
-	-	Taxation		45	20
-	-	Bank balances and cash	14	119 339	194 044
-	-	Related parties	12	234 649	156 082
10 128	24 244			995 503	882 385
661 832	620 221	**Total assets**		3 373 629	3 032 571
		EQUITY AND LIABILITIES			
		Capital and reserves			
2 747	2 747	Issued capital	17	2 747	2 747
645	645	Share premium	17	645	645
-	-	Non-distributable reserves	18	218 467	198 535
603 861	605 461	Retained earnings		545 268	512 025
607 253	608 853	**Ordinary shareholders' equity**		767 127	713 952
-	-	Minority interest in subsidiaries		501 246	440 511
607 253	608 853	**Total shareholders' funds**		1 268 373	1 154 463
		Non-current liabilities			
3 635	2 843	Interest-bearing borrowings	19	423 245	444 223
-	-	Deferred taxation	11	280 069	252 037
-	-	Deferred income	21	256 292	250 034
-	-	Provisions	20	30 963	12 266
-	-	Related parties	12	232 047	232 754
3 635	2 843			1 222 616	1 191 314
		Current liabilities			
4 842	5 196	Trade and other payables	22	511 331	464 190
2 051	3 322	Short-term borrowings	23	284 618	158 223
-	-	Derivative financial instruments	10	29 641	3 531
-	-	Taxation		7 944	11 499
400	-	Provisions	20	29 387	1 366
-	-	Liabilities directly associated with assets classified as held for sale	15	51	189
43 651	7	Related parties	12	19 668	47 796
50 944	8 525			882 640	686 794
661 832	620 221	**Total equity and liabilities**		3 373 629	3 032 571

Income Statements for the year ended 30 June 2009

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		Notes	GROUP 2009 N$ '000	GROUP 2008 N$ '000
22 243	17 255	**Revenue**	24	3 119 358	2 639 004
67 528	(5 410)	Other gains and losses	25	(14 204)	39 848
(3 941)	(4 127)	Operating expenses	26	(2 761 906)	(2 363 142)
85 830	7 718	**Operating profit**	28	343 248	315 710
-	-	Share of profits in associate	30	2 600	1 856
-	-	Share of losses in joint ventures	30	(41 567)	(6 293)
(9 807)	(6 742)	Finance costs	29	(82 255)	(100 823)
4 108	4 359	Income from investments	31	23 315	37 948
80 131	5 335	**Profit before taxation**		245 341	248 398
-	-	Taxation	32	93 563	71 996
80 131	5 335	**Profit for the year**		151 778	176 402
		Attributable to:			
80 131	5 335	Equity holders of the parent		33 931	76 917
-	-	Minority interest		117 847	99 485
80 131	5 335			151 778	176 402

Statements of Changes in Equity for the year ended 30 June 2009

N$ '000	Notes	Share capital	Share premium	Non-distributable reserves	Retained earnings	Ordinary shareholders' interest	Minority interest	Total Equity
GROUP								
Balance at 1 July 2007		2 747	645	123 202	413 667	540 261	341 837	882 098
Net income recognised directly in equity		-	-	75 333	25 176	100 509	43 869	144 378
- revaluation of property, plant and equipment		-	-	111 123	-	111 123	61 736	172 859
- deferred taxation liability arising on revaluation of properties	18	-	-	(20 012)	-	(20 012)	(18 075)	(38 087)
- deferred taxation released on disposal of properties		-	-	8 572	-	8 572	-	8 572
- realised surplus on disposal of freehold land and buildings		-	-	(25 038)	25 038	-	-	-
- release from non-distributable reserves		-	-	(138)	138	-	-	-
- cash flow hedge accounting		-	-	(356)	-	(356)	-	(356)
- exchange differences arising on translation of foreign operations		-	-	1 182	-	1 182	208	1 390
- profit for the year		-	-	-	76 917	76 917	99 485	176 402
- dividends paid					(3 735)	(3 735)	(47 275)	(51 010)
- acquisition of additional shares in subsidiary		-	-	-	-	-	2 614	2 614
- shares forfeited by employees to NBL Share Purchase Trust		-	-	-	-	-	(19)	(19)
Balance at 30 June 2008		2 747	645	198 535	512 025	713 952	440 511	1 154 463
Net income recognised directly in equity		-	-	19 932	3 047	22 979	247	23 226
- revaluation of property, plant and equipment		-	-	30 498	-	30 498	520	31 018
- deferred taxation liability arising on revaluation of properties	18	-	-	(6 373)	-	(6 373)	-	(6 373)
- deferred taxation released on disposal of properties		-	-	400	-	400	-	400
- realised surplus on disposal of freehold land and buildings		-	-	(3 047)	3 047	-	-	-
- exchange differences arising on translation of foreign operations		-	-	(1 546)	-	(1 546)	(273)	(1 819)
- profit for the year		-	-	-	33 931	33 931	117 847	151 778
- dividends paid					(3 735)	(3 735)	(57 323)	(61 058)
- shares forfeited by employee to NBL Share Purchase Trust		-	-	-	-	-	(36)	(36)
Balance at 30 June 2009		2 747	645	218 467	545 268	767 127	501 246	1 268 373
COMPANY								
Balance at 1 July 2007		2 747	645	45 818	481 647	530 857	-	530 857
- profit for the year		-	-	-	80 131	80 131	-	80 131
- transfer to retained earnings		-	-	(45 818)	45 818	-	-	-
- dividends paid		-	-	-	(3 735)	(3 735)	-	(3 735)
Balance at 30 June 2008		2 747	645	-	603 861	607 253	-	607 253
- profit for the year		-	-	-	5 335	5 335	-	5 335
- dividends paid		-	-	-	(3 735)	(3 735)	-	(3 735)
Balance at 30 June 2009		2 747	645	-	605 461	608 853	-	608 853

Cash Flow Statements for the year ended 30 June 2009

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		Notes	GROUP 2009 N$ '000	GROUP 2008 N$ '000
11 404	2 125	**CASH FLOW FROM OPERATING ACTIVITIES**		251 287	188 034
953	1 643	Cash receipts from customers		3 120 063	2 596 222
(1 866)	(5 206)	Cash paid to suppliers and employees		(2 685 389)	(2 243 768)
(913)	(3 563)	Cash generated / (utilised) by operations	35.1	434 674	352 454
860	486	Interest received	35.2	13 305	15 628
21 264	15 654	Dividend income		7	11
(9 807)	(6 742)	Finance costs	35.3	(62 648)	(70 389)
-	-	Preference share dividends paid	35.4	(20 732)	(13 278)
11 404	5 835	Cash generated by operations		364 606	284 426
-	(3 710)	Dividends paid	35.5	(61 033)	(47 274)
-	-	Taxation paid	35.6	(52 286)	(49 118)
444	(6)	**CASH FLOW FROM INVESTING ACTIVITIES**		(314 018)	(99 001)
-	-	Acquisition of investments		-	(8 255)
-	-	Equity injection into joint venture		(27 124)	-
(3)	(6)	Acquisition of additional shares in subsidiaries		(6)	(3)
447	-	Investment in associates		-	-
-	-	Acquisition of intangible assets		(2 112)	(6 429)
-	-	Acquisition of investment property		(433)	(5 820)
-	-	Acquisition of property, plant and equipment		(301 770)	(166 253)
-	-	- replacement capital expenditure		(62 090)	(33 717)
-	-	- expansion capital expenditure		(239 680)	(132 536)
-	-	Proceeds on available for sale assets		10 032	62 219
-	-	Proceeds on disposal of subsidiaries	35.7	-	314
-	-	Proceeds on disposal of property, plant and equipment		7 395	24 259
-	-	Proceeds on disposal of investment property		-	967
(11 848)	(2 119)	**CASH FLOW FROM FINANCING ACTIVITIES**		(11 974)	(85 190)
-	-	Proceeds from long- and medium-term financing		152 647	106 182
(6 596)	(1 019)	Reduction in long- and medium-term financing		(114 742)	(111 691)
(23 345)	(33 759)	Changes in related party balances		(118 378)	(71 088)
38 019	31 161	Increase in loans to holding company, fellow subsidiaries and associate		-	-
(19 926)	1 498	Increase / (decrease) in short-term borrowings		68 499	(8 593)
-	-	**Net (decrease) / increase in cash and cash equivalents**		(74 705)	3 843
-	-	Cash and cash equivalents at beginning of the year		194 044	190 201
-	-	**CASH AND CASH EQUIVALENTS AT END OF THE YEAR**	35.8	119 339	194 044

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

It is important to note that this financial information has been prepared in accordance with IFRS that are effective at 30 June 2009. Standards and Interpretations that are not yet effective and will be adopted in future years are listed in Annexure D.

The Directors and management have not yet assessed the implications of these Standards and Interpretations. The amendments relating to IAS 1, Presentation of Financial Statements, which will be effective in the following financial year, will cause significant changes in disclosure.

The financial statements are presented in Namibia Dollar (N$) and are rounded to the nearest thousand. They are prepared on the historical cost basis, modified for the fair value treatment of financial instruments, biological assets, investment property and property, plant and equipment.

Non-current assets or disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and have been applied consistently to all periods and by all Group entities presented in these financial statements.

1.2 BASIS OF CONSOLIDATION

1.2.1 SUBSIDIARY UNDERTAKINGS AND SPECIAL PURPOSE ENTITIES

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company and its subsidiaries. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

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

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale, which are recognised and measured at fair value less costs to sell.

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

On disposal of a subsidiary the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

All significant inter-company transactions, balances and unrealised surpluses and deficits on transactions between Group companies are eliminated on consolidation. Unrealised losses are not eliminated to the extent that they provide objective evidence of impairment.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

The interest of minority shareholders in the acquiree is initially measured at the minority's portion of the net fair value of the assets, liabilities and contingent liabilities recognised. Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

1.2.2 INVESTMENT IN ASSOCIATES

An associate is an entity, including an unincorporated entity such as a partnership, over which the Group has the ability to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee (that is neither a subsidiary nor an investment in a joint venture).

The results and assets and liabilities of the associates are incorporated in the Group's financial statements using the equity method of accounting from the acquisition date to the disposal date. The carrying amount of such investments is reduced to recognise any impairment in the value of individual investments. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil, inclusive of any debt outstanding, and recognition of further losses is discontinued, except to the extent that the Group has incurred or guaranteed obligations in respect of the associate.

Where an entity within the Group transacts with the associate of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

1.2.3 INVESTMENT IN JOINT VENTURES

A joint venture is a contractual arrangement 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.

Where a Group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers is recognised in the financial statements of the relevant entity and classified according to its nature. Liabilities and expenses incurred directly in respect of interest in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably. Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using the equity accounting method, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. 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 (see 1.3 below).

Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

1.2.4 INTERESTS IN SUBSIDIARIES

Subsidiaries are those entities where control is achieved through a Company having the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

The Company's interest in subsidiaries is reflected at cost less impairments.

Inter-company transactions and balances between Group entities are eliminated on consolidation.

1.3 GOODWILL

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination or cash-generating unit (CGU) over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Subsequently, goodwill is measured at cost less accumulated impairment losses.

Each business combination or CGU containing goodwill is annually tested for impairment. An impairment loss is recognised immediately whenever the carrying amount exceeds its recoverable amount. Impairment losses relating to goodwill are not reversed.

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.

1.4 PROPERTY, PLANT AND EQUIPMENT

Land and buildings

Owner-occupied land and buildings are stated in the balance sheet at their revalued amounts, being the fair value on the basis of their existing use at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Professional external revaluations are performed at regular intervals such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on the revaluation of land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred to accumulated profits.

Buildings are depreciated over their useful lives (2-12%) to the residual value. Useful lives are assessed and revised on an annual basis. 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.

Properties in the course of construction

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 losses 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.

Other property, plant and equipment

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

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

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

The depreciation rates per categories are:

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%

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.

Returnable containers are accounted for at deposit value. The cost of replacement is written off as incurred. When a new type of container is introduced, the difference between cost and deposit value is amortised over the estimated useful life of the container.

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.

1.5 INVESTMENT PROPERTY

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in net profit or loss for the year in which they arise.

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.

1.6 IMPAIRMENT OF ASSETS

At each balance sheet date, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in the prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other Standard.

1.7 INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance. It includes patents, trade-marks, capitalised development costs and certain costs of purchase and installation of major information systems (including packaged software).

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. If assessed as having an indefinite useful life, the intangible asset is not amortised but tested for impairment annually and impaired if necessary. If assessed as having a finite useful life, it is amortised over their useful lives (generally three to seven years) using a straight-line basis and tested for impairment if there is an indication that they may be impaired.

Research costs are recognised in profit or loss when incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products or processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development. The expenditure capitalised includes the cost of material, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

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 is charged to the income statement on a straight line basis over the estimated useful lives of the intangible assets. Amortisation commences when the project generating the intangible asset has been completed.

1.8 INVENTORIES

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or rendering of services.

Inventories are stated at the lower of cost and net realisable values. 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.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

1.9 BIOLOGICAL ASSETS

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

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

Biological assets are measured on initial recognition and at each balance sheet date 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 using the market prices for similar assets in the active market normally utilised by the Group, less estimated point-of-sale costs.

The fair value of milk and agronomy is determined based on the market price of similar items in the local area at the time of milking and harvesting.

The fair value of the lucerne fields is determined using the discounted cash flow method as at the balance sheet date.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale cost of biological assets are included in net profit or loss for the year in which they arise.

1.10 PROVISIONS

Provisions represent liabilities of uncertain timing or amount.

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money.

1.11 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise of cash on hand, funds on call and short-term deposits.

1.12 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset 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 classified as held for sale are measured at the lower of the assets' previous carrying amount and the fair value less costs to sell.

1.13 REVENUE RECOGNITION

Revenue represents the gross inflow of economic benefits during the period arising in the course of the ordinary activities when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Included in revenue are net invoiced sales to customers for goods and services, rentals from leasing fixed and movable property and commissions. Revenue is measured at the amount received or receivable. Inter-group transactions, cash discounts, rebates, VAT and other indirect taxes are excluded from revenue.

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred, when delivery has been made and title has passed, when the amount of revenue and the related costs can be reliably measured.

Revenue from services is recognised when the service is rendered.

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.

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

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

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

1.14 CONSTRUCTION CONTRACTS

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

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

1.15 INVESTMENT INCOME

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

1.16 LEASING

Leases are classified as finance leases or operating leases at the inception of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant yearly rate of interest on the remaining balance of the obligations for each accounting period.

Rentals payable or receivable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. 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.

1.17 FOREIGN CURRENCIES

Transactions in currencies other than the Group's reporting currency are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates ruling on the balance sheet date.

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 balance sheet date.

Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded are recognised as income or expenses in the year in which they arise.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts and options (see below 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 (including comparatives) are expressed in Namibia Dollar using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) 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 classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

1.18 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the costs of those assets.

All other borrowing costs are dealt with in income in the year in which they are incurred.

1.19 POST-EMPLOYMENT BENEFIT COSTS

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 administered fund. The contribution paid by the companies in the Group to fund obligations for the payment of retirement benefits is charged against income 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 Group companies are entitled to certain post-retirement medical benefits. The Group's obligation for post-retirement medical aid benefits to past and current 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 each balance sheet date. The movement has been expensed in the income statement.

Severance pay

In accordance with the Namibian 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 each balance sheet date. The full provision has been raised in the current year and therefore expensed in the income statement.

1.20 TAXATION
1.20.1 CURRENT TAXATION

The charge for current tax is the amount of income taxes payable in respect of the taxable profit for the current year. It is calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date.

1.20.2 DEFERRED TAXATION

Deferred tax is recognised using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction, which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

1.21 FINANCIAL INSTRUMENTS
1.21.1 INITIAL RECOGNITION AND MEASUREMENT

All financial instruments, including derivative instruments, are recognised on the balance sheet. Financial instruments are initially recognised when the Group becomes party to the contractual terms of the instruments and are measured at cost, which is the fair value of the consideration given (financial asset) or received (financial liability or equity instrument) for it. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement on initial recognition. Subsequent to initial recognition these instruments are measured as set out below.

1.21.2 FAIR VALUE METHODS AND ASSUMPTIONS

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

The fair value of financial instruments not traded in an organised financial market is determined using a variety of methods and assumptions that are based on market conditions and risks existing at balance sheet 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.

1.21.3 DERECOGNITION OF ASSETS AND LIABILITIES

Financial assets (or a portion thereof) are de-recognised when the Group realises the rights to the benefits specified in the contract, the rights expire or the company 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 the income statement.

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 the income statement.

1.21.4 EFFECTIVE INTEREST RATE METHOD

The effective interest rate method is a method of calculating the amortised cost of a financial liability or asset and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or asset, or, where appropriate, a shorter period.

1.21.5 FINANCIAL ASSETS

Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss'(FVTPL), 'held to maturity investments', 'available for sale'(AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's and the Group's principal financial assets are Group-Company loans, investments and loans, trade and other receivables and bank and cash balances:

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL. Financial assets as 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 dividend or interest earned on the financial asset.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest rate method less impairment, with revenue recognised on an effective yield basis.

Available-for-sale financial assets

Unlisted shares held by the Group, whose fair value cannot be reliably determined are classified as being AFS and are stated at cost. These assets are assessed for indicators of impairment at each balance sheet 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 and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest rate method less any impairment.

Interest income is recognised by applying the effective interest rate except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Trade and other receivables originated by the Group are stated at their cost less a provision for impairment. An estimate of impairment is made based on a review of all outstanding amounts at balance sheet date, and posted against a provision account. When the trade receivable is uncollectible, it is written off against the provision account. Bad debts are written off during the period in which they are identified.

Bank and cash balances

Bank and cash balances represent funds on call and short-term deposits all of which are available to the Group unless otherwise stated.

1.21.6 CLASSIFICATION OF DEBT OR EQUITY

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contract arrangement.

1.21.7 FINANCIAL LIABILITIES

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

The Group's principal financial liabilities are interest-bearing debt, non-interest-bearing debt, preference shares, trade and other payables, bank overdrafts and other short-term borrowings:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

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

Financial liabilities at FVTPL are stated 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.

Interest-bearing debt

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

Non-interest-bearing debt

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

Trade and other payables

Trade and other payables are stated at cost.

Preference shares

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.

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.

Bank overdrafts and other short-term borrowings

Interest-bearing bank overdrafts and other short-term borrowings are recorded at the proceeds received, net of direct issue costs.

1.21.8 EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

1.21.9 DERIVATIVE FINANCIAL INSTRUMENTS

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 cost 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.

Hedge accounting

The Group designates certain hedging instruments, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 10 sets out the details of the fair values of the derivative instruments used for hedging purposes. Movements in the hedging reserve in equity are also detailed in note 18.

1.21.9.1 FAIR VALUE HEDGES

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

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

1.21.9.2 CASH FLOW HEDGES

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the "other gains and losses" line of the income statement.

Amounts deferred in equity are recycled to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the income statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred inequity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

1.22 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to take effect of changes in presentation in the current year. Details of comparative figures that have been reclassified are stated in Note 33.

1.23 KEY ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

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 buildings

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

1.24 JUDGEMENTS MADE BY MANAGEMENT

Preparing financial statements in conformity with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from these estimates.

Certain accounting policies have been identified as involving particularly complex or subjective judgements or assessments as follows:

• Deferred taxation assets

Deferred tax assets are recognised to the extent it is probable that taxable income will be available in future against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation, tax rates and competitive forces.

• 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.

• Valuation of financial instruments

The valuation of derivative financial instruments is based on the market situation at balance sheet 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 balance sheet date.

• Kraatz Marine (Proprietary) Limited: Large Cherenkov Telescope (LCT) project

There is a possible late penalty claim against the Company. The Company also has a potential claim against the customer due to certain information and drawings not being provided timeously. If the late penalty claim is successful it should be compensated by the claim against the customer. The claim is therefore disclosed as a contingent liability.

One of the subcontractors instituted a claim against Kraatz Marine (Proprietary) Limited based on the additional costs incurred by the subcontractor due to the delay in the project. The claim is fully provided for in the financial statements.

A provision for losses was raised on the LCT project as the estimated costs to finalise the project exceed the projected revenues. Judgement was required in assessing the estimated costs.

• Fair value of derivatives and other financial instruments

As described in Note 41, 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 41.

The maturities of variable interest rate instruments as disclosed in the liquidity and interest risk tables in Note 41.4.1 are determined based on the projected interest rates illustrated by the respective yield curves at the reporting date.

2. PROPERTY, PLANT AND EQUIPMENT

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		At valuation or cost		
-	-	Freehold land and buildings	842 693	732 942
-	-	Leasehold land and buildings	7 100	7 563
-	-	Plant and machinery	658 245	551 209
-	-	Vehicles	102 443	94 919
-	-	Furniture and equipment	148 411	144 491
-	-	Containers	11 919	8 798
-	-	Fishing vessels	145 449	101 980
-	-	Work in progress	69 811	9 449
-	-		1 986 071	1 651 351
		Depreciation and amounts written off		
-	-	Freehold land and buildings	1 307	955
-	-	Leasehold land and buildings	3 144	2 657
-	-	Plant and machinery	270 347	251 980
-	-	Vehicles	49 743	54 011
-	-	Furniture and equipment	91 201	85 506
-	-	Fishing vessels	46 128	44 167
-	-		461 870	439 276
		Net carrying value		
-	-	Freehold land and buildings	841 386	731 987
-	-	Leasehold land and buildings	3 956	4 906
-	-	Plant and machinery	387 898	299 229
-	-	Vehicles	52 700	40 908
-	-	Furniture and equipment	57 210	58 985
-	-	Containers	11 919	8 798
-	-	Fishing vessels	99 321	57 813
-	-	Work in progress	69 811	9 449
-	-		1 524 201	1 212 075
		The following assets held under mortgage bonds, finance leases and instalment sale agreements are included in property, plant and equipment above:		
		At valuation or cost		
-	-	Land and buildings	588 318	525 054
-	-	Plant and machinery	82 587	60 261
-	-	Vehicles	51 368	42 921
-	-	Furniture and equipment	35 780	26 787
-	-	Fishing vessels	135 932	41 944
-	-		893 985	696 967
		Depreciation and amounts written off		
-	-	Land and buildings	63	15
-	-	Plant and machinery	25 903	24 115
-	-	Vehicles	17 000	19 297
-	-	Furniture and equipment	7 439	1 973
-	-	Fishing vessels	39 526	2 284
-	-		89 931	47 684
		Net carrying value		
-	-	Land and buildings	588 255	525 039
-	-	Plant and machinery	56 684	36 146
-	-	Vehicles	34 368	23 624
-	-	Furniture and equipment	28 341	24 814
-	-	Fishing vessels	96 406	39 660
-	-		804 054	649 283

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000

2. PROPERTY, PLANT AND EQUIPMENT [continued]

Freehold land and buildings were revalued during 2008 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.

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.

Certain fixed assets are encumbered to secure borrowings as detailed in Note 38.

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

Movement of property, plant and equipment has been detailed in Annexure B.

Capitalised borrowing costs of N$3.64 million (2008: N$1.36 million) are included above.

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

3. INVESTMENT PROPERTY

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Fair value		
-	-	At the beginning of the year	284 794	276 394
		Additions		
-	-	- acquisitions	433	4 801
-	-	- subsequent expenditure	-	1 019
-	-	Disposals	-	(17 857)
-	-	Transferred to property, plant and equipment	(63 824)	-
		Reclassified as assets held for sale		
-	-	- current year held for sale	-	(2 052)
-	-	- reversal of prior year's held for sale	-	6 000
-	-	Increase in fair value during the year	8 741	16 489
-	-	At the end of the year	230 144	284 794
-	-	The value of freehold land under mortgage amounts to:	225 944	280 593

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

			GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Valuation obtained from independent sworn appraisers	8 234	16 645
		Recognised lease obligations	507	(156)
		Fair value adjustment during the year	8 741	16 489

Independent valuations were obtained from sworn appraisers at 30 June 2009. The valuations were arrived at by reference to market evidence of transaction prices for similar properties or on a discounted cash flow basis.

Capitalisation rates of 10.00% - 10.50% (2008: 9.50% - 15.00%) and discount rates of 15.50% - 16.50% (2008: 15.00% - 16.50%) were used.

The property rental income earned by the Group from its investment property, all of which is leased out under operating leases, amounted to N$27.192 million (2008: N$33.872 million) Direct operating expenses arising on the investment property for the year amounted to N$4.452 million (2008: N$9.313 million).

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000

3. INVESTMENT PROPERTY [continued]

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

4. BIOLOGICAL ASSETS

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
-	-	Agronomy	8 740	5 276
-	-	Livestock	23 331	18 093
-	-		32 071	23 369
		Analysed as:		
-	-	Current assets	50	50
-	-	Non-current assets	32 021	23 319
-	-		32 071	23 369
		Reconciliation of lucerne fields carrying amounts:		
		Carrying amount at the beginning of the year	5 276	1 264
		Gain arising from changes in fair value less estimated point-of-sale costs attributable to price changes	3 464	4 012
		Carrying amount at the end of the year	8 740	5 276

The value of the lucerne fields was determined internally in 2009 using the discounted cash flow method. The main assumptions were:

Disount rate 11.50% p.a (2008: 15.30% p.a.)

Inflation rate 8.00% p.a. (2008: 8.00% p.a.)

Reconciliation of livestock carrying amounts

	Cattle N$ '000	Horses N$ '000	Total N$ '000
Carrying amount at 1 July 2008	18 043	50	18 093
Increase due to purchases	5 592	-	5 592
Loss arising from changes in fair value less estimated point-of-sale costs attributable to price changes	(10)	-	(10)
Gain arising from changes in fair value less estimated point-of-sale costs attributable to growth	2 690	-	2 690
Decrease due to sales and death	(3 034)	-	(3 034)
Carrying amount at 30 June 2009	23 281	50	23 331

The livestock consisted of the following:	2009	2008
Milk cows	2 448	2 194
Beef cattle	-	11
Horses	1	1

Certain game was sold to OLIFA Hotels & Resorts Namibia (Proprietary) Limited, a related party, during the prior year.

5. INTANGIBLE ASSETS

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		At cost		
-	-	SAP 4.7 Upgrade	6 698	5 246
-	-	Business process re-engineering	2 255	28 882
-	-	Brand equity	7 971	7 971
-	-	Goodwill	4 711	4 711
-	-	Licences	1 259	600
-	-	Software and other development costs of Super Farm	-	2 211
-	-		22 894	49 621
		Depreciation, amortisation and amounts written off		
-	-	SAP 4.7 Upgrade	1 621	200
-	-	Business process re-engineering	1 235	23 541
-	-	Brand equity	7 971	7 966
-	-	Licences	346	244
-	-		11 173	31 951
		Net carrying value		
-	-	SAP 4.7 Upgrade	5 077	5 046
-	-	Business process re-engineering	1 020	5 341
-	-	Brand equity	-	5
-	-	Goodwill	4 711	4 711
-	-	Licences	913	356
-	-	Software and other development costs of Super Farm	-	2 211
-	-		11 721	17 670
		Movement of intangible assets		
-	-	Net book value at beginning of the year	17 670	23 157
-	-	Addition due to SAP 4.7 Upgrade	1 452	5 246
-	-	Goodwill on additional shares purchased in subsidiary	6	1 676
-	-	Other additions	660	1 183
-	-	Transfer to property, plant and equipment	(2 211)	-
-	-	Impairment	(7)	(1 776)
-	-	Amortisation	(5 849)	(11 816)
-	-	Net book value at the end of the year	11 721	17 670

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 the Income Statement are shown in Note 26. Goodwill is assessed for impairment annually.

6. INTEREST IN SUBSIDIARIES [see Annexure C]

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP restated 2008 N$ '000
90 424	91 695	Shares at cost		
776 662	749 954	Indebtedness to the Company		
867 086	841 649			
(210 447)	(216 052)	Impairment of interest/provision for losses		
656 639	625 597			
(25 205)	(29 658)	Indebtedness by the Company		
631 434	595 939			
		Aggregate profits/losses of subsidiaries:		
209 114	212 820	Aggregate profits		
(18 803)	(25 607)	Aggregate losses		

7. INVESTMENT IN ASSOCIATES [see Annexure C]

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP restated 2008 N$ '000
61	-	Investment in associates	4 027	2 958
-	-	Income from associates	2 600	1 856
2	-	Cost of investment	135	137
-	-	Share of associates' reserves	3 892	2 762
-	-	Beginning of the year	2 762	(906)
-	-	Dividends received	(1 470)	-
-	-	Profit for the year	2 600	1 856
2	-	Carrying value excluding amounts owing	4 027	2 899
59	-	Loans and advances to associates	-	59
61	-	Carrying value including amounts owing	4 027	2 958
61	-	Directors' valuation of unlisted associates	4 027	2 958
		Summarised financial information of associates		
552	-	Total assets	33 039	27 519
893	-	Net assets	9 646	11 673
298	-	Group's share of associates' net assets	4 727	5 703
393	-	Profit for the year	5 306	3 912

8. INVESTMENT IN JOINT VENTURES [see Annexure C]

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP restated 2008 N$ '000
-	-	Investment in joint ventures	449 022	463 465
-	-	Losses from joint ventures	(41 567)	(6 293)
-	-	Cost of investment	496 882	469 758
-	-	Beginning of the year	469 758	3
-	-	Acquisition of investment	-	469 849
-	-	Equity injection into joint venture	27 124	-
-	-	Losses incurred whilst subsidiary	-	(94)
-	-	Share of joint venture reserves	(47 860)	(6 293)
-	-	Beginning of the year	(6 293)	(6 293)
-	-	Loss for the year	(41 567)	-
-	-	Carrying value excluding amounts owing	449 022	463 465
-	-	Loans and advances to joint venture	-	-
-	-	Carrying value including amounts owing	449 022	463 465
-	-	Directors' valuation of unlisted joint venture companies	449 022	463 465

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP restated 2008 N$ '000
		8. INVESTMENT IN JOINT VENTURES [continue] [see Annexure C]		
		Summarised financial information of joint ventures		
-	-	Current assets	850 904	714 559
-	-	Non-current assets	347 477	101 054
-	-	Total assets	1 198 381	815 613
-	-	Current liabilities	830 252	770 586
-	-	Non-current liabilities	362 582	33 181
-	-	Total liabilities	1 192 834	803 767
-	-	Group's share of joint ventures' net assets	(3 229)	1 872
		Commitments		
-	-	Future capital expenditure	3 248	74 722
-	-	Group's share of commitments	1 624	17 909
-	-	Revenue	2 892 356	338 060
-	-	Total expenses	(3 230 021)	(394 560)
-	-	Taxation	108 166	16 020
-	-	Loss for the year	(229 499)	(40 480)
		9. INVESTMENTS AND LOANS		
		Interest-bearing loans		
20 209	24 082	Pointbreak Investments (Proprietary) Limited	24 082	20 209
-	-	L Heydenrich	493	504
20 209	24 082		24 575	20 713
		Available-for-sale financial assets		
-	-	Unlisted investments	14	14
		There were no impairment provisions against available-for-sale financial assets in 2009 or 2008.		
		Analysed as:		
20 209	-	Non-current assets	507	20 727
-	24 082	Current assets	24 082	-
20 209	24 082		24 589	20 727
20 209	24 082	Directors' valuation of investments	24 589	20 727

The loan to Pointbreak Investments (Proprietary) Limited bears interest at 21.81% (2008: 24.52%).

The loan to Heydenrich bears interest at 0% (2008: 15.5%). The Group holds a right of execution over the Farm Leeudrink, No 940. The fair value of the farm equals the carrying amount of the loan.

10. DERIVATIVE FINANCIAL INSTRUMENTS

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Assets		
		Fair value through profit or loss - held for trading		
-	-	Interest rate collar	-	13 704
-	-	Interest rate swaps	-	3 205
9 924	-	Foreign exchange options	1 780	9 924
9 924	-		1 780	26 833
		Analysed as:		
-	-	Non-current assets	-	9 724
9 924	-	Current assets	1 780	17 109
9 924	-		1 780	26 833
		Liabilities		
		Fair value through profit or loss - held for trading		
-	-	Interest rate collar	1 993	-
-	-	Interest rate swaps	1 034	-
-	-	Foreign exchange forward contracts	26 556	2 945
-	-	Foreign exchange options	58	586
-	-		29 641	3 531
		Analysed as:		
-	-	Current liabilities	29 641	3 531

(a) Foreign exchange forward contracts

The fair value of foreign exchange forward 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 2009 '000	Foreign amount 2008 '000	Average rate 2009	Average rate 2008	Namibia Dollar amount 2009 N$ '000	Namibia Dollar amount 2008 N$ '000
Bought						
Euros	18 147	6 187	12.71	12.29	230 583	76 044

(b) Foreign exchange options

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

The foreign exchange options were valued by Rand Merchant Bank at 30 June 2009.

The Group issued and took out options to and from the bank to sell Euros for a minimum of N$8.06 and a maximum of N$14.03 as a hedge against exchange losses on future sales.

10. DERIVATIVE FINANCIAL INSTRUMENTS [continued]

(b) Foreign exchange options [continued]

GROUP

At 30 June 2009:

The options consist of various put and call options with expiry dates ranging from 27 July 2009 until 29 December 2009 and can be summarised as follows:

Direction	Strategy	Currency	Amount in foreign currency '000	Strike rate	Value N$ '000
Buy	Put	Euro	250	11.26	115
Sell	Call	Euro	(250)	11.33	(21)
Buy	Put	Euro	250	13.42	627
Sell	Call	Euro	(250)	13.97	-
Buy	Put	Euro	250	13.43	614
Sell	Call	Euro	(250)	14.03	(1)
Buy	Put	Euro	250	11.27	127
Sell	Call	Euro	(250)	11.41	(43)
Buy	Put	Euro	250	11.28	137
Sell	Call	Euro	(250)	11.54	(59)
Buy	Put	Euro	250	11.41	168
Sell	Call	Euro	(250)	11.74	(66)
Buy	Put	Euro	250	11.42	173
Sell	Call	Euro	(250)	11.83	(77)
Buy	Put	Euro	250	11.43	174
Sell	Call	Euro	(250)	11.95	(88)
Buy	Put	Euro	264	8.06	63
Sell	Call	Euro	(264)	8.06	(113)
Buy	Put	Euro	167	8.06	70
Sell	Call	Euro	(167)	8.06	(78)
					1 723
				Assets	1 780
				Liabilities	(58)

At 30 June 2008:

The expiry dates of these options ranged between 28 July 2008 and 14 November 2008:

Direction	Strategy	Currency	Amount in foreign currency '000	Strike rate	Value N$ '000
Buy	Put	Euro	500	12.20	47
Sell	Call	Euro	(500)	12.35	(191)
Buy	Put	Euro	500	12.20	79
Sell	Call	Euro	(500)	12.49	(226)
Buy	Put	Euro	500	12.20	96
Sell	Call	Euro	(500)	12.64	(247)
Buy	Put	Euro	500	12.20	122
Sell	Call	Euro	(500)	12.80	(265)
Buy	Put	Euro	3 000	9.51	9 596
Sell	Call	Euro	(3 000)	9.51	(2)
Buy	Put	Euro	150	10.55	331
Sell	Call	Euro	(150)	10.55	(2)
					9 338
				Assets	9 924
				Liabilities	(586)

10. DERIVATIVE FINANCIAL INSTRUMENTS [continued]

(b) Foreign exchange options [continued]

COMPANY

At 30 June 2008:

The options consist of the following put and call options with expiry dates on 14 November 2008:

Direction	Strategy	Currency	Amount in foreign currency '000	Strike rate	Value N$ '000
Buy	Call	Euro	3 000	9.51	9 597
Sell	Put	Euro	(3000)	9.51	(2)
Buy	Call	Euro	150	10.55	331
Sell	Put	Euro	(150)	10.55	(2)
					9 924

(c) Interest rate collar

GROUP

The Group entered into a three-year zero premium stepped interest rate collar with a notional amount of N$300 million to reduce interest rate risk. The specific caps and floors are disclosed below:

At 30 June 2009:

Start	End	Notional N$ '000	Cap	Floor	Value N$ '000
29 May 2009	29 May 2010	300 000	10.00%	7.92%	1 993
					1 993

At 30 June 2008:

Start	End	Notional N$ '000	Cap	Floor	Value N$ '000
29 May 2008	29 May 2009	300 000	10.20%	8.46%	7 185
29 May 2009	29 May 2010	300 000	10.00%	7.92%	6 519
					13 704

(d) Interest rate swaps

GROUP

The interest rate swap is from variable to fixed and relates to a general cover of the Group's interest rate risk.

Maturities of derivatives

The following table details the Group's liquidity analysis for its derivative instruments. The liquidity analysis is determined based on the underlying instrument.

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		10. DERIVATIVE FINANCIAL INSTRUMENTS [continued]		
		Maturities of derivatives [continued]		
		Year one		
		Net settled		
-	-	Interest rate swaps	(1 034)	-
-	-	Interest rate collar	(1 993)	7 185
9 924	-	Foreign exchange options	1 722	9 338
-	-	Foreign exchange forward contracts	(26 556)	(2 945)
9 924	-		(27 861)	13 578
		Year two		
		Net settled		
-	-	Interest rate swaps	-	3 205
-	-	Interest rate collar	-	6 519
-	-		-	9 724
9 924	-	**Total**	(27 861)	23 302
		11. DEFERRED TAXATION		
		Analysis for financial reporting purposes		
-	-	Deferred tax liabilities	(280 069)	(252 037)
-	-	Deferred tax assets	64 670	87 468
-	-	Net position	(215 399)	(164 569)
		The movements for the year in the deferred tax position were as follows:		
-	-	Charge to income for the year	(44 857)	(37 387)
-	-	Charge to equity for the year	(5 973)	(29 515)
-	-	Total movements for the year	(50 830)	(66 902)
-	-	Balance at beginning of year	(164 569)	(97 667)
-	-	Balance at end of year	(215 399)	(164 569)
		Deferred taxation liability on temporary differences arises from:		
-	-	Fixed asset allowances	(278 474)	(255 278)
-	-	Debtors' allowances	1 252	2 420
-	-	Brand equity written off	868	977
-	-	Consumable stores	(35 682)	(24 441)
-	-	Tax losses	30 293	34 245
-	-	Other	1 674	(9 960)
-	-		(280 069)	(252 037)
		Deferred taxation asset on temporary differences arises from:		
-	-	Fixed asset allowances	(72 507)	(54 522)
-	-	Consumable stores	(2 831)	(2 441)
-	-	Tax losses	137 465	148 622
-	-	Other	2 543	(4 191)
-	-		64 670	87 468

12. RELATED PARTIES

During the year the Group, 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.

The following parties are included as related parties:

Heineken International BV, Diageo PLC, Diageo Heineken Namibia BV, Heineken (Proprietary) Limited, due to their significant influence on Namibia Breweries Limited; Dimension Data Namibia (Proprietary) Limited; Ohlthaver & List Employee Catastrophe Fund Trust; OLIFA Hotels & Resorts Namibia (Proprietary) Limited (Joint Venture), Diageo, Heineken, Nambrew Drinks (Proprietary) Limited (Joint Venture); IFA Hotels & Resorts Namibia (Proprietary) Limited (Joint Venture partner); Development Bank of Namibia (S Thieme, director) and AMW Roberts (Director). The Werner List Trust is the majority shareholder of List Trust Company (Proprietary) Limited, which is the holding company of Ohlthaver & List Finance and Trading Corporation Limited. The following persons, S Thieme, UM Stritter, P Grüttemeyer, G Hanke, TZM Hijarunguru, B Mukuahima and AMW Roberts, all directors, are shareholders of the Eight Namibian Investors (Proprietary) Limited.

The following persons are included as key management:

E Ender, P Grüttemeyer, G Hanke, T Z M Hijarunguru, C L List, H E List, E E C H Lorck, B Masche, B Mukuahima, A Mushimba, A M W Roberts, U M Stritter, S Thieme, D van Jaarsveld, H Müseler, H van der Westhuizen, H Froggatt.

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Non-current asset		
-	-	Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	34 483	-
-	38	List Trust Company (Proprietary) Limited	38	-
-	38		34 521	-
		Current assets		
-	-	The Werner List Trust	378	5 383
-	-	OLIFA Hotels & Resorts Namibia (Proprietary) Limited	55 196	52 484
-	-	Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	178 828	98 181
-	-	Ohlthaver & List Holdings (Proprietary) Limited	-	6
-	-	Dimension Data Namibia (Proprietary) Limited	209	28
-	-	Zambezi Queen (Proprietary) Limited	38	-
-	-		234 649	156 082
		Current liabilities		
-	-	AMW Roberts	483	1 200
40 438	-	Diageo Heineken Namibia BV	-	40 438
-	-	Dimension Data Namibia (Proprietary) Limited	2 771	1 425
-	-	Heineken (Proprietary) Limted	-	301
-	-	Hillside Investment and Development (Proprietary) Limited	-	2
3 206	-	List Trust Company (Proprietary) Limited	-	3 206
-	-	Parties to the joint venture-Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	14 929	-
-	-	Ohlthaver & List Employee Catastrophe Fund Trust	1 240	1 217
-	-	OLIFA Hotels & Resorts Namibia (Proprietary) Limited	238	-
7	7	The Eight Namibian Investors (Proprietary) Limited	7	7
43 651	7		19 668	47 796

12. RELATED PARTIES [continued]

The loan from Diageo Heineken Namibia BV bore interest at the 12 month Euro libor + 1.85%.

The loan with List Trust Company (Proprietary) Limited is unsecured, bears no interest and no repayment terms have been set.

The loan from Ohlthaver & List Employee Catastrophe Fund Trust bears interest at prime minus 2% and no repayment terms have been set.

The loan from the Eight Namibian Investors (Proprietary) Limited bears interest at prime rate.

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Non-current liabilities		
		At amortised cost		
-	-	Development Bank of Namibia	43 789	12 118
-	-	Parties to the joint venture - Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	-	45 302
-	-	AMW Roberts	-	366
-	-		43 789	57 786
		At fair value through profit or loss		
-	-	Parties to the joint venture - Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	188 258	174 968
-	-		232 047	232 754
		ANALYSIS OF REPAYMENTS		
		Repayable during the 12 months to:		
43 651	-	30 June 2009	-	47 795
-	7	30 June 2010	19 668	47 688
-	-	30 June 2011	4 428	2 020
-	-	30 June 2012	4 228	2 020
-	-	30 June 2013	4 670	2 020
-	-	30 June 2014 and payable thereafter	218 721	179 007
43 651	7		251 715	280 550
		ANALYSIS BY CURRENCY		
3 213	7	Namibia Dollar	63 457	19 541
-	-	SA Rand	188 258	220 571
40 348	-	Euro	-	40 438
43 651	7		251 715	280 550

The loan from AMW Roberts bears interest at prime less 3% and is repayable at N$100 000 per month. During the prior year, WUM Properties Limited purchased AMW Roberts' entire shareholding in Kilimanjaro Trading (Proprietary) Limited.

The loan from Development Bank of Namibia bears interest at prime less 2%. Repayment of the loan is over 6 years and repayment commences in 2010.

The N$45 million prior year balance from the parties to the joint venture - Diageo, Heineken, Nambrew Drinks (Proprietary) Limited is the purchase price of the associate and was payable on the 1st of July 2009.

The amount classified at fair value through profit or loss relates to the fair value of the distribution rights, which will expire at the end of the contract.

Ohlthaver & List Finance and Trading Corporation Limited sold its total shareholding in NBL Investment Holdings (Proprietary) Limited to one of the company's wholly-owned subsidiaries, Ohlthaver & List Beverage Company (Proprietary) Limited during the prior year.

12. RELATED PARTIES [continued]

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Revenue		
		Included in revenue is the following from related parties:		
-	-	Sales to Directors	169	352
-	-	OLIFA Hotels & Resorts Namibia (Proprietary) Limited	3 947	-
-	-	Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	845 595	98 181
		Proceeds on the sale of Farm Gocheganas		
-	-	U.M Stritter	7 800	-
		Proceeds on the sale of assets		
-	-	OLIFA Hotels & Resorts Namibia (Proprietary) Limited	-	68 154
		Dividends received		
138	-	Broll and List Property Management (Namibia) (Proprietary) Limited	-	-
1 844	1 470	ICT Holdings (Proprietary) Limited	-	-
101	125	Namibia Breweries Limited	-	-
-	1 489	Central Properties (Proprietary) Limited	-	-
14 697	12 570	Ohlthaver and List Beverage Company (Proprietary) Limited	-	-
-	-	Wernhil Park (Proprietary) Limited	-	-
		Insurance premiums received		
-	4	Broll and List Management (Namibia) (Proprietary) Limited	-	-
-	83	OLIFA Hotels & Resorts Namibia (Proprietary) Limited	-	-
6	6	Consortium Fisheries Limited	-	-
2	21	Dimension Data Namibia (Proprietary) Limited	-	-
2	3	Eros Air (Proprietary) Limited	-	-
61	148	Hangana Seafood (Proprietary) Limited	-	-
15	23	Kilimanjaro Trading (Proprietary) Limited	-	-
26	60	Kraatz Marine (Proprietary) Limited	-	-
335	678	Namibia Dairies (Proprietary) Limited	-	-
20	92	Ohlthaver & List Centre (Proprietary) Limited	-	-
1	6	Wernhil Park (Proprietary) Limited	-	-
45	88	Windhoek Schlachterei (Proprietary) Limited	-	-
466	384	WUM Properties Limited	-	-
		Management fees received		
-	-	OLIFA Hotels and Resorts Namibia (Proprietary) Limited	539	-
-	-	Dimension Data Namibia (Proprietary) Limited	894	-
		Royalty income		
-	-	Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	28 789	3 783
		Interest received		
-	-	The Werner List Trust	62	585
-	-	Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	3 008	-
-	-	OLIFA Hotels and Resorts Namibia (Proprietary) Limited	3 070	2 047
-	-	Dimension Data Namibia (Proprietary) Limited	1	1 079
		Details of expenses paid to subsidiaries and other related parties as disclosed in Notes 28 and 29:		
		Interest		
2 685	859	Diageo Heineken Namibia BV	859	2 685
-	-	AMW Roberts	116	107
1 982	2 116	Hangana Seafood (Proprietary) Limited	-	-
-	-	Ohlthaver & List Employee Catastrophe Fund Trust	150	153
442	-	The Eight Namibian Investors (Proprietary) Limited	-	442
-	-	The Werner List Trust	34	585
2 323	2 616	Namibia Dairies (Proprietary) Limited	-	-
		Subsidiary directors' fees		
-	-	Diageo PLC	-	150
-	-	Heineken International BV	-	185

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		12. RELATED PARTIES [continued]		
		Insurance claims		
-	32	Namibia Breweries Limited	-	-
-	(9)	Broll and List Property Management (Namibia) (Proprietary) Limited	-	-
-	286	Hangana Seafood (Proprietary) Limited	-	-
(18)	-	ICT Holdings (Proprietary) Limited	-	-
6	5	Kilimanjaro Trading (Proprietary) Limited	-	-
23	5	Kraatz Marine (Proprietary) Limited	-	-
1 174	330	Namibia Dairies (Proprietary) Limited	-	-
36	26	Ohlthaver & List Centre (Proprietary) Limited	-	-
43	-	Wernhil Park (Proprietary) Limited	-	-
8	41	Windhoek Schlachterei (Proprietary) Limited	-	-
274	242	WUM Properties Limited	-	-
		Management fees		
-	-	Diageo PLC	2 000	1 900
-	-	Heineken International BV	2 000	1 900
		Purchases		
-	-	Dimension Data Namibia (Propietary) Limited	899	1 200
		Royalties		
-	-	Heineken International BV	5 193	3 780
		Technical fees		
-	-	Dimension Data Namibia (Proprietary) Limited	6 014	190
-	-	Heineken International BV	784	1 683
16 017	17 272	**Key management personnel compensation**	25 531	23 467

Compensation paid to the board of directors is aggregated below, together with the aggregate compensation paid to the executive directors.

The Directors' emoluments are as follows:

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000	
		Executive Directors - for managerial services
12 331	12 276	Basic remuneration and allowances
1 559	1 913	Retirement, medical and other benefits
1 180	1 180	Loss of office and restraint of trade
15 070	15 369	
		Non-executive Directors
177	280	Directors' fees
770	1 623	For other services
947	1 903	
		Paid by:
82	120	Company
15 935	17 152	Subsidiaries
16 017	17 272	

13. INVENTORIES

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
-	-	Raw materials	57 129	41 152
-	-	Work in progress - manufacturing	27 602	14 874
-	-	Work in progess - construction	32 810	7 093
-	-	Finished products	61 318	40 935
-	-	Consumable stores	81 242	55 928
-	-	Merchandise	52 841	45 744
-	-		312 942	205 726
		Included in the amount above are the following inventories carried at net realisable value:		
-	-	Work in progress - manufacturing	1 189	-
-	-	Finished products	3 295	-
-	-		4 484	-

14. OTHER FINANCIAL ASSETS

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Trade and other receivables		
-	-	Trade receivables	191 300	220 331
-	-	Allowance for doubtful debts	(9 071)	(15 556)
-	-		182 229	204 775
-	-	Amounts due from customers for contract work	5 643	3 952
-	-	Amounts due from sale of subsidiary	-	1 683
-	156	Value-added tax	55 233	38 460
-	-	Deferred rental	19 857	18 081
-	-	Prepayments	13 942	12 088
-	-	Fuel rebate	2 549	1 648
204	6	Other	45 950	42 500
204	162		325 403	323 187
		Analysed as:		
-	-	Non-current assets	27 292	27 986
204	162	Current assets	298 111	295 201
204	162		325 403	323 187

Trade and other receivables comprise amounts receivable for the sale of goods and services. The Directors consider that the carrying amount of trade and other receivables approximate their fair value.

Certain trade receivables are encumbered as disclosed in Note 38.

The average credit period on sales of goods of the Group is 41 days (2008: 45 days). No interest is charged on the trade receivables for the first 30 - 90 days from the date of the invoice. Thereafter, interest is charged at between 0% and prime overdraft rate plus 2% per annum on the outstanding balance.

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

Included in the Group's trade receivable balance are debtors with a carrying amount of N$18 327 662 (2008: N$26 320 409) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality.

The Group does not hold any collateral over these balances.

	GROUP 2009 N$ '000	GROUP 2008 N$ '000
Ageing of past due but not impaired:		
30-60 days	3 608	9 195
60-90 days	8 039	5 029
>90 days	6 681	12 096
Total	18 328	26 320
Movement in the allowance for doubtful debts:		
Balance at the beginning of the year	(15 556)	(8 239)
Impaired losses recognised on receivables	(1 749)	(9 168)
Amounts written off as irrecoverable	3 557	1 128
Amounts recovered during the year	4 238	359
Impairment losses reversed	439	364
Balance at the end of the year	(9 071)	(15 556)

14. OTHER FINANCIAL ASSETS [continued]

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 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.

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

In the prior year, the Group had a letter of guarantee, furnished by a bank to the value of N$3 930 850 over debtors. This amount was deducted from the impaired trade receivables in arriving at the final provision for impairment.

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Ageing of impaired trade receivables:		
		60-90 days	340	1 003
		90-120 days	123	132
		120+ days	8 608	14 421
		Total	9 071	15 556
		Bank balances and cash		
-	-	Bank balances and cash comprise cash and short-term deposits held by the Group. The carrying amount of these assets approximates their fair value.	119 339	194 044

Certain bank balances are encumbered as disclosed in Note 38.

15. ASSETS CLASSIFIED AS HELD FOR SALE

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

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
-	-	Freehold land and buildings	2 115	11 703
-	-	Investment Property	2 390	2 052
-	-	Fishing vessels	-	618
-	-	Less: impairment of assets held for sale	-	(220)
-	-	Total assets classified as held for sale	4 505	14 153
-	-	Mortgage and other secured loans	(51)	(189)
-	-	Liabilities directly associated with assets classified as held for sale	(51)	(189)
-	-	Net assets of disposal group	4 454	13 964

2009

Included in assets classified as held for sale are various company houses in Windhoek, Walvis Bay, Swakopmund, Lüderitz, Otjiwarongo, Rehoboth and Gobabis.

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000

15. ASSETS CLASSIFIED AS HELD FOR SALE [continued]

2008

Included in assets classified as held for sale are the fishing vessel Zeila, Farm Gocheganas and various company houses in Windhoek, Walvis Bay, Swakopmund, Lüderitz, Otjiwarongo, Rehoboth and Gobabis.

Certain assets classified as held for sale are encumbered as disclosed in Note 38.

16. CONSTRUCTION CONTRACTS

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Contracts in progress at the balance sheet date:		
-	-	Construction costs incurred plus recognised profits less recognised losses to date	28 218	20 826
-	-	Less: progress billing	(22 575)	(16 874)
-	-		5 643	3 952
		Recognised and included in the financial statements as amounts due:		
-	-	From customers under construction contracts including retentions (Note 14)	5 643	3 952

17. ORDINARY SHARE CAPITAL

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Authorised		
6 000	6 000	12 000 000 (2008: 12 000 000) shares of N$0.50 each	6 000	6 000
		Issued		
2 747	2 747	5 492 917 (2008: 5 492 917) ordinary shares of N$0.50 each	2 747	2 747
645	645	Share Premium	645	645
3 392	3 392		3 392	3 392

The unissued 6 507 083 ordinary shares of the Company are under the control of the Directors. In terms of the Companies Act, this authority expires at the forthcoming Annual General Meeting. Members will accordingly be asked to extend this said authority until the Annual General Meeting to be held in 2010.

18. NON-DISTRIBUTABLE RESERVES

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Movement for the year		
-	-	Revaluation of freehold land and buildings	30 498	111 123
-	-	Deferred tax liability arising on revaluation of properties	(6 373)	(20 012)
-	-	Release for depreciation	-	(138)
(45 818)	-	Transfer to retained earnings	-	-
-	-	Deferred tax on revaluation of disposal of revalued properties	400	8 572
-	-	Realised surplus on disposal of freehold land and buildings	(3 047)	(25 038)
-	-	Cash flow hedge accounting	-	(356)
-	-	Exchange differences arising from translation of foreign operations	(1 546)	1 182
(45 818)	-	Total movements for the year	19 932	75 333
45 818	-	Balance at beginning of the year	198 535	123 202
-	-	Balance at end of the year	218 467	198 535

18. NON-DISTRIBUTABLE RESERVES [continued]

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Comprising:		
-	-	Unrealised surplus on revaluation of freehold land and buildings	218 380	196 902
-	-	Translation reserve	87	1 633
-	-		218 467	198 535
		Hedging reserve		
-	-	Balance at the beginning of the year	-	356
		Loss recognised on cash flow hedge:		
-	-	Foreign currency forward exchange options	-	(356)
-	-	Balance at the end of the year	-	-

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges.

19. INTEREST-BEARING BORROWINGS [Annexure A]

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
-	-	Preference share capital	168 839	140 800
-	-	Debentures	-	39 000
3 635	2 843	Mortgage and other secured loans	141 017	162 263
-	-	Instalment sales and lease creditors	113 389	81 951
-	-	Unsecured loans	-	20 209
3 635	2 843		423 245	444 223

Security for interest-bearing borrowings are set out in Note 38.

At 30 June 2009, Hangana Seafood (Proprietary) Limited did not meet the interest cover ratio as stipulated in the agreement with Nedbank due to the provision for severance pay which was raised. This has been communicated to Nedbank and confirmation was obtained that the outstanding balance will not be recalled with immediate effect.

20. PROVISIONS

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
-	-	Provision for post-retirement medical aid costs	13 953	12 266
-	-	Provision for severance pay	17 010	-
-	-	Provision for restructuring costs	-	-
-	-	Provision for probable losses	28 421	-
400	-	Provision for probable claims	966	1 366
400	-		60 350	13 632
		Analysed as:		
-	-	Non-current liabilities	30 963	12 266
400	-	Current liabilities	29 387	1 366
400	-		60 350	13 632

20.1 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.

20. PROVISIONS [continued]

20.1 Provision for post-retirement medical aid costs [continued]

The most significant assumptions used are:

	Group 2009	Group 2008
Discount rate	9.25% p.a.	9.50% p.a.
Health care cost inflation	8.00% p.a.	8.50% p.a.

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/AIDS.

Company 2008 N$ '000	Company 2009 N$ '000		Group 2009 N$ '000	Group 2008 N$ '000
		Reconciliation of net liability in the Balance Sheet		
-	-	Opening balance	12 266	11 316
-	-	Interest cost	1 144	846
-	-	Actuarial loss recognised	1 404	854
-	-		14 814	13 016
-	-	Expected employer benefit payments	(861)	(750)
-	-		13 953	12 266

An independent actuarial valuation was performed by Alexander Forbes Financial Services at 30 June 2009.

20.2 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' 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:

	Group 2009	Group 2008
Discount rate	9.25% p.a	-
Inflation rate	7.00% p.a	-
Salary increase rate	8.00% p.a	-

Since the Namibian Labour Act came into effect on 1 November 2008, the full liability has been expensed in the current year as a past service cost.

Company 2008 N$ '000	Company 2009 N$ '000		Group 2009 N$ '000	Group 2008 N$ '000
		Reconcilliation of net liability in the Balance Sheet		
-	-	Past service costs	15 839	-
-	-	Service costs	1 132	-
-	-	Interest costs	1 033	-
-	-	Actuarial gain	(841)	-
-	-		17 163	-
-	-	Employer benefit payments	(153)	-
-	-		17 010	-

An independent actuarial valuation was performed by Alexander Forbes Financial Services at 30 June 2009.

20. PROVISIONS [continued]

20.3 Provision for restructuring costs

The provision relates to the Farm Oganjira which was transferred to a trust benefiting some of the retrenched employees in the beginning of the financial year, as well as for retrenchments at Farms Ghaub and Rietfontein, which have been sold.

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Movement of provision		
-	-	Balance at the beginning of the year	-	1 739
-	-	Utilisation of provision	-	(2 150)
-	-	Amount charged to the Income Statement	-	411
-	-		-	-

20.4 Provision for probable claim

In the previous year, there was a claim against Ohlthaver & List Finance and Trading Corporation Limited in respect of fees for the arrangement of financing, which was settled during the current year.

One of the subcontractors instituted a claim against Kraatz Marine (Proprietary) Limited relating to the Large Cherenkov Telescope (LCT) project. The claim is based on the additional costs incurred by the subcontractor due to a delay in the project.

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Movement of provision		
-	400	Balance at the beginning of the year	1 366	1 364
-	(400)	Utilisation of provision	(400)	(652)
400	-	Amount charged to the Income Statement	-	(654)
400	-		966	1 366

20.5 Provision for probable losses

A provision for losses was raised on the LCT project as the estimated costs to finalise the project exceed the projected revenues.

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
-	-	Amount reclassified from trade receivables	8 421	-
-	-	Amount charged to the Income Statement	20 000	-
-	-		28 421	-

21. DEFERRED INCOME

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Non-current liabilities		
-	-	Deferred income	256 292	250 034

Deferred income represents prepaid operating lease income which is recognised in the Income Statement over a period of 25 years on a straight-line basis.

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		22. TRADE AND OTHER PAYABLES		
-	-	Trade payables	355 736	333 880
-	-	Value-added tax	6 934	6 972
-	-	Quota levies	7 314	10 006
-	-	Bonus accrual	29 333	27 287
-	-	Leave pay accrual	14 076	13 910
3 735	3 760	Shareholders for dividend	3 760	3 735
1 107	1 436	Other	94 178	68 400
4 842	5 196		511 331	464 190
		Analysed as:		
4 842	5 196	Current liabilities	511 331	464 190
4 842	5 196		511 331	464 190

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

23. SHORT-TERM BORROWINGS

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Financial liabilities at amortised cost		
1 169	2 667	Bank overdrafts	129 393	65 894
-	-	Secured short-term loans	5 000	-
-	-	Current portion of preference share capital (Annexure A)	32 580	40 744
882	655	Current portion of mortgage and other secured loans (Annexure A)	23 163	23 878
-	-	Current portion of instalment sale and lease creditors (Annexure A)	31 401	27 707
-	-	Current portion of debentures (Annexure A)	39 000	-
-	-	Current portion of unsecured long-term loans (Annexure A)	24 081	-
2 051	3 322		284 618	158 223

Bank overdrafts and secured short-term loans bear interest of between prime and prime +1% and are renegotiated every year.

3 981	4 093	Unutilised bank overdraft facilities	66 210	39 251

Security for interest-bearing borrowings is set out in Note 38.

24. REVENUE

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
-	-	Sale of goods	2 947 522	2 532 463
-	-	Rendering of services	72 070	58 506
-	-	Royalty income	28 789	3 783
-	-	Rent received	63 504	40 823
21 264	15 654	Dividends received	-	-
979	1 596	Insurance premiums received	-	-
-	5	Other	7 473	3 429
22 243	17 255		3 119 358	2 639 004
		Inclusive of:		
-	-	Export sales	1 240 772	1 068 624
22 243	17 255	Revenue from subsidiaries and other related parties	879 933	102 289

The rental income from Wernhil Park and Town Square has been ceded to First National Bank of Namibia.

25. OTHER GAINS AND LOSSES

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Gains		
-	-	Fair value adjustments on held for sale assets	455	-
-	-	Fair value adjustments on biological assets	6 144	5 758
-	-	Fair value adjustments for investment property	8 741	16 489
-	-	Fair value adjustments for derivative financial instruments	-	16 769
		Gains on foreign exchange transactions		
5 321	-	- unrealised	1 780	8 510
2 147	8 124	- realised	24 592	15 135
-	-	Negative goodwill	29	17
		Profit on disposal of property, plant and equipment		
-	-	- land and buildings	1 007	8 341
-	-	- plant and machinery	63	44
-	-	- vehicles	1 590	357
-	-	- furniture and equipment	47	132
-	-	- fishing vessels	162	-
-	-	Profit on disposal of investment property	-	133
-	-	Profit on disposal of assets held for sale	-	2 794
-	-	Profit on sale of subsidiary	-	94
-	-	Relinquishment of payable on acquisition of additional shares in subsidiary	-	114
106 465	17 087	Reversal of provision for losses of subsidiaries	-	-
-	-	Reversal of impairment losses on trade receivables	4 676	-
-	-	Movement on deferred income	11 146	321
5 077	1 264	Unrealised gain on investment	-	-
119 010	26 475	Total gains	60 432	75 008
		Losses		
-	-	Impairment losses on property, plant and equipment	2 240	1 243
-	-	Impairment losses on trade receivables	1 748	568
-	-	Fair value adjustment on interest rate derivatives	13 655	-
-	-	Loss on disposal of asset held for sale	71	-
-	-	Impairment losses on goodwill	6	1 676
-	-	Impairment losses on assets held for sale	-	220
-	-	Loss on disposals of biological assets	-	720
		Loss on disposal of property, plant and equipment		
-	-	- land and buildings	52	-
-	-	- plant and machinery	129	40
-	-	- vehicles	122	176
-	-	- furniture and equipment	662	95
-	-	- containers	1 692	920
-	-	Impairment of intangible assets	-	100
-	-	Loss on disposal of investment property	-	723
-	61	Loss on deregistration of company	61	-
		Loss on foreign exchange transactions		
9 320	-	- unrealised	27 087	13 434
721	9 131	- realised	27 111	15 238
41 441	-	Loss on disposal of subsidiary	-	7
-	22 693	Provision for losses of subsidiaries	-	-
51 482	31 885	Total losses	74 636	35 160
67 528	(5 410)	Net gains / (losses)	(14 204)	39 848

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		26. OPERATING EXPENSES		
		Costs by nature		
-	-	Depreciation	77 283	71 665
-	-	Amortisation	5 849	11 816
-	-	Employment costs	428 534	361 752
3 941	4 127	General charges	225 143	264 753
-	-	Railage and transport	136 945	142 570
-	-	Raw material and consumables	1 837 824	1 460 052
-	-	Repairs and maintenance	50 328	50 112
-	-	Restructuring costs (Note 27)	-	422
3 941	4 127		2 761 906	2 363 142
		Costs by function		
-	-	Costs of goods sold	2 245 867	1 841 103
-	-	Restructuring costs	-	422
3 941	4 127	Selling, administration and distribution costs	516 039	521 617
3 941	4 127		2 761 906	2 363 142
		27. RESTRUCTURING COSTS		
		The restructuring costs include retrenchment costs relating to workers of farms sold in the prior year.		
-	-	Redundancy costs	-	422
		28. OPERATING PROFIT		
		is arrived at after taking account of:		
		Income		
		Income from related parties		
21 264	15 654	- dividends	-	-
-	-	- interest received	6 141	3 711
979	1 596	- insurance premiums received	-	-
-	-	- management fees received	1 433	-
-	-	- royalty	28 789	3 783
		Expenses		
270	585	Audit fees - current year	4 849	2 983
681	162	- prior year	1 361	3 627
-	566	- other services	1 114	209
		Amortisation of intangible assets		
-	-	- business process re-engineering	4 321	11 363
-	-	- brand equity	5	29
-	-	- other	1 523	424
-	-	Depreciation	77 283	71 665
17	-	Fees for services - administration	7 462	1 219
82	120	- managerial	6 093	5 782
-	-	- marketing	796	43
-	-	- technical	9 875	6 590
		Operating lease payments		
-	-	- land and buildings	18 597	17 173
-	-	- plant and machinery	4 612	1 093
-	-	- vehicles	227	1 250
-	-	- furniture and fittings	1 419	-
		Related party charges		
16 017	17 272	- directors' fees	17 272	16 017
-	-	- subsidiary directors' fees	-	335
-	-	- management fees	4 000	3 800
-	-	- purchases	899	1 200
-	-	- royalties	5 193	3 780
-	-	- technical fees	784	1 873
-	-	Write-down of containers to deposit value	-	17 890
-	-	Number of permanent employees at the end of the year	4 595	4 296

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000			GROUP 2009 N$ '000	GROUP 2008 N$ '000
		29. FINANCE COSTS			
2 374	2 010	Bank and other		60 608	80 556
-	-	Debentures		4 516	4 684
4 305	4 732	Subsidiaries		-	-
3 128	-	Related parties		1 159	3 387
-	-	Preference share dividends		19 607	13 555
9 807	6 742	Total borrowing costs		85 890	102 182
-	-	Less: amounts included in the cost of qualifying assets		(3 635)	(1 359)
9 807	6 742			82 255	100 823
		30. INCOME FROM ASSOCIATES AND JOINT VENTURES			
-	-	Share of losses in joint ventures		(41 567)	(6 293)
-	-	Share of profits in associate		1 130	1 856
-	-	Dividends received from associate		1 470	-
-	-			(38 967)	(4 437)
		31. INCOME FROM INVESTMENTS			
-	-	Dividends	- listed investments	7	11
4 108	4 359	Interest	- bank and other	17 167	34 226
-	-		- related parties	6 141	3 711
4 108	4 359			23 315	37 948
		32. TAXATION			
-	-	Namibian taxation		81 586	67 820
-	-	Foreign taxation		11 977	4 176
-	-			93 563	71 996
		Comprising			
-	-	Normal taxation	- current year	48 967	34 602
-	-		- prior year	(261)	7
-	-	Deferred taxation	- current year	44 857	32 851
-	-		- prior year	-	4 536
-	-			93 563	71 996
		The charge for the year can be reconciled to the statutory			
%	%	tax rate as follows:		%	%
-	-	Effective rate of taxation		38.1	29.0
		Reduction of rate of taxation due to:			
		- incentive allowances		7.4	11.1
51.0	53.3	- exempt income		2.1	3.8
-	-	- timing differences not provided for		-	1.3
-	-	- prior year adjustment		-	(1.9)
-	-	- tax rate change		1.8	0.2
		Increase in rate of taxation due to:			
(76.3)	(9.9)	- disallowable expenditure		(10.1)	(4.2)
-	-	- timing differences not provided for		(0.1)	(0.1)
(9.7)	(8.4)	- current year's tax losses available for allowance against taxable income		(4.7)	(4.2)
35.0	35.0	Net reduction in rate of taxation for the year		(3.1)	6.0
35.0	35.0	Namibian normal taxation rate		35.0	35.0

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		32. TAXATION [continued]		
13 919	16 628	Estimated tax losses available for set-off against future taxable income	837 787	874 217
-	-	Less: Applied to offset any deferred taxation liability	(352 342)	(311 260)
13 919	16 628		485 445	562 957
-	-	Less: Utilised to create deferred taxation asset	(184 074)	(251 314)
13 919	16 628		301 371	311 643
-	-	Estimated capital allowances for set-off against future farming income	35 587	35 587

No taxation has been provided for in the Company and certain subsidiaries as they did not earn any taxable income during the year. In addition to the amount charged to the Income Statement, deferred tax relating to the revaluation of the Group's properties amounting to N$5.97 million was charged directly to equity, (2008: released N$29.515 million).

33. RECLASSIFICATIONS

During the current year, the Group reclassified certain Income Statement line items to more accurately reflect the nature of the transactions. The movement in deferred income as well as the movement in doubtful debts were reclassified from operating expenses to other gains and losses. The following line items were affected:

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Income Statement		
-	-	Other gains and losses (Note 25)	14 074	(247)
-	-	Selling, administration and distribution costs (Note 26)	(14 074)	247

34. RETIREMENT BENEFIT INFORMATION

Retirement fund

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

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
-	-	Members' contribution	15 369	11 295
-	-	Employer contribution	24 520	20 466
-	-		39 889	31 761

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 2009 and its assets were found to exceed its actuarially calculated liabilities.

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Medical aid fund		
-	-	Total value of company contributions during the year	10 015	8 852

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		35. NOTES TO THE CASH FLOW STATEMENTS		
		35.1 Cash generated/(utilised) by operations		
80 131	5 335	Profit before taxation	245 341	248 398
		Adjustments for:		
-	-	Amortisation	5 849	11 816
-	-	Depreciation	77 283	71 665
(21 264)	(15 654)	Dividend income	(7)	(11)
-	-	Fair value adjustment for asset held for sale	(455)	-
-	-	Fair value adjustments for investment property	(8 741)	(16 489)
-	-	Fair value adjustments of derivative financial instruments	13 655	(16 769)
-	-	Fair value adjustment on livestock, agronomy products and assets	(6 144)	(5 758)
9 807	6 742	Finance costs	62 648	87 268
3 999	-	Net unrealised foreign exchange loss	25 307	4 924
-	-	Impairment losses on goodwill	6	1 676
-	-	Impairment losses on property, plant and equipment	2 240	1 243
-	-	Impairment losses on assets available for sale	-	220
400	(400)	Increase / (decrease) in provisions	46 718	425
-	-	(Decrease) / increase in translation reserve	(1 828)	1 390
(4 108)	(4 359)	Interest received	(23 308)	(37 937)
-	-	Loss on disposal of biological assets	-	720
-	-	Impairment of intangible assets	-	100
-	-	Preference share dividends	19 607	13 555
41 441	-	Loss/(profit) on disposal of subsidiary	-	(87)
-	-	Negative goodwill recognised in income statement	(29)	(17)
-	-	Net profit on disposal of property, plant and equipment	(212)	(7 643)
-	-	Net loss on disposal of investment property	-	590
-	-	Net (profit)/loss on disposal of assets available for sale	71	(2 794)
-	-	Impairment loss recognised on trade receivable	1 748	568
-	-	Movement in deferred income	(11 146)	(321)
-	61	Loss on deregistration of company	61	-
(106 465)	5 606	Provision for losses / (reversal of provision) in subsidiary	-	-
-	-	Relinquishment of payable on acquisition of additional shares in subsidiary	-	(114)
-	-	Release of deferred income	-	(322)
-	-	Reversal of impairment losses on trade receivable	(4 676)	-
-	-	Share of loss / (profit) in associate and joint ventures	40 437	4 437
(5 077)	(1 264)	Unrealised gain on investment	-	-
(1 136)	(3 933)	Cash generated before working capital changes	484 425	360 733
223	370	Working capital changes	(49 751)	(8 279)
-	-	Inventories	(107 216)	(35 393)
-	-	Biological assets	(2 558)	8 822
-	-	Derivatives	12 203	4 961
(26)	42	Trade and other receivables	705	(43 350)
249	328	Trade and other payables	47 115	56 681
(913)	(3 563)	Cash generated/(utilised) by operations	434 674	352 454
		35.2 Interest received		
4 108	4 359	Interest received per Income Statement	23 308	37 937
-	-	Interest received capitalised on loan account of related parties	(6 141)	(3 711)
(3 248)	(3 873)	Interest received capitalised on investments	(3 862)	(18 598)
860	486	Cash amounts received	13 305	15 628
		35.3 Finance costs		
9 807	6 742	Finance costs as per Income Statement	62 648	87 268
-	-	Finance costs capitalised on interest-bearing borrowings	-	(16 879)
9 807	6 742	Cash amounts paid	62 648	70 389
		35.4 Preference share dividends paid		
-	-	Accrued interest at the beginning of the year	4 744	4 467
-	-	Per Income Statement	19 607	13 555
-	-	Accrued interest at the end of the year	(3 619)	(4 744)
-	-	Cash amounts paid	20 732	13 278

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		35. NOTES TO THE CASH FLOW STATEMENTS [continued]		
		35.5 Dividends paid		
-	3 735	Amounts unpaid at the beginning of the year	3 735	-
3 735	3 735	Ordinary dividends	3 735	3 735
-	-	Dividend paid to outside shareholders	57 323	47 274
(3 735)	(3 760)	Amounts unpaid at the end of the year	(3 760)	(3 735)
-	3 710	Cash amounts paid	61 033	47 274
		35.6 Taxation paid		
		Taxation paid is reconciled to the amounts disclosed in the Income Statement as follows:		
-	-	Amounts unpaid less overpaid at the beginning of the year	11 479	25 988
-	-	Per Income Statement	48 706	34 609
-	-	Amounts unpaid less overpaid at the end of the year	(7 899)	(11 479)
-	-	Cash amounts paid	52 286	49 118
		35.7 Proceeds on disposal of subsidiaries		
		During the previous year, the Group sold Zambezi Queen (Proprietary) Limited, Top Restaurants (Proprietary) Limited and 50% of its shareholding in OLIFA Hotels and Resorts Namibia (Proprietary) Limited.		
		In the prior year the Company sold its shareholding in NBL Investment Holdings (Proprietary) Limited to a subsidiary.		
-	-	Investment in associate	-	90
-	-	Inventory	-	31
-	-	Related party balances	-	(184)
-	-	Assets held for sale	-	7 000
-	-	Property, plant and equipment	-	551
-	-	Trade and other payables	-	(261)
-	-		-	7 227
-	-	Profit on disposal of subsidiary	-	87
-	-	Non-cash flow movement in related party loan	-	(7 000)
-	-		-	314
		35.8 Cash and cash equivalents at the end of the year		
-	-	Cash and bank	81 682	74 810
-	-	Funds on call and short-term investments	37 657	119 234
-	-		119 339	194 044
		35.9 Non-cash flow movement		
-	-	Interest in associates	-	(469 849)
-	-	Movement in provisions	-	(1 212)
-	-	Disposal of property, plant and equipment	-	1 212
-	-	Disposal of investment property	-	16 300
-	-	Related party balances	(17 405)	177 816
-	-	Deferred income	17 405	250 034
-	-	Investment and loans	-	113 792
203 990	1 264	Loans to / from holding company and fellow subsidiaries	-	-
-	-	Long-term liabilities	-	(114 846)
-	-	Disposal of available for sale assets	-	26 154
203 990	1 264		-	(599)

36. COMMITMENTS

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Future capital expenditure		
-	-	Orders placed	3 820	7 000
-	-	Contracted	53 018	12 526
-	-	Authorised, but not contracted	112 626	248 112
-	-		169 464	267 638
		This expenditure is to be financed as follows:		
-	-	Working capital	29 016	31 763
-	-	Long-term credit facilities	140 448	235 875
-	-		169 464	267 638
		Operating lease commitments		
-	-	Land and buildings	54 060	49 256
-	-	Other	4 575	4 533
-	-		58 635	53 789
		To be incurred as follows:		
-	-	2009	-	11 648
-	-	2010	14 165	10 419
-	-	2011	10 480	7 783
-	-	2012	9 634	5 980
-	-	2013	17 665	17 665
-	-	2014 and thereafter	6 691	294
-	-		58 635	53 789

Included in operating lease commitments under land and buildings above is N$1.2 million (2008: N$2.3 million) and N$12.9 million (2008: N$12.9 million) relating to a lease for 99 years with the Municipal Council of Windhoek and the Ministry of Agriculture, Water & Forestry for the Wernhil parking area and the land R607 in the Hardap region expiring January 2104 and 2108, respectively.

37. CONTINGENT LIABILITIES

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
936	-	Possible legislative liabilities	-	-
-	-	Legal disputes	725	725
-	-	Performance guarantees	37 894	31 686
1 353	1 876	Possible insurance claims from subsidiaries	-	-
581 125	436 515	Guarantees of loans, overdrafts and other banking facilities of the holding Company, certain subsidiaries and fellow subsidiaries	6 120	2 000
(210 447)	(216 052)	Less: Provision for losses already provided for	-	-
372 967	222 339		44 739	34 411

The investment property of Oshakati Towers (Proprietary) Limited has been sold illegally during the 2005 financial year. The purchaser claims to have made N$724 763 improvements. If this has increased the value of the property by this amount, the company will have to refund the purchaser.

The performance guarantees relate mainly to the LCT project of Kraatz Marine (Proprietary) Limited. N$2 million was issued in favour of The Max Planck Institute for Nuclear Physics. An additional N$26.45 million was issued to Max Planck Institute for Nuclear Physics for a milestone payment relating to the LCT project. Domi Metal Industries (Proprietary) Limited has land valued at N$9.44 million which has also been provided as security for the performance guarantee.

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000

37. CONTINGENT LIABILITIES [continued]

The possible insurance claims relate to the balance left in the Group's self insurance fund.

The following unlimited and limited suretyships have been given which could result in an additional liability for the Company. All outstanding exposures at 30 June 2009 have been included in the above amounts and all deficits between the assets and liabilities of the subsidiaries at 30 June 2009 have been provided for.

In favour of:	For subsidiary/associate
Agribank	Namibia Dairies (Proprietary) Limited
Bank Windhoek	Eros Air (Proprietary) Limited
	ICT Holdings (Proprietary) Limited
	Dimension Data Namibia (Proprietary) Limited
	Kraatz Marine (Proprietary) Limited
	Ohlthaver and List Beverage Company (Proprietary) Limited
	Hangana Seafood (Proprietary) Limited
	Kuiseb Capital (Proprietary) Limited
	Namibia Dairies (Proprietary) Limited
	Wernhil Park (Proprietary) Limited
	Windhoek Schlachterei (Proprietary) Limited
	WUM Properties Limited
First National Bank of Namibia	Namibia Dairies (Proprietary) Limited
	Ohlthaver & List Centre (Proprietary) Limited
	Central Properties (Proprietary) Limited
	Wernhil Park (Proprietary) Limited
	WUM Properties Limited
Nedbank Namibia Limited	Kilimanjaro Trading (Proprietary) Limited
	Hangana Seafood (Proprietary) Limited
Standard Bank of Namibia	Kraatz Marine (Proprietary) Limited
	Namibia Dairies (Proprietary) Limited
	Windhoek Schlachterei (Proprietary) Limited

38. ENCUMBERED ASSETS AND SECURED LIABILITIES

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Assets with the following carrying values:		
200 199	200 199	Interest in subsidiaries	-	-
-	-	Freehold land and buildings	588 255	525 039
-	-	Investment property	225 944	280 593
-	-	Plant, vehicles, furniture and equipment, and fishing vessels	197 459	109 697
-	-	Leased plant, vehicles, furniture and equipment	18 340	14 547
-	-	Assets held for sale	358	994
-	-	Trade and other receivables	82 215	90 543
-	-	Bank balances and cash	2 730	2 260
200 199	200 199		1 115 301	1 023 673
		Are encumbered to secure the following liabilities:		
-	-	Preference share capital (Annexure A)	201 419	181 544
-	-	Debentures (Annexure A)	39 000	39 000
-	-	Bank facilities	140 603	81 884
-	-	Large Cherenkov Telescope - money received in advance	37 894	27 478
40 438	-	Related party borrowings	43 789	52 556
-	-	Secured short term loans	5 000	-
382	-	Mortgage bonds and secured loans (Annexure A)	164 231	186 330
-	-	Instalment sale and lease creditors (Annexure A)	144 790	109 658
40 820	-		776 726	678 450

The company's loan accounts were ceded to Bank Windhoek for the Preference share capital.

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000

39. UNALLOCATED SHARES IN EMPLOYEE SHARE INCENTIVE SCHEME

Shares '000	Shares '000	**Allocation of number of shares in the employee share incentive scheme:**
3 083	3 083	Shares offered to employees of the Group
(919)	(919)	Shares originally taken up by the employees
4 202	4 202	Shares to be offered to employees
(2 232)	(2 232)	Shares transferred from Trust to Company and sold
334	344	Shares forfeited by employees to the Trust
4 468	4 478	Unallocated shares at the end of the year

40. FINANCIAL INSTRUMENTS

40.1 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2008.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 19, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital reserves and retained earnings as disclosed in notes 17 and 18.

40.1.1 Gearing ratio

The Group's management committee reviews the capital structure on an ad hoc basis. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The Group has entered into various financing agreements with Bank Windhoek as well as First National Bank of Namibia. 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. This ratio is calculated as net debt divided by the total capital. Net debt is calculated as total debt less deferred tax liability. Total capital is calculated as 'equity', as shown in the consolidated Balance Sheet.

The gearing ratio at the year end was as follows:

Company 2008	Company 2009		Group 2009	Group 2008
54 579	11 368	Debt (i)	1 825 187	1 626 071
607 253	608 853	Equity (ii)	1 268 373	1 154 463
9%	2%	Net debt to equity ratio	144%	141%

(i) Debt is defined as total debt excluding Deferred tax.

(ii) Equity includes all capital and reserves of the Group.

40. FINANCIAL INSTRUMENTS [continued]

40.2 Categories of financial instruments

2009

Total	Fair value through profit and loss Held for trading	Loans and receivables	Financial assets as per balance sheet	Fair value through profit and loss Held for trading	Loans and receivables	Available for sale	Total
24 082	-	24 082	Investments and loans	-	24 575	14	24 589
-	-	-	Derivative financial instruments	1 780	-	-	1 780
533 940	-	533 940	Related parties and intercompanies	-	269 170	-	269 170
6	-	6	Trade and other receivables	-	236 371	-	236 371
-	-	-	Bank balances and cash	-	119 339	-	119 339
558 028	-	558 028		1 780	649 455	14	651 249

2008

Total	Fair value through profit and loss Held for trading	Loans and receivables	Financial assets as per balance sheet	Fair value through profit and loss Held for trading	Loans and receivables	Available for sale	Total
20 209	-	20 209	Investments and loans	-	20 713	14	20 727
9 924	9 924	-	Derivative financial instruments	26 833	-	-	26 833
566 215	-	566 215	Related parties and intercompanies	-	156 082	-	156 082
204	-	204	Trade and other receivables	-	254 558	-	254 558
-	-	-	Bank balances and cash	-	194 044	-	194 044
596 552	9 924	586 628		26 833	625 397	14	652 244

2009

Amortised cost	Financial liabilities as per balance sheet	Fair value through profit and loss Held for trading	Fair value through profit and loss Designated	Amortised cost	Total
2 843	Interest-bearing borrowings	-	-	423 245	423 245
5 196	Trade and other payables	-	-	504 397	504 397
29 665	Related parties and intercompanies	-	188 258	63 457	251 715
3 322	Short-term borrowings	-	-	284 618	284 618
-	Derivative financial instruments	29 641	-	-	29 641
-	Provisions	-	-	966	966
-	Liabilities directly associated with assets classified as held for sale	-	-	51	51
41 026		29 641	188 258	1 276 734	1 494 633

2008

Amortised cost	Financial liabilities as per balance sheet	Fair value through profit and loss Held for trading	Fair value through profit and loss Designated	Amortised cost	Total
3 635	Interest-bearing borrowings	-	-	444 223	444 223
4 842	Trade and other payables	-	-	457 218	457 218
68 856	Related parties and intercompanies	-	174 968	105 582	280 550
2 051	Short-term borrowings	-	-	158 223	158 223
-	Derivative financial instruments	3 531	-	-	3 531
400	Provisions	-	-	1 366	1 366
-	Liabilities directly associated with assets classified as held for sale	-	-	189	189
79 784		3 531	174 968	1 166 801	1 345 300

41. RISK MANAGEMENT

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. 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.

41.1 Market risk - Foreign currency management

The Group appropriately hedges foreign purchases and sales in order to manage its foreign currency exposure in line with board approved policies and guidelines. Forward foreign exchange contracts or foreign exchange options are entered into in order to manage the Group's exposure to fluctuations in foreign currency exchange rates on specific transactions.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Liabilities		
40 438	-	Euro-denominated payables	5 902	40 996
-	-	Angolan Kwanza-denominated payables	5 079	4 400
		Assets		
-	-	Euro-denominated receivables	29 752	49 392
-	-	Australian Dollar-denominated receivables	-	1 144
-	-	Pound Sterling-denominated receivables	75	-
-	-	Botswana Pula-denominated receivables	20 207	-
-	-	US Dollar-denominated receivables	8 649	12 058
-	-	Angolan Kwanza-denominated receivables and cash	22 484	7 480

41.1.1 Foreign currency sensitivity analysis

The Group is mainly exposed to the Euro, Botswana Pula, Angolan Kwanza and US Dollar.

The following table details the Company and Group's sensitivity to a 5% increase or decrease in the Namibia Dollar (N$) against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

A negative number below indicates an decrease in profit where the N$ strengthens 5% against the relevant currency. For a 5% weakening of the N$ against the US Dollar, Botswana Pula and the Angolan Kwanza, there would be an equal and opposite impact on the profit, and the balances below would be negative.

41. RISK MANAGEMENT [continued]

41.1.1 Foreign currency sensitivity analysis [continued]

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Euro impact		
17	-	Profit or loss (i)	(10 081)	(423)
		US Dollar impact		
-	-	Profit or loss (ii)	(393)	(602)
		Angolan Kwanza impact		
-	-	Profit or loss (iii)	(870)	(154)
		Botswana Pula impact		
-	-	Profit or loss (iv)	(1 010)	-

(i) This is mainly attributable to the exposure outstanding on Euro receivables, payables, foreign exchange contracts and options at year end in the Group and Company.

(ii) This is mainly attributable to the exposure on outstanding US Dollar receivables at year end in the Group.

(iii) This is mainly attributable to the exposure outstanding on Angolan Kwanza receivables, foreign cash and payables at year end in the Group.

(iv) This is mainly attributable to the exposure outstanding on Botswana Pula receivables at year end in the Group.

For a 5% weakening of the N$ against the Euro, there would be the following impact on profit or loss:

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Euro impact		
(17)	-	Profit or loss (i)	10 134	423

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000

41. RISK MANAGEMENT [continued]

41.2 Market risk - Interest rate management

The Group is exposed to interest rate risk as it borrows and places funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating borrowings and placing within market expectations.

The Group also uses interest rate swaps and collars to manage its exposure to interest rate movements on its bank borrowings. At Balance Sheet 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.

The Group's exposure to interest rates on financial assets and liabilities are detailed in the liquidity risk management section of this note.

41.2.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet 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.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group and Company's:

- profit for the year ended 30 June 2009 would (decrease) / increase by the following amounts. This is attributable to the Group and Company's exposure to interest rates on its variable rate borrowings.

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000
(449)	(62)	Increase in rate	(2 942)	(3 556)
449	62	Decrease in rate	3 853	3 538

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

41.2.2 Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow 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 sensitivity is based on the outstanding balances at the end of the financial year.

	GROUP 2009	GROUP 2008

41. RISK MANAGEMENT [continued]

41.3 Credit risk management

Financial assets, which potentially subject the Group to concentration of credit risk, consist principally of cash, funds on call and trade receivables. The Group's cash equivalents and funds on call are placed with high credit quality financial institutions.

Trade receivables and advances comprise a wide spread customer base. Ongoing credit evaluation of the financial position of customers is performed.

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.

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

	2009 %	2008 %
Fishing industry	24	28
Trading industry	4	4
Manufacturing industry	72	68
	100	100

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.

The table below shows the balances of 5 major counterparties at the Balance Sheet date:

41. RISK MANAGEMENT [continued]

41.3 Credit risk management [continue]

Group

Counterparty	Location	2009 Carrying amount N$ 000	2008 Carrying amount N$ 000
Dafin Sales	Botswana	20 257	
Irvin & Johnson	Canary Islands	12 426	
Pick n Pay Limited	RSA	11 316	
Frozen Foods International Europe	Monaco		16 963
OLIFA Hotels and Resorts Namibia (Proprietary) Limited	Namibia	55 196	52 761
Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	RSA	178 828	98 181
Shoprite Limited	RSA		9 822
A.D. Mendes	Angola		7 271

41.4 Liquidity risk management

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.

41.4.1 Liquidity and interest risk tables

The following tables detail the Group and Company's remaining contractual maturity for its non-derivative financial liabilities and financial assets, respectively. The tables have been drawn up based on the undiscounted cash flows of financial liabilities and financial assets based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. When the amounts payable or receivable are not fixed, the amount disclosed has been determined by reference to the projected interest rates illustrated by yield curves existing at the reporting date.

41. RISK MANAGEMENT [continued]

41.4.1 Liquidity and interest risk tables [continued]

Financial Liabilities

2009

Group	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing liabilities	-	207 926	-	-	-	-	207 926
Avis lease creditors	13.08%	11 891	8 997	8 393	1 164	(6 643)	23 802
Instalment sale agreements	13.36%	16 615	13 321	17 621	9 423	(12 500)	44 480
Trade payables and provisions	-	505 363	-	-	-	-	505 363
Variable interest rate instruments	13.08%	235 449	102 110	301 896	174 845	(194 334)	619 966
Fixed interest rate instruments	13.45%	65 681	-	-	-	(2 226)	63 455
		1 042 925	124 428	327 910	185 432	(215 703)	1 464 992

2008

Group	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing liabilities	-	227 994	-	-	-	-	227 994
Avis lease creditors	14.53%	10 593	8 612	9 023	39	(6 727)	21 540
Instalment sale agreements	13.92%	12 964	10 957	18 776	956	(10 584)	33 069
Trade payables and provisions	-	458 584	-	-	-		458 584
Variable interest rate instruments	13.04%	214 565	101 064	252 986	203 157	(235 522)	536 250
Fixed interest rate instruments	15.85%	7 969	62 777	-	-	(6 414)	64 332
		932 669	183 410	280 785	204 152	(259 247)	1 341 769

2009

Company	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing liabilities	-	7	-	-	-	-	7
Trade payables and provisions	-	5 196	-	-	-	-	5 196
Variable interest rate instruments	12.42%	35 823	-	-	-	-	35 823
		41 026	-	-	-	-	41 026

2008

Company	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing liabilities	-	3 213	-	-	-	-	3 213
Trade payables and provisions	-	5 242	-	-	-	-	5 242
Variable interest rate instruments	12.42%	71 506	-	-	-	(177)	71 329
		79 961	-	-	-	(177)	79 784

41. RISK MANAGEMENT [continued]

41.4.1 Liquidity and interest risk tables [continued]

Financial assets

2009

Group	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing assets	-	269 184	-	-	-	-	269 184
Trade receivables	-	236 371	-	-	-	-	236 371
Bank balances	6.30%	119 339	-	-	-	-	119 339
Fixed interest rate instruments	21.68%	24 575	-	-	-	-	24 575
		649 469	-	-	-	-	649 469

2008

Group	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing assets	-	156 096	-	-	-	-	156 096
Trade receivables	-	254 558	-	-	-		254 558
Bank balances	7.78%	194 044	-	-	-		194 044
Fixed interest rate instruments	24.30%	20 713	-	-	-		20 713
		625 411	-	-	-	-	625 411

2009

Company	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing assets	-	533 940	-	-	-		533 940
Trade receivables	-	6	-	-	-	-	6
Fixed interest rate instruments	21.82%	24 082	-	-	-	-	24 082
		558 028	-	-	-	-	558 028

2008

Company	Weighted average effective interest rate	1 year	2 years	3-5 years	> 5 years	Less: Capitalised Interest	Total
		N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's	N$ 000's
Non-interest-bearing assets	-	566 215	-	-	-	-	566 215
Trade receivables	-	204	-	-	-	-	204
Fixed interest rate instruments	24.52%	20 209	-	-	-	-	20 209
		586 628	-	-	-	-	586 628

41. RISK MANAGEMENT [continued]

41.5 Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and 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 financial assets and 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; and

- 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.

41.5.1 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.

The financial statements include holdings in unlisted shares which are measured at cost (Note 9).

41.5.2 Fair value

Except as detailed in the following tables, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values:

Group	**Carrying amount**		**Fair value**	
	2009 N$ 000's	**2008 N$ 000's**	**2009 N$ 000's**	**2008 N$ 000's**
Financial assets				
Loans receivable				
L Heydenrich	493	504	493	493
Unsecured loans				
Pointbreak Financial Trading (Proprietary) Limited	24 082	20 209	25 822	23 908
Financial liabilities				
Debentures				
Namibia Power Corporation	10 000	10 000	11 192	11 582
Sanlam Investment Management (Proprietary) Limited	29 000	29 000	32 973	32 192
Mortgage and other securities				
Benguela Sea Products (Proprietary) Limited	-	3 083	-	3 949
Aqua Utilities	373	775	374	801
Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	-	45 302	-	39 203
Unsecured loans				
Pointbreak Financial Trading (Proprietary) Limited	24 082	20 209	25 822	23 908

41. RISK MANAGEMENT [continued]

41.5.2 Fair value of financial instruments [continued]

Company	**Carrying amount**		**Fair value**	
	2009 N$ 000's	**2008 N$ 000's**	**2009 N$ 000's**	**2008 N$ 000's**
Financial assets				
Unsecured loans				
Pointbreak Financial Trading (Proprietary) Limited	24 082	20 209	25 822	23 908

Methods and assumptions used to determine the fair value:

The fair value of these financial instruments was determined with reference to discounted cash flows using market-related interest rates.

42. SEGMENT REPORTING

Business segmentation

For management purposes, the Group is currently organised into six operating segments - beer and soft drinks, dairies, fishing, retail, properties and other. These segments are the basis on which the Group reports its primary segment information.

Segment information regarding these businesses is presented on the next page:

42. SEGMENT REPORTING [continued]

Business Segmentation	**Total**		**Eliminations**		**Beer and soft drinks Industry**	
	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000
Revenue	3 119 358	2 639 004	-	-	1 557 758	1 321 655
Inter-segment revenue	-	-	(62 077)	(58 732)	8 788	9 741
Total	3 119 358	2 639 004	(62 077)	(58 732)	1 566 546	1 331 396
Segment result	356 419	337 581			264 607	179 464
Unallocated costs	(13 790)	(18 063)				
Net Impairment (losses)/reversal	619	(3 808)				
Share of losses from associates and joint ventures	(38 967)	(4 437)				
Finance costs	(82 255)	(100 823)				
Income from Investments	23 315	37 948				
Taxation	(93 563)	(71 996)				
Net profit for the year	151 778	176 402				
Non-cash expenses per segment						
Depreciation	77 283	71 665			36 133	37 824
Amortisation of intangibles	5 849	11 816			3 907	10 894
Impairment losses	3 994	3 808			900	-
Reversal of impairment losses	(4 676)	-			(3 055)	-

Dairy Industry		Fishing		Retail		Properties		Others	
2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000
367 000	273 799	316 200	268 184	674 391	579 383	63 377	58 942	140 632	137 041
1 070	1 877	1 963	1 332	1 208	1 440	9 282	8 139	39 766	36 203
368 070	275 676	318 163	269 516	675 599	580 823	72 659	67 081	180 398	173 244
26 184	20 400	35 857	47 062	1 875	3 460	63 588	68 044	(35 692)	19 151

8 343	7 836	19 600	13 066	8 046	6 805	335	250	4 826	5 884
456	478	701	-	302	101	36	-	447	343
317	-	135	892	173	633	2 372	-	97	2 283
-	-	(1 413)	-	(76)	-	(132)	-	-	-

42. SEGMENT REPORTING [continued]

Business Segmentation	**Total**		**Eliminations**		**Beer and soft drinks Industry**	
	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000
ASSETS						
Property, plant and equipment	1 524 201	1 212 075			563 043	490 226
Investment property	230 144	284 794			-	-
Intangible assets	11 721	17 670			5 333	8 580
Derivative financial instruments	1 780	26 833			-	-
Inventories	312 942	205 726			185 814	118 639
Biological assets	32 071	23 369			-	-
Assets held for sale	4 505	14 153			-	-
Trade and other receivables	325 403	323 187			144 856	145 349
Segment assets	2 442 767	2 107 807			899 046	762 794
Investment in associate companies and joint ventures	453 049	466 423				
Investment and loans	24 589	20 727				
Deferred tax assets	64 670	87 468				
Taxation	45	20				
Cash and cash equivalents	119 339	194 044				
Related parties	269 170	156 082				
Consolidated total assets	3 373 629	3 032 571				
LIABILITIES						
Trade and other payables	511 330	464 190			258 746	219 646
Derivative financial instruments	29 642	3 531			26 510	717
Provisions	60 350	13 632			13 461	6 648
Liabilities directly associated with assets classified as held for sale	51	189			-	-
Segment liabilities	601 373	481 542			298 717	227 011
Deferred income	256 292	250 034				
Interest-bearing liabilities	707 863	602 446				
Deferred taxation liabilities	280 069	252 037				
Taxation	7 944	11 499				
Related parties	251 715	280 550				
Consolidated total liabilities	2 105 256	1 878 108				
Capital additions	302 204	172 073			110 756	67 398

Dairy Industry		**Fishing**		**Retail**		**Properties**		**Other**	
2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000
160 033	107 510	300 764	194 430	43 626	43 046	367 900	289 061	88 835	87 802
-	-	-	-	-	-	230 144	284 794	-	-
1 020	3 688	1 402	1 080	2 619	2 921	378	-	969	1 401
-	-	1 780	-	-	-	-	-	-	26 833
27 987	25 701	14 045	8 685	47 243	39 590	-	-	37 853	13 111
32 021	23 319	-	-	-	-	-	-	50	50
1 598	2 060	-	398	-	-	2 907	3 895	-	7 800
48 851	41 257	54 559	66 917	12 351	12 067	30 270	29 250	34 516	28 349
271 510	203 535	372 550	271 510	105 839	97 624	631 599	607 000	162 223	165 346
46 700	38 616	61 421	77 063	86 951	79 600	10 585	9 262	46 927	40 003
-	-	-	1 730	-	-	-	-	3 132	1 084
2 971	545	7 252	2 637	2 539	826	279	-	33 848	2 976
-	-	-	-	-	-	51	189	-	-
49 671	39 161	68 673	81 430	89 490	80 426	10 915	9 451	83 907	44 063
61 520	20 647	103 582	43 995	8 935	13 503	10 948	20 874	6 463	5 655

COMPANY 2008 N$ '000	COMPANY 2009 N$ '000		GROUP 2009 N$ '000	GROUP 2008 N$ '000

42. SEGMENT REPORTING [continued]

Geographical segmentation

The Group's operations are located in Namibia. The Group's products are either sold on the local market or are exported to other African and European countries.

The following table provides an analysis of the Group's sales by geographical market.

			GROUP 2009 N$ '000	GROUP 2008 N$ '000
		Revenue		
		- Local	1 878 976	1 570 380
		- Export	1 240 772	1 068 624
		Total segment revenue	3 119 748	2 639 004

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

			GROUP 2009 N$ '000	GROUP 2008 N$ '000
		- Local	1 893 656	1 747 859
		- Export	549 111	359 948
		Total segment assets	2 442 767	2 107 807

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

			GROUP 2009 N$ '000	GROUP 2008 N$ '000
		- Local	207 985	130 678
		- Export	94 218	41 395
		Total additions	302 203	172 073

LONG- AND MEDIUM-TERM FINANCING [ANNEXURE A]

	Interest Rate		Company		Group	
	2009 %	2008 %	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000
Preference share capital						
Secured preference share capital						
Authorised						
200 variable rate, redeemable, cumulative preference shares of N$0.0002 each					-	-
2 000 variable rate, redeemable, cumulative preference shares of N$1.00 each					2	2
Issued					168 839	140 800
62 (2008: 112) variable rate, redeemable, cumulative preference shares of N$0.0002 each					-	-
1 110 (2008: 600) variable rate, redeemable, cumulative preference shares of N$1.00 each					2	1
Share premium					197 798	176 799
Accrued preference share dividend					3 619	4 744
Total secured preference share capital					201 419	181 544
Less: Current portion included in short-term borrowings (Note 23)					(32 580)	(40 744)
The preference shares (including accrued interest) can be allocated as follows:						
Bank Windhoek Limited	67-70% of prime	67% of prime			111 723	60 469
First National Bank of Namibia Limited	70% of prime	70% of prime			89 696	112 942
Standard Bank of Namibia Limited	-	70% of prime			-	8 133

N$87 million of the preference shares is redeemable over a five-year period in six-monthly redemptions, which escalate annually.

N$54 million and N$57 million of the Bank Windhoek preference shares are redeemable over a six-year and seven-year period respectively in six-monthly redemptions, which escalate annually.

The unissued 88 variable rate, redeemable, cumulative preference shares of N$0.0002 each are under control of the Directors. This authority expires at the next Annual General Meeting of WUM Properties Limited. Members will accordingly be asked to extend this said authority until the Annual General Meeting to be held in 2010.
The unissued 890 variable rate, redeemable, cumulative preference shares of N$1.00 each are under control of the Directors of O&L Beverages (Proprietary) Limited.

	Interest Rate 2009 %	Interest Rate 2008 %	Company 2009 N$ '000	Company 2008 N$ '000	Group 2009 N$ '000	Group 2008 N$ '000
Debentures						
39 debentures with nominal value of N$1 million each. The interest is payable every six months and redemption should take place in December 2009.					39 000	39 000
Namibia Power Corporation	11.17	11.17	-	-	10 000	10 000
Sanlam Investment Management (Proprietary) Limited	11.72	11.72	-	-	29 000	29 000
Less Current portion included in short-term borrowings (Note 23)			-	-	(39 000)	-
			-	-	-	39 000

The debentures were issued in Kuiseb Capital (Proprietary) Limited. The company may not issue any further debentures unless it has obtained prior written confirmation from a rating agency that the intended issue would not result in a downgrading of the credit rating in respect of the debentures already issued below zaAA. The debenture holders agreed to maintain the rating.

	Interest Rate 2009 %	Interest Rate 2008 %	Company 2009 N$ '000	Company 2008 N$ '000	Group 2009 N$ '000	Group 2008 N$ '000
Mortgage and other secured loans			2 843	3 635	141 017	162 263
Agribank of Namibia						
N$977 196 (2008: N$590 491) half-yearly	13.25	11.03	-	-	2 108	2 675
N$1 705 516 (2008: N$962 314) annually	13.80	13.80	-	-	10 449	4 880
Bank Windhoek Limited						
N$19 600 (2008: N$21 830) monthly	Prime	Prime	-	-	502	696
N$116 265 (2008: N$330 036) monthly	Prime -1%	Prime -1%	-	-	5 794	7 730
2008: N$25 772 monthly	-	Prime -0.25%	-	-	-	76
N$213 780 per month	Prime -1.5%	-	-	-	1 350	-
First National Bank of Namibia Limited						
N$590 673 (2008: N$627 284) monthly	Prime -1%	Prime -1%	-	-	25 332	29 108
N$1 565 283 (2008: N$1 762 090) monthly	Prime - 1.5%	Prime - 1.5%	-	-	108 148	114 522
Investec Private Bank						
N$288 058 monthly	-	JIBAR +3.0	-	382	-	1 647
Kuiseb Holdings (Proprietary) Limited						
N$815 467 (2008: N$832 810) monthly	Prime -1.5%	Prime -1.5%	-	-	7 871	16 260
Nedbank Namibia Limited						
N$1 004 400 (2008: N$849 711) monthly	Prime -1%	Prime -1%	3 498	4 135	2 677	7 226
Standard Bank of Namibia Limited						
2008: N$522 962 monthly	-	Prime	-	-	-	1 510
Total mortgage and other secured loans			3 498	4 517	164 231	186 330
Less: Liabilities attributable to assets classified as held for sale (Note 15)			-	-	(51)	(189)
Less: Current portion included in short-term borrowings (Note 23)			(655)	(882)	(23 163)	(23 878)

LONG- AND MEDIUM-TERM FINANCING [ANNEXURE A] continued

	Interest Rate		Company		Group	
	2009 %	2008 %	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000
Instalment sale and lease creditors			-	-	113 389	81 951
Instalment sale creditors						
Bank Windhoek Limited:						
N$198 815 (2008: N$201 990) per month	Prime	Prime	-	-	2 769	3 321
N$1 263 079 (2008: N$541 419) per month	Prime -1%	Prime -1%	-	-	21 321	20 091
N$44 988 (2008: N$46 034) per month	Prime -1.25%	Prime -1.25%	-	-	757	1 182
N$49 513 (2008: N$52 089) per month	Prime -1.5%	Prime -1.5%	-	-	1 947	2 285
N$513 122 (2008: N$549 897) per month	Prime -2%	Prime -2%	-	-	27 407	30 000
Benguela Sea Products: N$354 200 per month	-	14%	-	-	-	3 083
First National Bank of Namibia:						
N$83 269 (2008: N$252 272) per month	Prime -2%	Prime -2%	-	-	1 488	4 288
N$94 773 (2008: N$22 651) per month	Prime -1%	Prime -1%	-	-	920	310
Nedbank Namibia Limited:						
N$58 319 (2008: N$59 266) per month	Prime -1%	Prime -1%	-	-	706	1 274
N$25 288 per month	Prime -1.2%	-	-	-	29 016	-
N$57 672 per month	Prime -2%	-	-	-	23 123	-
Standard Bank of Namibia Limited:						
N$1 024 452 (2008: N$697 148) per month	Prime +1%	Prime +1%	-	-	3 763	17 047
2008: N$65 855 per month	-	Prime -1%	-	-	-	2 196
N$220 933 (2008: N$103 685) per month	Prime -2%	Prime -2%	-	-	4 341	2 087
Lease creditors						
Avis Fleet Services:						
N$762 688 (2008: N$1 047 651) per month	Prime -2%	Prime -2%	-	-	19 565	16 268
Aqua Utilities Corporation:						
N$83 532 (2008: N$91 459) per month	Prime -0.5%	Prime -0.5%	-	-	373	775
Orion Telecom						
N$16 615 per month	16.25%	-	-	-	60	-
Forklift & Allied						
N$67 498 per month	Prime	-	-	-	2 237	-
Freddy Hirsh N$35 110 per month	17.50%	-	-	-	755	-
Imperial Fleet Services:						
N$125 323 (2008: N$151 608) per month	Prime -1%	Prime -1%	-	-	4 242	5 451
Total instalment sale and lease creditors			-	-	144 790	109 658
Less: Current portion included in short-term borrowings (Note 23)			-	-	(31 401)	(27 707)
Unsecured loans			-	-	-	20 209
Pointbreak Financial Trading (Proprietary) Limited	21.81	24.52	-	-	24 081	20 209
Less: Current portion included in short-term borrowings (Note 23)			-	-	(24 081)	-
Total non-current interest-bearing borrowings			2 843	3 635	423 245	444 223

The loan from Pointbreak Financial Trading (Proprietary) Limited is repayable in December 2009. The investment in Pointbreak Investments (Proprietary) Limited disclosed in Note 9 also bears interest at 21.81%.

	Company 2009	Company 2008	Group 2009	Group 2008
MINIMUM LEASE AND INSTALMENT SALE PAYMENTS[2]				
Less than one year	-	-	46 128	43 163
More than one year and less than five years	-	-	144 246	117 109
Total	-	-	190 374	160 272
Less future finance charges	-	-	(45 584)	(50 614)
Present value of payments	-	-	144 790	109 658
ANALYSIS OF REPAYMENTS[1]				
Repayable during the 12 months to:				
30 June 2009	-	882	-	92 155
30 June 2010	655	500	153 184	125 288
30 June 2011	655	500	77 286	60 234
30 June 2012	655	500	75 809	98 967
30 June 2013	655	500	77 880	-
30 June 2014 and repayable thereafter	878	1 635	194 363	159 908
	3 498	4 517	578 522	536 552
ANALYSIS BY CURRENCY[1]				
Namibia Dollar	3 498	4 517	570 651	518 645
SA Rand	-	-	7 871	17 907
	3 498	4 517	578 522	536 552

[1] Excluding liabilities directly attributable to assets held for sale.

PROPERTY, PLANT AND EQUIPMENT [ANNEXURE B]

GROUP

2009

N$ '000	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Vehicles	Furniture and equipment	Containers	Fishing vessels	Work in progress	Total
Cost or valuation									
At 1 July 2008	732 942	7 563	551 209	94 919	144 491	8 798	101 980	9 449	1 651 351
Additions	18 296	22	125 329	28 865	11 468	4 257	55 431	54 467	298 135
Capitalised borrowing costs	-	-	-	-	-	-	-	3 635	3 635
Disposals	(1 146)	(336)	(21 211)	(20 154)	(7 758)	(1 131)	(11 962)	-	(63 698)
Disposed to related party	-	-	-	(1 178)	-	-	-	-	(1 178)
Revaluations	28 777	-	-	-	-	-	-	-	28 777
Transfer from investment property	63 824	-	-	-	-	-	-	-	63 824
Transfer from intangible assets	-	-	-	-	-	-	-	2 211	2 211
Net exchange difference on translation of foreign entity	-	-	(20)	(9)	(5)	(5)	-	49	10
Other movements	-	(149)	2 938	-	215	-	-	-	3 004
Balance at end of the year	842 693	7 100	658 245	102 443	148 411	11 919	145 449	69 811	1 986 071
Accumulated depreciation									
At 1 July 2008	955	2 657	251 980	54 011	85 506	-	44 167	-	439 276
Depreciation charges	352	577	36 626	12 906	12 899	-	13 923	-	77 283
Accumulated depreciation on disposals	-	(90)	(21 510)	(16 209)	(7 276)	-	(11 962)	-	(57 047)
Disposed to related party	-	-	-	(646)	-	-	-	-	(646)
Other movements	-	-	3 251	(319)	72	-	-	-	3 004
Balance at end of the year	1 307	3 144	270 347	49 743	91 201	-	46 128	-	461 870
Net carrying amount at end of the year	841 386	3 956	387 898	52 700	57 210	11 919	99 321	69 811	1 524 201

GROUP

2008

N$ '000	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Vehicles	Furniture and equipment	Containers	Fishing vessels	Work in progress	Total
Cost or valuation									
At 1 July 2007	577 561	8 148	492 705	87 117	136 655	14 331	61 120	-	1 377 637
Additions	16 266	520	62 740	16 996	16 899	1 691	40 895	8 887	164 894
Capitalised borrowing costs	797	-	-	-	-	-	-	562	1 359
Disposals	(9 045)	(222)	(3 840)	(9 590)	(7 049)	(7 224)	(35)	-	(37 005)
Disposed on disposal of subsidiary	-	(883)	-	-	(771)	-	-	-	(1 654)
Revaluations	157 194	-	-	-	-	-	-	-	157 194
Impairment losses	(188)	-	-	-	(1 243)	-	-	-	(1 431)
Reclassified as held for sale	(9 643)	-	-	-	-	-	-	-	(9 643)
Other movements	-	-	(396)	396	-	-	-	-	-
Balance at end of the year	732 942	7 563	551 209	94 919	144 491	8 798	101 980	9 449	1 651 351
Accumulated depreciation									
At 1 July 2007	15 323	2 394	219 652	49 636	80 746	-	35 994	-	403 745
Depreciation charges	3 244	1 176	36 128	11 015	11 929	-	8 173	-	71 665
Accumulated depreciation on disposals	(1 758)	(222)	(3 769)	(6 671)	(6 757)	-	-	-	(19 177)
Disposed on disposal of subsidiary	-	(691)	-	-	(412)	-	-	-	(1 103)
Revaluations	(15 854)	-	-	-	-	-	-	-	(15 854)
Other movements	-	-	(31)	31	-	-	-	-	-
Balance at end of the year	955	2 657	251 980	54 011	85 506	-	44 167	-	439 276
Net carrying amount at end of the year	731 987	4 906	299 229	40 908	58 985	8 798	57 813	9 449	1 212 075

INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES [ANNEXURE C]

Subsidiary company	Nature of business	Issued capital N$ '000	Group effective holding 2009	2008
Broll and List Property Management (Namibia) (Proprietary) Limited	Property Management	1	51%	51%
Central Properties (Proprietary) Limited	Letting of property	8	100%	100%
Consortium Fisheries Limited		1 903	96%	96%
Subsidiaries of Consortium:				
Hangana Seafood (Proprietary) Limited	Processing of fish	90	96%	96%
Kraatz Marine (Proprietary) Limited	Ship repair	30 349	96%	96%
Eros Air (Proprietary) Limited	Aircraft charter	60	100%	100%
ICT Holdings (Proprietary) Limited	Consulting service to supply electronic communication	-	100%	100%
Khan Mine (Proprietary) Limited	Dormant	-	100%	100%
Kuiseb Capital (Proprietary) Limited*	Financing	-	-	-
Namibia Breweries Share Purchase Trust	Employee share incentive scheme	-	-	-
O&L Beverages (Proprietary) Limited	Investment holding	123	100%	100%
Subsidary of O&L Beverages: NBL Investment Holdings (Proprietary) Limited	Investment holding	4 400	56%	56%
Subsidiary of NBLIH: Namibia Breweries Limited		1 024	28%	28%
O&L Centre (Proprietary) Limited	Corporate head office	-	100%	100%
O&L South Africa (Proprietary) Limited	Dormant	-	100%	100%
Wernhil Park (Proprietary) Limited	Letting of property	1	100%	100%
Windhoek Parking (Proprietary) Limited	Dormant	-	100%	100%
Windhoek Schlachterei (Proprietary) Limited	Processing of meat	31 580	87%	87%
WUM Properties Limited		-	97%	97%
consisting of the following divisions: Kraatz Steel, Model Pick 'n Pay, Midgard Country Estate, O&L Properties	Farming, retail, tourism & property			
Significant subsidiaries of WUM:				
Khan Construction Co. (Proprietary) Limited	Investment holding	-	97%	97%
Action Dealers (Proprietary) Limited	Dormant	-	97%	97%
Kilimanjaro Trading (Proprietary) Limited	Hospitality industry	-	97%	97%
Namibia Dairies (Proprietary) Limited**	Manufacturing and distribution of dairy products	2	97%	97%

Associates	Nature of business	Issued capital N$ '000	Group Effective Holding 2009	2008
Dimension Data Namibia (Proprietary) Limited	Consulting service to supply electronic communication	-	49%	49%
Hillside Investment and Development (Proprietary) Limited	Property development	-	-	33%

Joint Ventures	Nature of business	Issued capital N$ '000	Group Effective Holding 2009	2008
Diageo, Heineken, Nambrew Drinks (Proprietary) Limited	Distribution and marketing	100	16%	16%
OLIFA Hotels & Resorts Namibia (Proprietary) Limited	Hospitality industry	-	50%	50%

*Not a legal subsidiary, but as the group exercises control this company's results are consolidated.
**The amounts included under shares relates to structured finance transactions, whereby preference shares was obtained in the respective company.

Shares at cost		Indebtedness to the company		Impairment of interest/ Provision of losses		Indebtedness by the company	
2009 N$ '000	**2008 N$ '000**	**2009 N$ '000**	**2008 N$ '000**	**2009 N$ '000**	**2008 N$ '000**	**2009 N$ '000**	**2008 N$ '000**
1	1	-	-	-	-	-	-
8	8	-	751	-	-	-	
2 246	2 240	105 268	99 499	-	(17 087)	-	-
-	-	57 151	57 984	-	-	13 186	11 300
-	-	8 823	8 837	-	-	-	-
60	60	4 306	1 790	(3 149)	(1 937)	-	-
-	-	43	-	-	-	-	-
-	-	528	528	(528)	(528)	-	-
3 000	3 000	-	-	-	-	-	-
-	-	814	950	-	-	-	-
298	298	92 240	143 698	-	-	-	-
-	-	-	-	-	-	-	-
25	25	-	-	-	-	-	-
-	-	157 261	144 936	(143 723)	(126 858)	-	-
-	-	-	-	-	-	-	-
16 521	16 521	-	-	-	-	-	373
-	-	483	483	(483)	(483)	-	-
32 918	32 918	24 411	18 008	(54 494)	(48 297)	-	-
1 618	1 618	292 221	294 874	(13 675)	(15 257)	-	-
-	-	1 601	1 601	-	-	-	-
-	-	-	-	-	-	-	-
-	-	4 804	2 723	-	-	-	-
35 000	33 735	-	-	-	-	16 472	13 532
91 965	90 424	749 954	776 662	(216 052)	(210 447)	29 658	25 205

Company				**Group**			
Shares at cost		Indebtedness to the company		Shares at cost		Indebtedness to the Group	
2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000
-	-	-	-	135	135	-	-
-	2	-	59	-	2	-	59
-	2	-	59	135	137	-	59

Shares at cost		Indebtedness to the company		Shares at cost		Indebtedness to the Group	
2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000	2009 N$ '000	2008 N$ '000
-	-	-	-	496 974	469 850	178 828	98 181
-	-	-	-	(92)	(92)	55 196	52 484
-	-	-	-	496 882	469 758	234 024	150 665

The company has deferred its right to claim repayment of debt owing to it of N$243 927 370 (2008: N$264 361 068) by certain subsidiaries until the assets of those subsidiaries, fairly valued exceed their liabilities. At 30 June 2009 these subsidiaries' liabilities exceeded their assets, fairly valued, by N$205 384 205 (2008: N$ 260 561 065).

STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE [ANNEXURE D]

STANDARDS AND INTERPRETATIONS	DESCRIPTION	EFFECTIVE DATE* for periods beginning on or after:
- IFRS 2	Share-based Payment	
	– Amendment relating to vesting conditions and cancellations	1 January 2009
	– Amendments resulting from April 2009 Annual Improvements to IFRSs	1 July 2009
	– Amendments relating to group cash-settled share-based payment transactions	1 January 2010
- IFRS 3	Business Combinations – Comprehensive revision on applying the acquisition method	1 July 2009
- IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	
	– Amendments resulting from May 2008 Annual Improvements to IFRSs	1 July 2009
	– Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
- IFRS 7	Financial Instruments: Disclosures - Amendments enhancing disclosures about fair value and liquidity risk	1 January 2009
- IFRS 8	Operating Segments	1 January 2009
	– Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
- IFRIC 15	Agreements for the Construction of Real Estate	1 January 2009
- IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008
- IFRIC 17	Distributions of Non-cash Assets to Owners	1 July 2009
- IFRIC 18	Transfers of Assets from Customers	1 July 2009
- IAS 1	Presentation of Financial Statements	
	– Comprehensive revision including requiring a statement of comprehensive income	1 January 2009
	– Amendments relating to disclosure of puttable instruments and obligations arising on liquidation	1 January 2009
	– Amendments resulting from May 2008 Annual Improvements to IFRSs	1 January 2009
	– Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
- IAS 7	Statement of Cash Flows	
	– Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010

STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE [ANNEXURE D]

STANDARDS AND INTERPRETATIONS	**DESCRIPTION**	**EFFECTIVE DATE*** for periods beginning on or after:
- IAS 16	Property, Plant and Equipment – Amendments resulting from May 2008 Annual Improvements to IFRSs	1 January 2009
- IAS 16	Leases – Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
- IAS 19	Employee Benefits – Amendments resulting from May 2008 Annual Improvements to IFRSs	1 January 2009
- IAS 20	Government Grants and Disclosure of Government Assistance - Amendments resulting from May 2008 Annual Improvements to IFRSs	1 January 2009
- IAS 23	Borrowing Cost – Comprehensive revision to prohibit immediate expensing – Amendments resulting from May 2008 Annual Improvements to IFRSs	 1 January 2009 1 January 2009
- IAS 27	Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3 – Amendments resulting from May 2008 Annual Improvements to IFRSs – Amendment relating to cost of an investment on first-time adoption	 1 July 2009 1 January 2009 1 July 2009
- IAS 28	Investments in Associates – Amendments resulting from May 2008 Annual Improvements to IFRSs – Consequential amendments arising from amendments to IFRS 3	 1 January 2009 1 July 2009
- IAS 29	Financial Reporting in Hyperinflationary Economies - Amendments resulting from May 2008 Annual Improvements to IFRSs	1 January 2009
- IAS 31	Interests in Joint Ventures – Amendments resulting from May 2008 Annual Improvements to IFRSs – Consequential amendments arising from amendments to IFRS 3	 1 January 2009 1 January 2009
- IAS 32	Financial Instruments: Presentation - Amendments relating to puttable instruments and obligations arising on liquidation	1 January 2009

STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE [ANNEXURE D]

STANDARDS AND INTERPRETATIONS	DESCRIPTION	EFFECTIVE DATE* for periods beginning on or after:
- IAS 36	Impairment of Assets	
	– Amendments resulting from May 2008 Annual Improvements to IFRSs	1 January 2009
	– Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
- IAS 38	Intangible Assets	
	– Amendments resulting from May 2008 Annual Improvements to IFRSs	1 January 2009
	– Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
- IAS 39	Financial Instruments: Recognition and Measurement	
	– Amendments resulting from May 2008 Annual Improvements to IFRSs	1 January 2009
	– Amendments resulting from April 2009 Annual Improvements to IFRSs	1 January 2010
	– Amendments for eligible hedged items	1 July 2009
	– Amendments for embedded derivatives when reclassifying financial instruments	30 June 2009
- IAS 40	Investment Property - Amendments resulting from May 2008 Annual Improvements to IFRSs	1 January 2009
- IAS 41	Agriculture - Amendments resulting from May 2008 Annual Improvements to IFRSs	1 January 2009

**All standards will be adopted at their effective date (except for the effect of those standards that are not applicable to the Company and the Group).*

GROUP REFERENCE INFORMATION

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Fax: 263327
www.nambrew.com

HANGANA SEAFOOD

PO Box 26, Walvis Bay
Tel: 064-218400
Fax: 064-218480
www.hangana.com

NAMIBIA DAIRIES

P/Bag 11321, Windhoek
Tel: 2994700
Fax: 2994701

MODEL PICK N PAY

PO Box 2200, Windhoek
Tel: 2964500
Fax: 2964550

WINDHOEK SCHLACHTEREI

PO Box 8519, Windhoek
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Fax: 262559

DIMENSION DATA NAMIBIA

PO Box 16, Windhoek
Tel: 373300
Fax: 373301
www.dimensiondata.com

OLIFA HOTELS & RESORTS

PO Box 2190, Windhoek
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KILIMANJARO TRADING

PO Box 2200, Windhoek
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Fax: 2964550

KRAATZ MARINE

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KRAATZ STEEL

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 61st Annual General Meeting of the shareholders of the Company will be held in the Ohlthaver & List Boardroom, Ohlthaver & List Centre, Carl List Haus, 27 Fidel Castro Street, Windhoek on Friday, 11 December 2009 at 08h30 for the following purposes:

1. To receive and consider, and if approved, adopt the Annual Financial Statements and the Report of the Auditors for the year ended 30 June 2009 as submitted, and to confirm all matters and things undertaken and discharged by the directors on behalf of the Company.

2. To elect Directors in the place of Messrs. H.E List, P Grüttemeyer, G Hanke, U.M Stritter, who retire by rotation in accordance with the Company's Articles of Association but, being eligible, offer themselves for re-election.

3. To confirm the appointment of Directors, since previous Annual General Meeting.

4. To approve the Directors' remuneration as set out in the financial report.

5. To authorise the Directors to determine the auditors' remuneration.

6. To place the unissued 6 507 083 ordinary shares of 50c each in the Company under the control of the directors who shall be authorised to allot all or any of those shares at their discretion on such terms and conditions and at such times as they may deem fit.

7. To transact such other business as may be transacted at an Annual General Meeting.

   A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his or her stead. A proxy need not also be a member of the Company. In order to be effective, proxy forms should be forwarded to reach the registered office of the Company not less than 48 hours prior to the time for the holding of the meeting.

By order of the Board
Ohlthaver & List Centre (Pty) Ltd
Company Secretary

Windhoek
21 September 2009

NOTES

NOTES

PROXY FORM

for the 61st Annual General Meeting of

OHLTHAVER & LIST FINANCE AND TRADING CORPORATION LIMITED

Registration number: 331

The Secretary
Ohlthaver & List Finance and Trading Corporation Limited
PO Box 16
Windhoek
Namibia

I/We ______________________________ (name in full)

of ______________________________ (address)

being a shareholder of ________________ (numbers of shares) of the abovementioned Company hereby appoint

a) ______________________________ (name)
or failing him/her
b) ______________________________ (name)
or failing him/her
c) ______________________________ (name)

or failing him/her, the chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 61st Annual General Meeting of the Company to be held in the Ohlthaver & List Boardroom, Ohlthaver and List Centre, First Floor, Carl List Haus, 27 Fidel Castro Street, Windhoek on Friday, 11 December 2009 at 08h30 and at any adjournment thereof, in particular to vote for/against/abstain* the resolutions contained in the notice of the meeting.

I/We desire to vote as follows:	For	Against	Abstain
Item number			
1. Adoption of the annual financial statements			
2. Re-election of retiring Directors			
H.E List			
P Grüttemeyer			
G Hanke			
U.M Stritter			
3. Confirmation of Director's appointment since previous Annual General Meeting			
4. Directors' remuneration			
5. Auditors' remuneration			
6. General authority to the Directors to allot and issue shares			

*Please indicate by inserting an "X" in the appropriate block either "for/against/abstain from". If no indication is given, the proxy may vote as he/she thinks fit.

Signed at ______________________________ this __________ day of 2009.

Signature(s) of shareholder(s) ______________________________

NOTES TO THE PROXY

1. A member entitled to attend and vote at the aforementioned meeting is entitled to appoint a proxy (who need not be a member of the company) to attend, speak and, on a poll, to vote in his/her stead.
2. Shareholders who wish to appoint proxies must lodge their proxy forms at the registered office of the Company not later than 48 hours prior to the time of holding the meeting.
3. In respect of shareholders which are companies, an extract of the relevant resolution of Directors must be attached to the proxy form.


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