ANNUAL FINANCIAL **STATEMENTS**

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GROUP VALUE ADDED STATEMENT

	Notes	30 June 2022 N$'000	30 June 2021 *Represented N$'000
WEALTH CREATED			
Net revenue		**3 021 335**	2 648 576
Salaries, wages and other employment costs	21	**(368 907)**	(397 817)
Paid to suppliers for materials and services		**(1 392 680)**	(1 133 531)
		1 259 748	1 117 228
Income from investments		**31 042**	21 138
TOTAL WEALTH CREATED		**1 290 790**	1 138 366
WEALTH DISTRIBUTION			
Salaries, wages and other employment costs	21	**368 907**	397 817
Providers of capital			
Dividends to shareholders	19	**–**	225 116
Finance costs on borrowings	23	**50 153**	46 854
Central and local governments	2	**161 506**	158 634
Reinvested in Group to maintain and develop operations			
Depreciation, amortisation and impairments	21	**162 524**	168 795
Retained earnings		**541 321**	152 254
Deferred taxation	25	**6 379**	(11 104)
TOTAL WEALTH DISTRIBUTED		**1 290 790**	1 138 366
NOTES TO THE VALUE ADDED STATEMENT			
1. Salaries, wages and other employment costs			
Salaries, wages, overtime payments, commissions, bonuses and allowances		**325 961**	353 632
Total contributions to medical aid and pension fund		**42 946**	44 185
		368 907	397 817
2. Central and local governments			
Normal corporate taxation		**158 628**	155 842
Rates and taxes paid on properties		**2 878**	2 792
		161 506	158 634
3. Additional amounts collected on behalf of central and local governments			
Customs and excise duties including import surcharges		**907 911**	762 849
Value added tax claimed		**17 842**	(30 543)
PAYE deducted from remuneration paid		**75 803**	55 824
Withholding taxes		**6 096**	7 069
		1 007 652	795 199
Number of employees		**760**	796

* *The comparatives have been represented in order to reflect the discontinued operations in accordance with IFRS 5.*

GROUP **SALIENT FEATURES**

	30 June 2022 N$'000	30 June 2021 *Represented N$'000	% Change
Net revenue	**3 021 335**	2 648 576	14,1
Profit attributable to ordinary shareholders (including discontinued operations)	**539 878**	378 112	42,8
Basic earnings per ordinary share (cents)	**262,5**	180,7	45,3
Headline earnings per ordinary share (cents)	**261,6**	178,2	46,8
Interim dividend declared per ordinary share (cents)	**–**	56,0	(100,0)
Final dividend declared per ordinary share (cents)	**–**	–	–
Net asset value per ordinary share (cents)	**1 186,3**	924,2	28,4
Return on ordinary shareholders' funds (%)	**24,8**	20,6	20,0

* *The comparatives have been represented in order to reflect the discontinued operations in accordance with IFRS 5.*

FIVE-YEAR **SUMMARY OF RESULTS**

	12 Months 30 June 2022	12 Months 30 June 2021	12 Months 30 June 2020	12 Months 30 June 2019	12 Months 30 June 2018
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION					
Property, plant and equipment	**916 243**	937 280	985 323	995 967	1 018 719
Investment in associate	**–**	710 160	778 663	855 366	404 824
Other non-current assets	**86 713**	82 387	61 167	33 051	37 544
Non-current assets held for sale	**781 120**	3 846	–	–	–
Current assets	**1 875 036**	1 423 723	1 082 732	1 221 135	1 250 092
	3 659 112	3 157 396	2 907 885	3 105 519	2 711 179
Issued capital	**1 024**	1 024	1 024	1 024	1 024
Non-distributable reserves	**61**	66	(548)	(103)	(97)
Retained income	**2 448 994**	1 907 673	1 755 419	1 954 353	1 622 001
Ordinary shareholders' equity	**2 450 079**	1 908 763	1 755 895	1 955 274	1 622 928
Interest-bearing loans and borrowings (non-current)	**368 833**	489 920	501 608	183 508	285 480
Other non-current liabilities	**208 167**	200 686	211 375	206 865	217 158
Current liabilities	**632 033**	558 027	439 007	759 872	585 613
	3 659 112	3 157 396	2 907 885	3 105 519	2 711 179
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME		*Represented			
Net revenue	**3 021 335**	2 648 576	2 645 832	3 097 583	2 687 174
Operating expenses	**(2 353 899)**	(2 035 950)	(2 192 589)	(2 445 672)	(2 074 089)
Operating profit	**667 436**	612 626	453 243	651 911	613 085
Finance costs	**(50 153)**	(46 854)	(50 545)	(42 455)	(43 325)
Finance income	**31 042**	21 138	17 592	26 607	32 623
Equity loss from joint venture	**–**	–	(76 703)	450 542	(33 441)
Profit/(loss) from discontinued operations	**56 560**	(64 060)	–	–	–
Profit before income tax	**704 885**	522 850	343 587	1 086 605	568 942
Income tax expense	**(165 007)**	(144 738)	(82 260)	(155 486)	(171 256)
Profit attributable to ordinary shareholders	**539 878**	378 112	261 327	931 119	397 686
CONSOLIDATED STATEMENTS OF CASH FLOWS		*Represented			
Cash generated by operations	**583 386**	907 917	528 925	691 008	709 589
Dividends paid	**(55)**	(224 388)	(461 477)	(598 274)	(181 745)
Dividends received	**58**	–	–	–	–
Taxation paid	**(146 805)**	(138 152)	(41 743)	(172 198)	(170 026)
Employer benefit payments on post employment benefit plans	**(738)**	(3 656)	(1 374)	(1 579)	(728)
Net cash flow from operating activities	**435 846**	541 721	24 331	(81 043)	357 090
Net cash flow applied to investing activities	**(102 265)**	(98 267)	(143 257)	(94 505)	(127 840)
Net cash flow from financing activities	**(184 230)**	(89 411)	173 886	(55 859)	(158 029)
Net increase/(decrease) in cash and cash equivalents	**149 351**	354 043	54 960	(231 407)	71 221

* *The 2021 figures have been represented to reflect the discontinued operations in accordance with IFRS 5. No representation of the above figures have been performed for the years preceding 2021.*

SUMMARY OF **STATISTICS**

	12 Months 30 June 2022	12 Months 30 June 2021 *Represented	12 Months 30 June 2020	12 Months 30 Jun 2019	12 Months 30 June 2018
ORDINARY SHARE PERFORMANCE					
Weighted average number of shares in issue (000s)	**206 529**	206 529	206 529	206 529	206 529
Earnings per ordinary share (cents)	**262,5**	180,7	126,5	450,8	192,6
Headline earnings per ordinary share (cents)	**261,6**	178,2	125,6	450,7	194,6
Dividends paid per ordinary share (cents)	**0,0**	109,0	103,0	96,0	88,0
Special dividend paid per ordinary share (cents)	**–**	–	121,0	193,7	–
Dividend cover (times)	**0,0**	1,7	0,6	1,6	2,2
Net asset value per ordinary share (cents)	**1 186,3**	924,2	850,2	946,7	785,8
PROFITABILITY AND ASSET MANAGEMENT					
Operating margin (%)	**22,1**	23,1	17,1	21,0	22,8
Return on total assets (%)	**22,9**	27,7	21,5	32,0	29,7
Return on ordinary shareholders' funds (%)	**24,8**	20,6	14,1	52,0	26,3
LIQUIDITY AND LEVERAGE					
Total liabilities to total shareholders' funds (%)	**40,7**	55,3	54,8	49,5	55,1
Financial gearing ratio (%)	**20,5**	32,4	36,8	20,4	24,4
Interest cover (times)	**13,9**	13,5	9,3	16,0	14,9
Current ratio (times)	**3,0**	2,6	2,5	1,6	2,1

Definitions

Dividend cover
Profit attributable to ordinary shareholders divided by dividends paid in the year.

Net asset value per share
Ordinary shareholders' equity divided by the total number of ordinary shares in issue.

Operating margin
Operating profit expressed as a percentage of net revenue.

Total assets
Property, plant and equipment, current and non-current assets.

Return on total assets
Operating profit plus finance income expressed as a percentage of average total assets (excluding investment in associate).

Return on ordinary shareholders' funds
Profit attributable to ordinary shareholders expressed as a percentage of average ordinary shareholders' equity.

Total liabilities
Interest-bearing loans and borrowings, other current and non-current liabilities. Deferred taxation and income taxation is excluded.

Financial gearing ratio (%)
Interest-bearing loans and borrowings expressed as a percentage of ordinary shareholders' equity.

Interest cover
Operating profit plus finance income divided by finance costs.

Current ratio
Current assets divided by current liabilities.

* *The 2021 figures have been represented to reflect the discontinued operations in accordance with IFRS 5. No representation of the above figures have been performed for the years preceding 2021.*

ORDINARY **SHARE OWNERSHIP**

	Number of Shareholders	%	Number of Shares	%
HOLDINGS				
1 – 1 000	889	62,47	409 146	0,20
1 001 – 50 000	456	32,05	3 066 001	1,48
50 001 – 100 000	18	1,26	1 253 400	0,61
100 001 – 10 000 000	58	4,08	48 859 223	23,66
10 000 001 and above	2	0,14	152 941 230	74,05
	1 423	100,00	206 529 000	100,00
CATEGORY				
Corporate bodies	32	2,25	125 123 724	60,58
Nominee companies	107	7,52	72 894 598	35,30
Private individuals	1 255	88,19	5 138 710	2,49
Trusts	29	2,04	3 371 968	1,63
	1 423	100,00	206 529 000	100,00

SHAREHOLDER SPREAD

The spread of shares held by non – public and public shareholders was as follows:

	at 30 June 2022 %	at 30 June 2021 %
Non – public shareholders		
– Holding company	59,37	59,37
– Directors and their associates	0,13	0,13
Public shareholders	40,50	40,50
	100,00	100,00
BENEFICIAL SHAREHOLDING OF 5% OR MORE		
NBL Investment Holdings Ltd	59,37%	59,37%
Including the effective shareholding of Mr. S Thieme	20,09%	20,09%
Government Institutions Pension Fund	14,50%	14,50%

FINANCIAL **REVIEW**

Accounting policies

NBL's accounting policies comply with International Financial Reporting Standards and are consistent with those of the previous reporting year.

Revenue

Consolidated net revenue increased by 14.1% from N$2 646 million to N$3 021 million for the year ended 30 June 2022. Revenue growth was primarily seen in the export markets, with normalised trading conditions in South Africa which saw a 60.6% increase in export volumes delivered to South Africa compared to the prior financial year.

Operating profit

The Group's operating profit for the year ended 30 June 2022 showed an increase of 8.9% over the previous reporting period. This translates into an operating profit margin of 22.1% compared with 23.1% reported for the previous financial year.

Taxation

The taxation charge for the year ended 30 June 2022 was N$165 million, while the previous reporting period reflected lower taxation charge of N$145 million. The increased tax charge being a direct result of the increased profitability in 2022.

The accumulated tax losses of the Group's wholly owned South African and Botswana subsidiaries have not been recognised as a deferred tax asset, due to uncertainty regarding future taxable income.

Profit after tax and earnings per share

Profit attributable to shareholders increased with 45.3% from N$378 million in the previous financial year to N$540 million in the current year, resulting in the earnings per share for the year ended 30 June 2022 increasing to 262.5 cents (2021: 180.7 cents).

These increases were attributable to normalised trading environments, especially in South Africa. Although South Africa was somewhat impacted in July 2021, NBL's investment in Heineken delivered a positive return for the year ended 30 June 2022 compared to the previous period.

Financial position

The debt-to-equity ratio decreased to 41% from 55% of the previous year. The Group repaid its first instalment of its medium-term borrowings.

Namibian market

The Namibian market continues to remain a significant contributor to total revenues and earnings, with Windhoek Draught and Tafel Larger spear-heading the overall beer growth. The Group maintained its strong market position despite a strained local economy and declining consumer spend.

South Africa

Heineken South Africa operated in a much improved and less restricted trading environment, with bans and restrictions on alcohol sales only experienced in July 2021. As a result, the 2022 financial year recorded equity accounted profits of N$54 million compared to the N$73 million losses recorded in 2021.

Exports (excluding South Africa)

Total volumes sold to export markets increased by 17% from the previous period. Tanzania saw its first ever National Consumer Promotion of NBL products which stimulated volumes growth, while an agreement with a new distributor in Zambia saw improved volume growth compared to 2021.

Cash flows

Net cash flow from operating activities decreased from an inflow of N$542 million in the previous financial year to N$436 million in 2021. The group invested heavily into its working capital to ensure global supply chain risks were mitigated as far as possible.

Net cash outflow from investing activities increased from N$98 million in the previous year to N$102 million in the 2022 financial year, as various previously delayed projects commenced.

Net cash outflow from financing activities increased from an N$89 million in the previous financial year to N$184 million in the current year, as the Group repaid its first instalment of medium-term borrowings (See Annexure A to this Integrated Annual Report).

APPROVAL OF **FINANCIAL STATEMENTS**

Directors' responsibility statement

The Company's Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements, comprising the consolidated and separate statement of financial position as at 30 June 2022, and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity, and consolidated and separate statement of cash flows for the year then ended, as well as the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, and the requirements of the Namibian Companies Act, as set out in pages 80 to 162.

The Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these 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. The Directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

After due assessment of the Group and Company's ability to continue as a going concern, the Directors believe there is no reason for the business not to continue as a going concern in the financial year ahead.

The external auditor is responsible for reporting on whether the consolidated and separate annual financial statements are fairly presented in accordance with International Financial Reporting Standards and the Companies Act. Their unmodified report is available on pages 76 to 79.

Approval of consolidated and separate financial statements

The consolidated and separate financial statements of the Group and Company, as indicated above, were approved by the Board of Directors on 12 September 2022 and signed on their behalf by:

S Thieme	**Marco Wenk**
Chairman	Managing Director

INDEPENDENT **AUDITOR'S REPORT**

To the Members of Namibia Breweries Limited

Opinion

We have audited the consolidated and separate financial statements of Namibia Breweries Limited ("the Company") and its subsidiaries ("the Group") set out on pages 80 to 162, which comprise the consolidated and separate statements of financial position as at 30 June 2022 and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies and the Directors' report.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Company and Group as at 30 June 2022 and their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of Namibia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statement*s section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards)* and other independence requirements applicable to performing audits of financial statements in Namibia.

We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT **AUDITOR'S REPORT** (CONTINUED)

Key Audit Matters

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

Key Audit Matter	How the matter was addressed in the audit
Accounting for investment in associate in terms of IFRS 5	
The decision to dispose of the Company and the Group's shareholding in Heineken South Africa (RF) Proprietary Limited (herein referred to as Heineken SA, HSA or the associate) has resulted in the investment in associate being classified as a Non-current Asset Held for Sale and as a Discontinued Operation. Accounting for the investment in Heineken SA of N$762 million was noted as a Key Audit Matter due to the following: – The significant Director judgement required in determining whether the requirements to recognise the investment in Heineken SA as a Non-current Asset Held for Sale in terms of IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("IFRS 5") are met as at 30 June 2022. – The complexity in applying IFRS 5 to recognise and measure the investment in Heineken SA. – The complexity in applying IFRS 5 disclosure requirements relating to Non-current Asset Held for Sale and as a Discontinued Operation. – The complexity of the transaction and its inter-related nature and reliance on other transactions also materialising, together with the related Impact of many different legal requirements. – The existence of the conditions precedent to the transaction that had not yet been achieved by the year end and that have not yet been achieved at the date of this report. The investment in Heineken SA, together with the relevant facts, circumstances and judgements applied by the Directors, are set out in Note 13. The Directors' have concluded that the treatment and disclosure of the investment in Heineken SA as a Non-Current Asset Held for Sale and Discontinued Operation is appropriate and complies with the recognition and measurement requirements and disclosure requirements of IFRS 5.	To address the Key Audit Matter, our audit procedures included the following: – Tested the design and implementation of key controls implemented regarding the transaction and the accounting treatment applied. – Evaluated the Directors' assessment of whether the requirements of IFRS 5 to account for the investment in associate as a Non-current Asset Held for Sale and as a Discontinued Operation, have been met as at 30 June 2022. – Obtained and read the agreements entered into to give effect to the transaction. – Reviewed company statutory records for confirmation of appropriate shareholder approval for the transaction. – Considered and reviewed the extent to which the requirements of the transaction as set out in the various agreements have been fulfilled. – Assessed the judgements made by the Directors in determining the treatment of the investment in associate, including the likelihood of the transaction being concluded within 12 months of the date of classifying the investment as a Non-current Asset Held for Sale. – Reviewed and assessed the adequacy of disclosures of the relevant facts, circumstances and Directors' judgments in accordance with the applicable accounting standards. – Assessed the impact of the legal requirements and conditions precedent for the transaction, not met as at year end, on the recognition of investment in associate as a Non-current Asset Held for Sale and as a Discontinued Operation. Based on work performed, we consider the Directors' judgement and their conclusion reached in applying the requirements of IFRS 5 to the transaction of the disposal of the investment in Heineken SA to be reasonable.

Other Information

The Directors are responsible for the other information. The other information comprises the DLG Awards, About this Report, 2022 at a glance, Chairperson's Statement, Our Profile, Our Beverages Brands, Our Geographic footprint, Our Value Chain, Our Stakeholders, Seven Reasons to invest in NBL, Our Operating Context, Beverages and consumer trends, A purpose-led strategy for the future, Managing Director's Report, Contributing to the Sustainable Development Goals, Governance Report, Group Value – Added Statement, Group Salient Features, Five – Year Summary of Results, Summary of Statistics, Ordinary Share Ownership, Financial Review, Approval of Financial Statements, Notice of Annual General Meeting, Proxy Form, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

INDEPENDENT **AUDITOR'S REPORT** (CONTINUED)

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

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

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

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

Deloitte & Touche

Deloitte & Touche

Registered Accountants and Auditors

Chartered Accountants (Namibia)

ICAN Practice Number: 9407

Per: RH Mc Donald

Partner

P. O. Box 47, Windhoek, Namibia

22 September 2022

Partners: R H Mc Donald (Managing Partner), H de Bruin, J Cronje, A Akayombokwa, J Nghikevali

Directors: G Brand, M Harrison

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

REPORT OF THE **DIRECTORS**

Founded in 1920, NBL is principally engaged in the brewing and distribution of beer and is also active in the manufacturing of soft drinks.

Accounting policies

NBL's accounting policies comply with International Financial Reporting Standards and are consistent with those of the previous financial year.

Financial results

The Group's operating profit for the year ended 30 June 2022 increased by 8.9% compared to the previous financial year (2021: 35.2%). This translates into an operating margin of 22.1% (2021: 23.1%).

Dividends paid

Details of the ordinary dividends declared, paid and payable in respect of the 2022/21 financial year are reflected in note 19 and note 27 to the financial statements.

Capital expenditure

Capital expenditure for the reporting year amounted to N$139.3 million (2021: N$137.7 million).

Issued capital

Full details of the authorised and issued capital of the Company as at 30 June 2022 are set out in note 14 to the annual financial statements. The 92 471 000 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Directorate and secretary

The names of the Directors as well as the name and address of the Company's Secretary appear on the inside back cover herein.

Subsidiaries

Details of the Company's subsidiaries are set out in Annexure C of this report.

Holding company

The Company's holding company is Namibia Breweries Investment Holdings (Proprietary) Limited, of which the shareholding is held by Ohlthaver & List Finance and Trading Corporation Limited and Heineken International BV ("Heineken"). The Company's ultimate holding entity is Sven Thieme Holdings (Proprietary) Limited.

Events subsequent to reporting date

On 5 September 2022, the Namibia Competition Commission notified NBL that the proposed NBL/Heineken/Distell transaction was approved with conditions.

On 9 September 2022, the Competition Commission of South Africa announced that it has recommended that the South African Competition Tribunal approves with conditions the proposed transaction whereby the Heineken Group, through Sunside Acquisitions Proprietary Limited (Newco), intends to acquire a controlling interest in Namibian Breweries Investment Holdings Limited (NIH) and the flavoured alcoholic beverages (FABs), wine, and spirits operations of Distell Group Holdings Limited (In-Scope Assets).

As of the date of this report, the Merger parties await the final approval from the South Africa Competition Tribunal and the completion of several other conditions precedent, which will allow for the completion of the transaction.

The Directors are not aware of any other significant events subsequent to the reporting date.

STATEMENTS OF **FINANCIAL POSITION**

COMPANY				GROUP	
as at 30 June 2021 N$'000	**as at 30 June 2022 N$'000**		Notes	**as at 30 June 2022 N$'000**	as at 30 June 2021 N$'000
		ASSETS			
		Non-current assets			
936 735	**923 104**	Property, plant and equipment	4	**916 243**	937 280
51 587	**49 437**	Intangible assets	5	**49 437**	51 587
30 800	**37 276**	Right-of-use assets	6	**37 276**	30 800
1 296	**1 296**	Investment in subsidiaries	7	**–**	–
710 160	**–**	Investment in associate	8	**–**	710 160
1 730 578	**1 011 113**			**1 002 956**	1 729 827
		Current assets			
313 110	**415 021**	Inventories	9	**415 021**	313 110
511 950	**707 600**	Trade and other receivables	10	**703 716**	508 068
–	**–**	Current tax receivable	28	**326**	326
602 137	**751 484**	Cash and cash equivalents	11	**751 565**	602 219
–	**4 408**	Derivative financial instruments	12	**4 408**	–
1 427 197	**1 878 513**			**1 875 036**	1 423 723
3 846	**781 120**	Non-current assets held for sale	13	**781 120**	3 846
3 161 621	**3 670 746**	**Total assets**		**3 659 112**	3 157 396
		EQUITY AND LIABILITIES			
		Equity			
1 024	**1 024**	Share capital	14	**1 024**	1 024
–	**–**	Reserves	34	**61**	66
1 911 246	**2 460 050**	Retained earnings		**2 448 994**	1 907 673
1 912 270	**2 461 074**	**Ordinary shareholders' equity**		**2 450 079**	1 908 763
		Non-current liabilities			
489 920	**368 833**	Interest-bearing loans and borrowings	15	**368 833**	489 920
21 972	**22 395**	Post-employment medical aid and severance pay benefit plan	16	**22 395**	21 972
178 731	**185 790**	Deferred taxation	17	**185 772**	178 714
690 623	**577 018**			**577 000**	690 606
		Current liabilities			
128 847	**133 969**	Interest-bearing loans and borrowings	15	**133 969**	128 847
405 660	**466 161**	Trade and other payables	18	**465 540**	404 959
3 465	**–**	Derivative financial instruments	12	**–**	3 465
13 695	**25 518**	Income tax payable	28	**25 518**	13 695
7 061	**7 006**	Dividends payable	19	**7 006**	7 061
558 728	**632 654**			**632 033**	558 027
3 161 621	**3 670 746**	**Total equity and liabilities**		**3 659 112**	3 157 396

STATEMENTS OF **PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

COMPANY for the year ended 30 June 2021 *Represented N$'000	COMPANY for the year ended 30 June 2022 N$'000		Notes	GROUP for the year ended 30 June 2022 N$'000	GROUP for the year ended 30 June 2021 *Represented N$'000
		CONTINUING OPERATIONS			
3 406 110	**3 929 246**	**Revenue**		**3 929 246**	3 406 110
(757 534)	**(907 911)**	Excise tax expense		**(907 911)**	(757 534)
2 648 576	**3 021 335**	**Net revenue**	20	**3 021 335**	2 648 576
(2 030 958)	**(2 353 292)**	Operating expenses	21	**(2 353 899)**	(2 035 950)
617 618	**668 043**	**Operating profit**	22	**667 436**	612 626
(46 854)	**(50 153)**	Finance costs	23	**(50 153)**	(46 854)
21 119	**37 918**	Investment income	24	**31 042**	21 138
591 883	**655 808**	**Profit before income tax**		**648 325**	586 910
(144 738)	**(165 007)**	Income tax expense	25	**(165 007)**	(144 738)
447 145	**490 801**	**Profit from continuing operations**		**483 318**	442 172
		Discontinuing operations			
(64 060)	**56 560**	Profit/(loss) from discontinued operations	13	**56 560**	(64 060)
383 085	**547 361**	**Profit for the year attributable to owners of the parent**		**539 878**	378 112
		Other comprehensive income/(loss):			
		Items that will not be reclassified subsequently to profit or loss:			
(1 091)	**2 122**	Remeasurement of net defined benefit liabilities	33	**2 122**	(1 091)
349	**(679)**	Income tax relating to items that will not be reclassified	33	**(679)**	349
(742)	**1 443**			**1 443**	(742)
		Items that may be reclassified subsequently to profit or loss:			
–	**–**	Foreign currency translation reserve ("FCTR")	33	**(5)**	614
(742)	**1 443**	**Other comprehensive income for the year net of taxation**		**1 438**	(128)
382 343	**548 804**	**Total comprehensive income for the year attributable to equity holders of the parent**		**541 316**	377 984
–	–	**Basic earnings per ordinary share (cents)****	26.1	**262,5**	180,7

* *The comparatives have been represented in order to reflect the discontinued operations in accordance with IFRS 5.*
** *There is no difference between basic and diluted earnings per share*

STATEMENTS OF CASH FLOWS

COMPANY for the year ended 30 June 2021 *Represented N$'000	COMPANY for the year ended 30 June 2022 N$'000		Notes	GROUP for the year ended 30 June 2022 N$'000	GROUP for the year ended 30 June 2021 *Represented N$'000
543 040	**435 839**	**CASH FLOW FROM OPERATING ACTIVITIES**		**435 846**	541 721
909 235	**583 379**	Cash generated by operations	28.1	**583 386**	907 917
(224 388)	**(55)**	Dividends paid	19	**(55)**	(224 388)
–	**58**	Dividends received	24	**58**	–
(138 151)	**(146 805)**	Income tax paid	28.2	**(146 805)**	(138 152)
(759)	**(738)**	Employer benefit payments on post employment medical aid benefit plans	16.2	**(738)**	(759)
(2 897)	**–**	Employer benefit payments on severance benefits	16.3	**–**	(2 897)
(94 118)	**(102 262)**	**CASH FLOW FROM INVESTING ACTIVITIES**		**(102 265)**	(98 267)
21 119	**30 984**	Interest income		**30 984**	21 138
4 443	**4 397**	Interest income from discontinued operations		**4 397**	4 443
4 175	**–**	Proceeds from loans to subsidiaries		**–**	–
(129 978)	**(135 461)**	Acquisition of property, plant and equipment		**(135 460)**	(129 978)
(7 713)	**(3 874)**	Acquisition of intangible assets		**(3 874)**	(7 713)
13 692	**1 692**	Proceeds on disposal of property, plant and equipment		**1 688**	13 699
144	**–**	Proceeds on disposal of intangible assets		**–**	144
(89 411)	**(184 230)**	**CASH FLOW FROM FINANCING ACTIVITIES**	35	**(184 230)**	(89 411)
(44 185)	**(47 805)**	Finance costs		**(47 805)**	(44 185)
(45 226)	**(136 425)**	Repayment of interest bearing loans and borrowings		**(136 425)**	(45 226)
359 511	**149 347**	Net increase in cash and cash equivalents		**149 351**	354 043
–	**–**	Effect of translation of foreign entities		**(5)**	619
242 626	**602 137**	Cash and cash equivalents at beginning of the year		**602 219**	247 557
602 137	**751 484**	**CASH AND CASH EQUIVALENTS AT END OF THE YEAR**	11	**751 565**	602 219

* *The comparatives have been represented in order to reflect the discontinued operations in accordance with IFRS 5.*

STATEMENTS OF **CHANGES IN EQUITY**

	Notes	Share capital N$'000	Non-distri-butable reserves N$'000	Retained earnings N$'000	Total N$'000
GROUP					
Balance at 1 July 2020		1 024	(548)	1 755 419	1 755 895
Profit for the year		–	–	378 112	378 112
Other comprehensive income for the year	33	–	614	(742)	(128)
Total comprehensive income for the year attributable to equity holders of the parent		–	614	377 370	377 984
Dividends to equity holders	27	–	–	(225 116)	(225 116)
Balance at 30 June 2021		1 024	66	1 907 673	1 908 763
Balance at 1 July 2021		**1 024**	**66**	**1 907 673**	**1 908 763**
Profit for the year		**–**	**–**	**539 878**	**539 878**
Other comprehensive income for the year	33	**–**	**(5)**	**1 443**	**1 438**
Total comprehensive income for the year attributable to equity holders of the parent		**–**	**(5)**	**541 321**	**541 316**
Dividends to equity holders	27	**–**	**–**	**–**	**–**
Balance at 30 June 2022		**1 024**	**61**	**2 448 994**	**2 450 079**
Note(s)		14	34		
COMPANY					
Balance at 1 July 2020		1 024	–	1 754 019	1 755 043
Profit for the year		–	–	383 085	383 085
Other comprehensive income for the year		–	–	(742)	(742)
Total comprehensive income for the year attributable to equity holders of the parent		–	–	382 343	382 343
Dividends to equity holders	27	–	–	(225 116)	(225 116)
Balance at 30 June 2021		1 024	–	1 911 246	1 912 270
Balance at 1 July 2021		**1 024**	**–**	**1 911 246**	**1 912 270**
Profit for the year		**–**	**–**	**547 361**	**547 361**
Other comprehensive income for the year		**–**	**–**	**1 443**	**1 443**
Total comprehensive income for the year attributable to equity holders of the parent		**–**	**–**	**548 804**	**548 804**
Dividends to equity holders	27	**–**	**–**	**–**	**–**
Balance at 30 June 2022		**1 024**	**–**	**2 460 050**	**2 461 074**
Note(s)		14	34		

NOTES TO THE **ANNUAL FINANCIAL STATEMENTS**

for the year ended 30 June 2022

1. REPORTING ENTITY

Namibia Breweries Limited (the "Company") is a company domiciled in Namibia. The consolidated and separate financial statements of the Company as at and for the year ended 30 June 2022 comprise the Company and its subsidiaries and the Group's interest in associates (together referred to as the "Group" and individually as "Group entities").

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and the requirements of the Namibian Companies Act. The financial statements were approved by the Board of Directors on 12 September 2022. The accounting policies below apply to both consolidated and separate financial statements.

(b) Basis of measurement

The consolidated and separate financial statements are prepared on the going concern and historical cost basis, modified for the fair value treatment of financial instruments.

(c) Functional and presentation currency

The consolidated and separate financial statements are presented in Namibia Dollar (NAD), which is the Company's functional and Group's presentation currency. All information presented in NAD has been rounded to the nearest thousand.

(d) Use of significant estimates and judgements

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included below:

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of recognised and unrecognised tax losses are disclosed in note 17 and 25 and management's judgement with regard to the recoverability of deferred tax asset in its Associate in note 8.

Property, plant, equipment and intangible assets

The Group and Company depreciates and amortises items of property, plant, equipment and intangible assets down to residual value over the useful life of the assets. Management makes and applies assumptions about the expected useful life and residual value of these assets in determining the annual depreciation charge. Further details are given in the accounting policy note on depreciation. In particular management have assumed a depreciation rate of 20% (2021: 20%) on returnable containers, this being management's best estimate of breakage rate and useful life. The majority of returnable containers are with customers and the estimate of cost along with the corresponding returnable deposit liability is based on management's judgement. Any change to these assumptions could have a significant impact on both the asset and corresponding liability.

Application of IFRS 5

The Company and Group classifies non-current assets as held for sale when they are available for immediate sale in their present condition and the sale is highly probable. The Group should be committed to the sale, and it should be unlikely that the plan to sell will be withdrawn. This may be difficult to demonstrate in practice and involves judgement. At the end of the reporting period, the directors consider all available information in applying the held of sale criteria under IFRS 5 and make an assessment based thereon. See note 13 for further details of the key aspects considered when applying the requirements of the IFRS 5.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the consolidated and separate financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities over whose financial and operating policies the Group has the power to exercise control, so as to obtain benefits from their activities. In assessing control potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. Investment in subsidiaries are shown at cost in the Company's financial statements.

(ii) Associates

The Group's interest in associates are accounted for using the equity method of accounting. Under the equity method, the interest in an associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's net share of the assets. The statement profit or loss and other comprehensive income reflects the share of the results of the operations of the associate. Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

(iii) Transactions eliminated on consolidation

Intra-Group balances and transactions and any unrealised income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Business combinations

Business combinations are recognised and measured in terms of IFRS 3 Business Combinations. Business combinations under common control are recorded at the net book value of the assets or liabilities acquired.

(c) Foreign currency

Transactions denominated in foreign currencies are initially recorded at the functional currency spot rates at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The results and position of consolidated entities that have a functional currency that differs from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income statement items are translated at the average rate for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of other comprehensive income.

On disposal of the consolidated entity, the accumulated exchange differences in other comprehensive income are recognised in the statement of profit or loss and other comprehensive income.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour and other costs directly attributable to bringing the asset to a working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the asset will be increased and its cost can be reliably measured. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each of the items of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group and Company will obtain ownership by the end of the lease term. The average depreciation rates for the current and comparative periods are as follows:

	2022	2021
Freehold buildings	2%	2%
Leasehold land and buildings	4%	4%
Plant and machinery	4 – 20%	4 – 20%
Vehicles	20%	20%
Furniture and equipment	10 – 33%	10 – 33%
Returnable containers	20%	20%

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end. Land is not depreciated. The carrying values are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised. Depreciation is not provided on assets during the time of construction.

(e) Intangible assets

(i) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, and expenditure on internally generated goodwill and brands is recognised in profit or loss as an expense as incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically feasible, costs can be reliably measured, future economic benefits are feasible and the Group or Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss as an expense as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses.

(ii) Other intangible assets

Other intangible assets acquired by the Group or Company, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses.

(iii) Subsequent expenditure

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

(iv) Amortisation

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually and are not amortised. If the carrying amount exceeds the recoverable amount, an impairment loss will be recognised. Amortisation and impairment charges on intangible assets are charged to profit or loss. If an intangible asset with an indefinite life has changed to a finite life the change is made on a prospective basis. The average amortisation rates for the current and comparative periods are as follows:

	2022	2021
Automation processes	**20%**	20%
Externally purchased software licences	**33.3%**	33.3%
Trademarks	**0 – 20%**	0 – 20%

(f) Leases

Leases where group is lessee

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

At the start date of the lease, the group and company recognise a right of use (ROU) asset and interest-bearing borrowings and lease liabilities presented under interest-bearing borrowings on the statement of financial position. The ROU asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The group and company apply the following practical expedients for the recognition of leases:

- The short-term lease exemption, meaning that leases with a duration of less than a year are expensed in the income statement on a straight-line basis.
- The low value lease exemption, meaning that leased assets with an individual value of N$50 000 or less if bought new, are expensed in the income statement on a straight-line basis.

Lease liabilities are measured at the present value of the lease payments to be paid during the lease term, discounted using the incremental borrowing rate ('IBR'). Lease liabilities are subsequently increased by the interest cost on the lease liabilities and decreased by lease payments made. The lease liabilities will be re-measured when there is a change in the amount to be paid (e.g. due to indexation) or when there is a change in the assessment of the lease terms.

The lease term is determined as the non-cancellable period of a lease, together with:

- Periods covered by an unilateral option to extend the lease if the group and company are reasonably certain to make use of that option; and
- Periods covered by an option to terminate the lease if the group and company are reasonably certain not to make use of that option.

The group and company apply the following practical expedients for the recognition of leases:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics; and
- Include non-lease components in the lease liability for equipment leases.

Operating leases are those leases which do not fall within the scope of the above definition. Payments made under operating leases are recognised in profit or loss on a straight line basis.

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(g) Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition, and is determined as follows:

Raw materials, merchandise and consumable stores:

- Purchase cost on the weighted average basis.

Finished goods and work in progress:

- Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Obsolete, redundant and slow-moving inventories are identified on a regular basis and are written down to their estimated net realisable values. Net realisable value is the estimated selling price in the ordinary course of the business, less estimated costs of completion and the estimated costs necessary to make the sale.

(h) Impairment

(i) Financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL (expected credit losses) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based management recommendations, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. the financial instrument has a low risk of default;
2. the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
3. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

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

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

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

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(ii) Non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairments are recognised in profit or loss. An impairment is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

(i) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, interest-bearing borrowings, trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below. Accounting for finance income and costs is discussed in note 2(l) and 2(m) respectively. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company and Group commits to purchase the asset.

(ii) Financial assets or liabilities at fair value through profit or loss

Included in this category are derivative financial instruments. Financial assets or liabilities classified as at fair value through profit or loss, are subsequent to initial recognition, measured at fair value with changes in fair value recognised in profit or loss.

(iii) Loans and receivables

Included in this category are the loans to Group companies. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Amortised cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Trade and other receivables

Trade receivables, which generally have 30 – 60 day terms, are subsequent to initial recognition, recognised at amortised cost.

(v) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts, all of which are available for use by the Company and Group unless otherwise stated.

(vi) Interest-bearing loans and borrowings

Included in this category are long and medium-term financing and short-term borrowings. Non-derivative financial liabilities are recognised at amortised cost, using the effective interest method. Interest-bearing bank loans and overdrafts are recorded at the value of proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

(vii) Derecognition of financial assets and liabilities

Financial assets – A financial asset is derecognised where the rights to receive cash flows from the asset have expired. Financial liabilities – A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(viii) Non-interest-bearing financial liabilities

Non-interest bearing financial liabilities are recognised at amortised cost.

(j) Provisions

Provisions include a post-employment medical aid benefit for specified retired employees and the severance pay provision. Provisions are recognised when the Company or 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. A provision for restructuring is recognised when the Company and Group have approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating losses are not provided for.

(k) Revenue

The Group recognises revenue from the following major sources:

- Sale of beer, non-alcoholic beverages and by products;
- Royalty income on the Group's brands produced and sold in other countries; and
- Rental income.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes indirect taxes and discounts. Revenue is recognised when control of a product is transferred to a customer.

Revenue recognised is based on the price specified in the contract, net of discounts and sales taxes and gross of excise duties. Excise taxes are effectively a production tax as excise becomes payable when goods are produced and are not based on the sales value. Excise tax is borne by the Group and Company and therefore shown as an expense.

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(i) Sale of Goods

Revenue is recognised when the control of the goods have passed to the buyer. For sales transactions, the control passes to the buyer on delivery of the products (at a point in time).

(ii) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

(iii) Royalty income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement, at a point in time.

(l) Finance income

Finance income comprises interest income on funds, loans to associates and Group companies. Interest income is recognised in the year as it accrues in profit or loss, using the effective interest method.

(m) Finance costs

Finance costs comprise interest expense on borrowings. Borrowing costs are recognised in profit or loss using the effective interest method. Finance costs on qualifying assets are capitalised.

(n) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates and tax laws enacted or substantively enacted at the reporting date and any adjustment of tax payable for previous years. Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is not recognised for the following temporary differences:

- The initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- Investments in subsidiaries and jointly controlled entities to the extent that it is probable that the temporary differences will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill. The carrying amount of deferred tax assets are reviewed at each reporting date to determine that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(o) Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(p) Earnings per share

The calculation of basic earnings per share is based on earnings attributable to ordinary shareholders. Account is taken of the weighted average number of ordinary shares in issue for the period during which they have participated in the income of the Group. The Group has no dilutive potential ordinary shares. Earnings is defined as the profit for the year after taxation and non-controlling interest.

Headline earnings per share is calculated in terms of the requirements set out in Circular 1/2021 issued by SAICA.

(q) Employee benefits

(i) Short term benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service, on an undiscounted basis. A liability is recognised for the amount expected to be paid if the Company or Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Retirement benefits

The policy of the Group and Company is to provide retirement benefits for its employees. The contribution paid by the Group and Company to fund obligations for the payment of retirement benefits are recognised as an expense in profit or loss when they are due. The Ohlthaver & List Retirement Fund, which is a defined contribution fund, covers all the Company's employees and is governed by the Pension Funds Act.

(iii) Post employment medical benefits

The Group and Company provides for post-employment health care benefits to qualifying employees and retired personnel by subsidising a portion of their medical aid contributions. This scheme operates as a defined benefit plan and the cost of providing benefits under the plan is determined using the projected unit credit method.

Actuarial gains or losses, which can arise from differences between expected and actual outcomes, or changes in actuarial assumptions, are recognised immediately in other comprehensive income. The past service cost is recognised as an expense on a straight line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to the pension plan, past service cost is immediately recognised as an expense.

The entitlement to the benefits is usually based on the employee remaining in service up to retirement age and completing a minimum service period.

(iv) Severance benefit obligation

In accordance with the Namibia Labour Act, 2007 (No. 11 of 2007), severance benefits are payable to an employee, if the employee is 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 Group employees and is provided for in full. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains or losses are recognised in other comprehensive income and service costs are recognised in profit or loss in the year in which they occur.

(r) Non-current assets held for sale and discontinued operations

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

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

Investments in associates are classified as discontinued operations when the Group is committed to a sale plan of the investment in associate, or a portion of an investment in an associate and all criteria to be classified as held for sale are met. A discontinued operation results from the sale or abandonment of an operation that represents a separate major line of business or geographical area of operations and of which the assets, net profit or loss and activities can be distinguished physically, operationally and for financial reporting purposes. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income and statement of cash flows are represented as if the operation had been discontinued from the start of the comparative period.

(s) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. An operating segment is also a component of the Group whose operating results are reviewed regularly by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. In accordance with IFRS 8 – Operating Segments, the operating segments used to present segment information were identified on the basis of the internal reports used by management to allocate resources to the segments and assess their performance. The Executive Directors (Managing Director and Finance Director) are the Group's 'Chief Operating Decision Maker' within the meaning of IFRS 8.

The operating segments have been identified and classified in a manner that reflects the nature of the products offered by the Group.

Operating segments whose total revenue, absolute profit or loss for the period or total assets are 10% or more of total Group revenue, profit or loss or total assets, are reported separately.

The measure of profit or loss used by the Chief Operating Decision Maker is EBIT (Earnings Before Interest and Taxes), which includes revenue and expenses directly relating to a business segment but excludes net finance charges and taxation, which cannot be allocated to any specific segment.

(t) Fair value measurement

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

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

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

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

(u) New and revised standards

(i) Adoption of new and revised standards – effective in current year

The following table contains effective dates of IFRS's and recently revised IAS's, which have been adopted by the Company and the Group. The adoption of these amendments has not had a significant impact on the results from operations or the statement of financial position.

Final document	Date issued	Effective dates Annual reporting periods beginning on or after:
Interest Rate Benchmark Reform – Phase 2 The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	27 August 2020	1 January 2021
IFRS 16 Leases – Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	1 May 2020/ March 2021	1 April 2021

(ii) Standards and amendments issued but not yet effective

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

Final document	Date issued	Effective dates Annual reporting periods beginning on or after:
Reference to the Conceptual Framework (Amendments to IFRS 3) – The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.	14 May 2020	1 January 2022
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) – The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	14 May 2020	1 January 2022
Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) – The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'.	14 May 2020	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 – Amendments made to the following standards: IFRS 1, IFRS 9, IFRS 16, IAS 41	14 May 2020	1 January 2022
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) – The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.	23 January 2020 / 15 July 2020	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.	12 February 2021	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8) – The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates.	12 February 2021	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.	7 May 2021	1 January 2023

The directors are assessing the impact of adopting these standards but do not currently expect the adoption of any of these standards to have a significant impact on these accounts.

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		4. PROPERTY, PLANT AND EQUIPMENT		
		At cost		
273 662	**275 699**	Freehold land and buildings	**268 823**	273 663
3 395	**5 469**	Leasehold land and buildings	**7 628**	5 554
1 270 656	**1 278 543**	Plant and machinery	**1 278 546**	1 272 297
76 772	**57 913**	Vehicles	**57 914**	76 773
86 759	**87 781**	Furniture and equipment	**87 841**	87 020
–	**24 587**	Solar Plant	**24 587**	–
345 985	**341 831**	Returnable containers	**341 831**	345 985
20 708	**7 817**	Assets under construction	**7 816**	20 707
2 077 937	**2 079 640**		**2 074 986**	2 081 999
		Accumulated depreciation		
46 629	**48 675**	Freehold land and buildings	**48 675**	46 629
676	**918**	Leasehold land and buildings	**3 077**	2 835
781 608	**814 264**	Plant and machinery	**814 268**	782 839
56 033	**44 382**	Vehicles	**44 382**	56 033
–	**11 868**	Solar Plant	**11 868**	–
66 346	**65 890**	Furniture and equipment	**65 934**	66 473
189 910	**170 539**	Returnable containers	**170 539**	189 910
1 141 202	**1 156 536**		**1 158 743**	1 144 719
		Carrying value		
227 033	**227 024**	Freehold land and buildings	**220 148**	227 034
2 719	**4 551**	Leasehold land and buildings	**4 551**	2 719
489 048	**464 279**	Plant and machinery	**464 278**	489 458
20 739	**13 531**	Vehicles	**13 532**	20 740
20 413	**21 891**	Furniture and equipment	**21 907**	20 547
–	**12 719**	Solar Plant	**12 719**	–
156 075	**171 292**	Returnable containers	**171 292**	156 075
20 708	**7 817**	Assets under construction	**7 816**	20 707
936 735	**923 104**		**916 243**	937 280

Refer to Annexure B for details regarding the movement in property, plant and equipment for the year.

During the year under review, the group reclassified solar plant out of the various property, plant and equipment categories.

Land and Buildings

The Group's land and buildings are not encumbered. Details of the Group's land and buildings are maintained for inspection at the registered office of the Company.

Refer to Annexure A for encumbrances over moveable assets.

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		5. INTANGIBLE ASSETS		
		At cost		
27 128	**26 160**	Automation processes	**26 160**	27 128
11 000	**11 000**	Trademarks	**11 000**	11 000
33 234	**35 505**	Software licences	**35 505**	33 234
71 362	**72 665**		**72 665**	71 362
		Accumulated amortisation		
11 920	**13 659**	Automation processes	**13 659**	11 920
1 933	**2 000**	Trademarks	**2 000**	1 933
5 922	**7 569**	Software licences	**7 569**	5 922
19 775	**23 228**		**23 228**	19 775
		Carrying value		
15 208	**12 501**	Automation processes	**12 501**	15 208
9 067	**9 000**	Trademarks	**9 000**	9 067
27 312	**27 936**	Software licences	**27 936**	27 312
51 587	**49 437**		**49 437**	51 587
		Refer to Annexure B for details regarding the movement in intangible assets for the year.		
		6. RIGHT-OF-USE ASSETS		
		At cost		
65 559	**64 597**	Leased motor vehicles	**64 597**	65 559
10 365	**7 410**	Leased properties	**7 410**	10 365
75 924	**72 007**		**72 007**	75 924
		Accumulated amortisation		
36 419	**31 494**	Leased motor vehicles	**31 494**	36 419
8 705	**3 237**	Leased properties	**3 237**	8 705
45 124	**34 731**		**34 731**	45 124
		Carrying value		
29 140	**33 103**	Leased motor vehicles	**33 103**	29 140
1 660	**4 173**	Leased properties	**4 173**	1 660
30 800	**37 276**		**37 276**	30 800
		Refer to Annexure B for details regarding the movement in right-of-use assets for the year. The corresponding lease liability information is disclosed in note 15 and Annexure A.		

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		7. INVESTMENT IN SUBSIDIARIES (ANNEXURE C)		
1 296	**1 296**	Shares at cost		
1 296	**1 296**	Non-current		
		8. INVESTMENT IN ASSOCIATE		
		Reconciliation of net assets to equity accounted investment in associates		
1 361 129	**1 361 129**	Cost of 25% shareholding in associate	**1 361 129**	1 361 129
(724 594)	**(672 431)**	Cumulative losses	**(672 431)**	(724 594)
73 625	**73 625**	Loan provided to associate	**73 625**	73 625
–	**(762 323)**	Less: reclassified as discontinued operation	**(762 323)**	–
710 160	**–**	Carrying value	**–**	710 160
		Carrying value of investment		
778 663	**710 160**	Opening balance	**710 160**	778 663
4 953	**(2 321)**	Share of other comprehensive income/(losses) net of taxation	**(2 321)**	4 953
(73 456)	**54 484**	Share of profit/(loss) from associate	**54 484**	(73 456)
–	**(762 323)**	Less: reclassified as discontinued operation	**(762 323)**	–
710 160	**–**	Carrying amount of the investment	**–**	710 160
		Disclosed as		
710 160	**–**	Non-current	**–**	710 160
710 160	**–**		**–**	710 160

COMPANY			GROUP	
2021 N$'000	**2022 N$'000**		**2022 N$'000**	2021 N$'000

8. INVESTMENT IN ASSOCIATE (CONTINUED)

Heineken South Africa (RF) Proprietary Limited is registered and operates primarily in South Africa. The nature of the business is manufacturing and distribution of beer. NBL has a 25% share in Heineken South Africa (RF) Proprietary Limited. At year end, management reclassified the carrying amount of the investment as an asset held for sale and discontinued operation as a result of the events as detailed in note 13.

The closing balance of the investment includes a capital loan of N$73.6 million owed by Heineken South Africa (RF) Proprietary Limited. The loan to the associate is unsecured and bears interest at South African Prime rate (2021: South African Prime rate). The loan is repayable in September 2022, but subject to the conditions and events noted in note 13, the loan is to be settled fully when the invest in associate is sold.

Included in the associates' balance sheet is a deferred tax asset. From review of the financial performance in the current year and budgeted figures for the next twelve months, the management remains confident that the recognition of the deferred tax asset is appropriate.

In terms of overall volume sales, Heineken South Africa (RF) Proprietary Limited is one of the group's largest customers. Sales to and purchases from Heineken South Africa (RF) Proprietary Limited are made at cost, plus an agreed upon margin as stated in the contractual agreement between the two entities. The agreement also stipulates a minimum volume figure, which the associate commits to buy from NBL over a twelve month period.

8. INVESTMENT IN ASSOCIATE (CONTINUED)

In addition to sales made to the associate, the group earns royalty income and know-how fees based on the sale of NBL brands by Heineken South Africa (RF) Proprietary Limited to 3rd party customers. The royalty and know-how fees are based on a contractually agreed upon percentage of the net sales value derived from the 3rd party sales.

Payment terms for balances receivable and payable are in conjunction with normal credit terms.

Associates with different reporting dates

The reporting date of Heineken South Africa (RF) Proprietary Limited is 31 December. The reporting date is different from the group because the associate is controlled by Heineken International N.V., which has a 31 December reporting date.

9. INVENTORIES

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
54 161	**24 707**	Raw materials	**24 707**	54 161
27 001	**37 482**	Work in progress	**37 482**	27 001
116 819	**169 485**	Finished products	**169 485**	116 819
111 035	**178 150**	Consumable stores	**178 150**	111 035
10 457	**11 029**	Merchandise	**11 029**	10 457
319 473	**420 853**		**420 853**	319 473
(6 363)	**(5 832)**	Provision for obsolete inventory	**(5 832)**	(6 363)
313 110	**415 021**		**415 021**	313 110
		Reconciliation of provision for obsolete stock:		
(27 817)	**(6 363)**	Opening balance for the year	**(6 363)**	(27 817)
42 678	**27 737**	Impairments on inventory	**27 737**	42 678
(21 224)	**(27 206)**	Provision raised on obsolete stock	**(27 206)**	(21 224)
(6 363)	**(5 832)**		**(5 832)**	(6 363)

Inventory is encumbered for medium-term interest bearing borrowings as disclosed in note 15 and Annexure A.

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		10. TRADE AND OTHER RECEIVABLES		
		Financial instruments at amortised cost:		
152 846	**270 323**	Trade receivables	**270 323**	152 846
27 201	**17 906**	Accrued income	**17 906**	27 201
180 047	**288 229**	**Total trade receivables subject to expected credit losses**	**288 229**	180 047
(14 519)	**(18 645)**	Allowance for credit losses	**(18 645)**	(14 519)
86 084	**201 755**	Receivables from associate (note 29)	**201 755**	86 084
12 114	**5 863**	Receivables from Group companies (note 29.1)	**1 489**	7 746
1 242	**–**	Receivables from other related parties (note 29.2)	**–**	1 242
18 525	**26 636**	Refundable deposits	**26 636**	18 525
70 492	**27 271**	Other receivables	**27 271**	70 492
353 985	**531 109**	**Total financial instruments at amortised cost**	**526 735**	349 617
		Non-financial instruments:		
1 596	**76 022**	Prepayments	**76 022**	1 596
156 369	**100 469**	Value added taxation	**100 959**	156 855
157 965	**176 491**	**Total non-financial instruments**	**176 981**	158 451
511 950	**707 600**	**Total trade and other receivables**	**703 716**	508 068

Trade and other receivables were pledged as security for the loans with FirstRand Bank Limited as disclosed in Annexure A and note 15. All rights were ceded to the lender.

Trade receivables are generally on 30 – 60 days' terms.

The average collection period on sales of goods of the Company and Group is 26 days (2021: 16 days). No interest is charged on the trade receivables for the first 30-60 days from the date of the invoice. Thereafter, interest is charged at between 0% and the prime overdraft rate plus 2% per annum on the outstanding balance.

The Value Added Tax receivable is shown net of a N$13.2 million (2021: N$13.3 million) provision raised against the outstanding balance. The provision was raised for possible losses related to ageing VAT claims receivable from SARS.

The carrying amount of trade and other receivables approximate their fair value.

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

The allowance for credit losses increased significantly due to the current economic climate post COVID-19.

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2022 Estimated gross carrying amount at default N$'000	**2022 Loss allowance (Lifetime expected credit loss) N$'000**	2021 Estimated gross carrying amount at default N$'000	2021 Loss allowance (Lifetime expected credit loss) N$'000
GROUP				
Expected credit loss rate:				
Not past due: 0.1%	**172 308**	**(281)**	111 643	(149)
31 – 60 days past due: 0.2%	**38 707**	**(77)**	23 274	(36)
61 – 90 days past due: 0.3%	**25 949**	**(68)**	13 587	(31)
91 – 120 days past due: 0.4%	**2 974**	**(9)**	1 443	45
120+ days past due: 0.5%	**48 291**	**(18 210)**	30 100	(14 348)
	288 229	**(18 645)**	180 047	(14 519)
COMPANY				
Expected credit loss rate:				
Not past due: 0.1%	**172 308**	**(281)**	111 643	(149)
31 – 60 days past due: 0.2%	**38 707**	**(77)**	23 274	(36)
61 – 90 days past due: 0.3%	**25 949**	**(68)**	13 587	(31)
91 – 120 days past due: 0.4%	**2 974**	**(9)**	1 443	45
120+ days past due: 0.5%	**48 291**	**(18 210)**	30 100	(14 348)
	288 229	**(18 645)**	180 047	(14 519)

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		10. TRADE AND OTHER RECEIVABLES (CONTINUED)		
		Reconciliation of the allowance for expected credit losses:		
(11 029)	**(14 519)**	Balance at the beginning of the year	**(14 519)**	(11 029)
(8 753)	**(8 434)**	Provision raised	**(8 434)**	(8 753)
5 263	**4 308**	Provision utilised	**4 308**	5 263
(14 519)	**(18 645)**	Balance at the end of the year	**(18 645)**	(14 519)
		Analysed as follows:		
(14 019)	**(17 986)**	Individually impaired trade receivables	**(17 986)**	(14 019)
(500)	**(659)**	Collectively impaired trade receivables	**(659)**	(500)
(14 519)	**(18 645)**		**(18 645)**	(14 519)
		11. CASH AND CASH EQUIVALENTS		
66 555	**1 488**	Cash and bank	**1 501**	66 569
535 582	**749 996**	Funds on call	**750 064**	535 650
602 137	**751 484**	Cash and cash equivalents at end of the year	**751 565**	602 219

The carrying amount of these assets approximate their fair value.

Facilities

Various facilities have been provided by First National Bank of Namibia Limited. The list of facilities are set out below:

- Overdraft facility of N$100 000 000 of which N$69 226 046 is unutilised at year end*;
- Business credit card facility of N$300 000;
- Fleet cards facility of N$3 000 000;
- Guarantees of N$6 000 000;
- Wesbank rental facility of N$700 000;
- Short term pre-settlement facility on derivatives of N$10 000 000;
- Pre-settlement facility on fuel hedges of N$5 000 000; and
- Pre-settlement facility on interest rates of N$21 000 000.

The above facilities are unsecured.

* *Under the Terms and Conditions' of the lender, NBL is permitted to set-off any overdraft facility utilised at year end against any amount the lender holds to NBL's credit. At year end, total cash balances the lender holds to NBL's credit far exceed the overdraft utilised. As such, NBL elected to set-off bank overdraft balances against cash and cash equivalents.*

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		11. CASH AND CASH EQUIVALENTS (CONTINUED)		
		Cash and cash equivalents is encumbered as security for interest bearing borrowings as disclosed in note 15 and Annexure A.		
		Refer to note 31 for details of currency risk management for cash and cash equivalents.		
		12. DERIVATIVE FINANCIAL INSTRUMENTS		
		Hedging derivatives		
–	**4 408**	Forward foreign exchange contract asset	4 408	–
(3 465)	**–**	Forward foreign exchange contract liability	–	(3 465)
(3 465)	**4 408**		4 408	(3 465)
		Refer to note 32.2 for details on outstanding forward exchange contracts at year end.		
		Derivative financial instruments are classified as current assets or liabilities, as the Forward Exchange Contracts expire within 12 months after year end.		

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		13. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS		
		The major classes of assets and liabilities comprising the asset classified as held for sale were as follows:		
		Statement of Profit and Loss and Other Comprehensive Income		
(73 456)	**54 484**	Equity accounted income/(loss) – Profit and loss	**54 484**	(73 456)
4 953	**(2 321)**	Equity accounted income/(loss) – Other comprehensive income	**(2 321)**	4 953
4 443	**4 397**	Interest income received from Heineken SA	**4 397**	4 443
(64 060)	**56 560**		**56 560**	(64 060)
		Statement of Financial Position		
		Non-current assets held for sale		
3 846	**18 797**	Property, Plant & Equipment	**18 797**	3 846
		Discontinued operations		
–	**762 323**	Investment in associate	**762 323**	–
3 846	**781 120**		**781 120**	3 846
		Statement of Cash Flows		
(64 060)	**56 560**	Profit/(loss) from discontinued operations	**56 560**	(64 060)
73 456	**(54 484)**	Equity accounted income/(loss) – Profit and loss	**(54 484)**	73 456
(4 953)	**2 321**	Equity accounted income/(loss) – Other comprehensive income	**2 321**	(4 953)
4 443	**4 397**	Cash flow from investing activities – finance income	**4 397**	4 443

13. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

As part of an overall scheme of transactions involving entities within the O&L Group, Distell Group and Heineken Group, including Heineken International B.V., various purchase and sale transactions were proposed by Heineken International B.V. in order to upscale its investment in Africa related to alcohol and beverage sectors, particularly in Namibia and South Africa. Various agreements between companies of the above mentioned groups were concluded in this regard. The majority of the transactions would require as a minimum, Board, Shareholder and relevant Regulatory approval of the respective entities and in the respective jurisdictions. Considering this, the overall scheme of transactions were structured to be interdependent, meaning that if one portion of the transaction is not approved, the overall scheme would not continue. Although some exceptions were made in this regard, approval in the Namibia and South African jurisdictions are non-negotiable. Some of those agreements involving NBL and the related impact on these financial statements are detailed below:

As part of the Share Repurchase and Purchase Agreement ("SRPA") (the agreement concluded between Ohlthaver & List Beverage Company (Proprietary) Limited, Sunside Acquisitions Proprietary Limited ("Sunside"), NBL Investment Holdings (Pty) Ltd, Heineken International B.V. and Ohlthaver & List Finance and Trading Corporation Limited ("Olfitra") on 14 November 2021), O&L received an offer from Newco to acquire their entire shareholding in NBLIH and effectively making Sunside the new controlling shareholder of NBL. Under the SRPA, certain of NBL's non-core assets and properties were identified by O&L and concluded that NBL would be obligated to sell these assets to O&L under the terms of the agreement. Details of the non-core assets and properties:

- Hansa Breweries (Swakopmund) – Erf 3570 (including all permanent fixtures, fittings and Improvements)
- Hansa Warehouse (Swakopmund) – Erf 637
- Vacant Plot (Swakopmund) – Erf 3976
- Vacant Plot (Swakopmund) – Erf 3977
- The microbrewery business situated within the Strand Hotel Swakopmund, including all assets and rights required or necessary to conduct such business, to the extent owned or held by NBL and not used or required by NBL for purposes of its business as at the Effective Time.
- All of the issued shares in and loan accounts against (if any) Red Dawn IP Holdings Pty Ltd and Red Dawn Licensing Pty Ltd

Under IFRS 5 Non-current assets held for sale and discontinued operations, the non-core assets constitute assets held for sale as the assets are available for sale in their present condition and the sale is highly probable.

In addition to the above, and under the Share and Claims Purchase Agreement ("SPA") (the agreement concluded between Namibia Breweries Limited, Sunside Acquisitions Proprietary Limited ("Sunside"), Heineken South Africa (RF) Pty Ltd, NBL Investment Holdings (Pty) Ltd, Heineken International B.V. and Ohlthaver & List Finance and Trading Corporation Limited ("Olfitra") and Sedibeng Brewery Pty Ltd on 14 November 2021) NBL received an offer from Newco to acquire its entire shareholding in Heineken South Africa (RF) Pty Ltd (referred to as the Proposed Disposal). The offer received for the 25% shareholding was N$5 442 000 000 and under the SPA, the entire proceeds received will be distributed to shareholders as a dividend. Under IFRS 5 Non-current assets held for sale and discontinued operations, the investment in the associate constitutes a discontinued operation, being a significant component (25%) of a single integrated business who can function independently. The discontinued operation entails the following assets and income streams, while all other income streams will continue after the Proposed Disposal:

- Investment in Associate
- Loan owed by Heineken SA
- Interest income received on loan payable by Heineken SA

The above offers are further conditional on several factors outlined below:

- Unanimous support of O&L Board and irrevocable undertaking to support the transaction – Obtained 23 August 2021
- Unanimous support of the Independent Directors of NBL for the sale of the 25% shareholding in HSA – Obtained 27 September 2021
- Necessary shareholder approval for Newco's offer to NBL regarding the Proposed Disposal – Obtained 20 December 2021
- Unanimous approval from the Board of Distell Group Holdings Limited in relation to Newco's offer to Distell – Obtained 12 November 2021
- Necessary shareholder approval for Newco's offer for Distell for the Distell Material Scheme Conditions – Obtained 15 February 2022
- Conclusion of all applicable due diligences – All concluded before Board approvals
- Anti-trust and regulatory approvals in Namibia and South Africa – approval of regulatory authorities in these two jurisdictions are not mutually exclusive and should either of the authorities in Namibia or South Africa reject the transaction, all conditions under the SPA and SRPA will be void and no part of the transaction will proceed.

13. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

As at the date of these annual financial statements, all of the above conditions have been met and complied with, with exception of the regulatory approvals in South Africa and Namibia. Refer to note 37 for the status of regulatory approvals as at the closing date of these annual financial statements. In the assessment of whether the regulatory approval status contradicts a classification of the Investment in Heineken SA and non-core assets as held for sale, all relevant information, communication and engagement between the regulatory bodies, legal counsel to all relevant parties have been considered.

Considering the above, and that all other criteria under IFRS 5 have been met, the Investment in Associate is classified as a discontinued operation and relevant non-core assets classified as held for sale. The fair value of all associated assets and investments exceed their carrying amounts.

Included in the non-current asset held for sale balance as at 30 June 2022, is N$3 846 208 already classified as held for sale in the prior period. After meeting the relevant criteria of IFRS 5 in the prior year, these assets were included in the non-core assets and properties as mentioned above. Accordingly, they have been kept as held for sale in the current year.

COMPANY			GROUP	
2021 N$'000	**2022 N$'000**		**2022 N$'000**	2021 N$'000
		14. SHARE CAPITAL		
		Ordinary – Authorised		
		299 000 000 shares of no par value (2021: 299 000 000).		
		1 000 000 Variable rate redeemable preference shares of N$0.50 each		
		Ordinary – Issued		
1 024	**1 024**	206 529 000 fully paid up shares of no par value (2021: 206 529 000).	**1 024**	1 024
		The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share on meetings of the company.		
		92 471 000 unissued ordinary shares are not under the control of the directors in terms of a resolution of members passed at the last annual general meeting.		

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		15. INTEREST-BEARING LOANS AND BORROWINGS		
		This note provides information about the contractual terms of the Company and Group's interest-bearing loans and borrowings, including finance lease liabilities. For more information about the exposure to interest rate risk, see Annexure A.		
		Non-current liabilities		
460 000	**340 000**	Medium term loan (Annexure A)	**340 000**	460 000
29 920	**28 833**	Finance lease liabilities (Annexure A) (note 6)	**28 833**	29 920
489 920	**368 833**		**368 833**	489 920
		Current liabilities		
120 000	**120 000**	Medium term loan (Annexure A)	**120 000**	120 000
8 847	**13 969**	Finance lease liabilities (Annexure A) (note 6)	**13 969**	8 847
128 847	**133 969**		**133 969**	128 847
580 000	**460 000**	Total Medium term loans	**460 000**	580 000
38 767	**42 802**	Finance lease liabilities	**42 802**	38 767
618 767	**502 802**	**Total interest bearing borrowings**	**502 802**	618 767

The undrawn facilities at 30 June 2022 were N$100 million (2021: N$450 million).

For terms and conditions related to interest bearing borrowings and loans, refer to Annexure A.

16. RETIREMENT BENEFIT INFORMATION

16.1 Retirement fund

Company 2021 N$'000	Company 2022 N$'000		Group 2022 N$'000	Group 2021 N$'000
		The total value of contributions to the Ohlthaver & List Retirement Fund during the period amounted to:		
10 853	**10 849**	Members' contributions	**10 849**	10 853
14 756	**14 643**	Employer's contributions	**14 643**	14 756
25 609	**25 492**		**25 492**	25 609

This is a defined contribution plan and is regulated by the Pension Fund Act of Namibia. The fund is valued at intervals of not more than three years. The fund was valued by an independent consulting actuary, Strategic Actuarial Partners Namibia (Proprietary) Limited, at 31 January 2020 and its assets were found to exceed its actuarially calculated liabilities. The next statutory actuarial valuation is due to be performed on 31 January 2023.

16.2 Post employment medical aid benefit plan

Company 2021 N$'000	Company 2022 N$'000		Group 2022 N$'000	Group 2021 N$'000
6 137	**6 694**	Balance at the beginning of the year	**6 694**	6 137
522	**591**	Interest cost – charged to profit and loss	**591**	522
794	**(732)**	Actuarial gain – charged to other comprehensive income	**(732)**	794
(759)	**(738)**	Benefits paid	**(738)**	(759)
6 694	**5 815**	Non current balance at the end of the year	**5 815**	6 694

COMPANY 2021	COMPANY 2022		GROUP 2022	GROUP 2021

16. RETIREMENT BENEFIT INFORMATION (CONTINUED)

16.2 Post employment medical aid benefit plan (continued)

The Ohlthaver & List Group provides for post employment medical aid benefits in respect of a closed group of specified retired employees. The present value of the provision at 30 June 2022, N$5.8 million (2021: N$6.7 million).

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 post-retirement medical aid costs were valued by an independent consulting actuary, Strategic Actuarial Partners Namibia (Proprietary) Limited on 30 June 2022. The principal actuarial assumptions used in determining post employment medical aid benefit obligations for the Group's plan are as follows:

COMPANY 2021	COMPANY 2022		GROUP 2022	GROUP 2021
9,40%	**11,20%**	Discount rate	**11,20%**	9,40%
7,20%	**8,60%**	Health care cost inflation	**8,60%**	7,20%
18	**17**	Employees	**17**	18

Sensitivity analysis of health care cost inflation:

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

The accrued liability as at 30 June 2022 will decrease by N$0.325 million (2021: N$0.401 million) or increase by N$0.366 million (2021: N$0.454 million) respectively; and

The current service cost and interest cost will decrease by N$0.017 million (2021: N$0.024 million) or increase by N$.015 million (2021: N$0.022 million) respectively.

16. RETIREMENT BENEFIT INFORMATION (CONTINUED)

16.3 Severance benefit

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

Company 2021 N$'000	Company 2022 N$'000		Group 2022 N$'000	Group 2021 N$'000
15 071	**15 278**	Balance at the beginning of the year	**15 278**	15 071
1 003	**935**	Current service costs	**935**	1 003
1 804	**1 757**	Interest cost	**1 757**	1 804
297	**(1 390)**	Actuarial gain	**(1 390)**	297
(2 897)	**–**	Benefits paid	**–**	(2 897)
15 278	**16 580**	Balance at the end of the year	**16 580**	15 278

16. RETIREMENT BENEFIT INFORMATION (CONTINUED)

16.3 Severance benefit (continued)

Valuation method and assumptions

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

The post-retirement medical aid costs were valued by an independent consulting actuary, Strategic Actuarial Partners Namibia (Proprietary) Limited on 30 June 2022. The principal actuarial assumptions used in determining severance pay obligations for the Group is as follows:

Company 2021 N$'000	Company 2022 N$'000		Group 2022 N$'000	Group 2021 N$'000
11,30%	**12,50%**	Discount rate	**12,50%**	11,30%
6,60%	**7,80%**	Inflation rate	**7,80%**	6,60%
5,00%	**5,00%**	Salary Increase Rate	**5,00%**	5,00%

Sensitivity analysis of inflation:

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

The accrued liability as at 30 June 2022 will decrease by N$1.577 million (2021: N$1.508 million) or increase by N$1.837 million (2021: N$1.761 million) respectively.

Company 2021 N$'000	Company 2022 N$'000		Group 2022 N$'000	Group 2021 N$'000
21 972	**22 395**	**Total Post-employment provisions**	**22 395**	21 972

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		17. DEFERRED TAXATION		
		Deferred taxation liability		
190 184	**178 732**	Balance at beginning of the year	**178 714**	190 167
3 384	**528**	Accelerated depreciation for tax purposes	**528**	3 384
13 635	**(13 635)**	Accrued income	**(13 635)**	13 635
42	**(80)**	Debtors allowances	**(80)**	42
3 270	**453**	Customer deposits	**453**	3 270
(20 634)	**7 738**	Other provisions	**7 738**	(20 634)
448	**789**	Deferred rentals	**789**	448
170	**3 250**	Prepayments	**3 250**	170
105	**(815)**	Retirement and severance pay benefit obligations	**(815)**	105
(289)	**(322)**	Intangible asset	**(322)**	(289)
(11 235)	**8 473**	Unrealised foreign exchange losses	**8 473**	(11 235)
(11 104)	**6 379**	Movement during the year	**6 379**	(11 104)
(349)	**679**	Charge to other comprehensive income for the year	**679**	(349)
178 731	**185 790**		**185 772**	178 714
		Analysis of deferred taxation liability:		
217 311	**217 838**	Accelerated depreciation for tax purposes	**217 839**	217 311
13 635	**–**	Accrued income	**–**	13 635
(78)	**(158)**	Debtors allowances	**(158)**	(78)
(17 331)	**(16 878)**	Customer deposits	**(16 878)**	(17 331)
(22 397)	**(14 657)**	Other provisions	**(14 676)**	(22 414)
(2 557)	**(1 768)**	Other leases	**(1 768)**	(2 557)
435	**3 685**	Prepayments	**3 685**	435
(7 031)	**(7 167)**	Retirement benefit obligations	**(7 167)**	(7 031)
1 074	**752**	Intangible asset	**752**	1 074
(4 330)	**4 143**	Unrealised foreign exchange losses	**4 143**	(4 330)
178 731	**185 790**		**185 772**	178 714

Unutilised tax losses not recognised as deferred tax assets as a result of uncertainty with regard to the recoverability thereof amount to N$68.9 million (2021: N$68.9 million) in Group companies. These losses can be carried forward indefinitely.

18. TRADE AND OTHER PAYABLES

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		Financial instruments at amortised cost		
123 936	**172 299**	Trade and other payables	**171 979**	123 615
13 473	**10 357**	Payables to Group companies (note 29.1)	**9 343**	12 369
3 120	**10 725**	Payables to other related parties (note 29.2)	**10 725**	3 120
65 289	**56 090**	Other accrued expenses	**56 756**	65 965
31 490	**40 040**	Deposits received	**40 087**	31 538
31 003	**29 101**	Other payables	**29 101**	31 003
268 311	**318 612**	**Total financial instruments at amortised cost**	**317 991**	267 610
59 287	**94 473**	Excise duties	**94 473**	59 287
63 903	**39 604**	Accrued bonus	**39 604**	63 903
13 858	**13 395**	Accrued leave pay	**13 395**	13 858
301	**77**	Value added taxation	**77**	301
137 349	**147 549**	**Total non-financial instruments**	**147 549**	137 349
405 660	**466 161**	**Total trade and other payables**	**465 540**	404 959

Terms and conditions of the above financial liabilities:

For terms and conditions of balances owing to related parties, refer to note 29.

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The directors consider the carrying amount of trade and other payables to approximate their fair value.

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18. TRADE AND OTHER PAYABLES (CONTINUED)

Trade payables are non-interest-bearing and are normally settled on 30 – 60 day terms.

Accruals relate to leave, medical, bonus, electricity and management fee accruals among others.

19. DIVIDENDS PAID

Company 2021 N$'000	Company 2022 N$'000		Group 2022 N$'000	Group 2021 N$'000
(6 333)	**(7 061)**	Balance payable at the beginning of the year	**(7 061)**	(6 333)
(225 116)	**–**	Dividends declared on ordinary shares	**–**	(225 116)
7 061	**7 006**	Balance payable at the end of the year	**7 006**	7 061
(224 388)	**(55)**	Dividends paid	**(55)**	(224 388)

Dividends payable represents dividends declared, but not paid at year end.

Dividends are paid from accumulated profits.

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		20. REVENUE		
3 408 322	**3 917 521**	Sale of goods	**3 917 521**	3 408 322
(757 534)	**(907 911)**	Excise	**(907 911)**	(757 534)
(111 534)	**(135 394)**	Discounts allowed	**(135 394)**	(111 534)
109 322	**147 119**	Royalties and know-how fees	**147 119**	109 322
2 648 576	**3 021 335**	Total net revenue from contracts with customers	**3 021 335**	2 648 576

As per the nature of the Group's operations the timing of all revenue recognition takes place at a point of time.

Disaggregation of revenue from contracts with customers

The Group and Company disaggregates revenue from customers as follows:

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		At a point in time		
3 408 322	**3 917 521**	Sale of goods	**3 917 521**	3 408 322
(757 534)	**(907 911)**	Excise	**(907 911)**	(757 534)
(111 534)	**(135 394)**	Discounts allowed	**(135 394)**	(111 534)
109 322	**147 119**	Royalties and know-how fees	**147 119**	109 322
2 648 576	**3 021 335**	Total net revenue from contracts with customers	**3 021 335**	2 648 576

Net revenue arising from sales to countries outside Namibia is detailed in note 36.

21. OPERATING EXPENSES

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		Costs by nature		
761 063	**1 026 889**	Raw material and consumables	**1 026 889**	761 063
397 817	**368 907**	Employment costs	**368 907**	397 817
482 727	**514 108**	Administration and marketing expenses	**514 381**	487 351
184 138	**231 232**	Railage and transport	**231 232**	184 138
36 786	**49 966**	Repairs and maintenance	**49 966**	36 786
168 427	**162 190**	Depreciation, amortisation and impairments	**162 524**	168 795
2 030 958	**2 353 292**		**2 353 899**	2 035 950

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		22. OPERATING PROFIT		
		Operating profit is stated after taking account of:		
		Income		
15	**30**	Rent received	**30**	15
5 224	**2 094**	Net profit on disposal of property, plant and equipment	**1 897**	5 189
–	**4 743**	Realised gains on foreign exchange transactions	**4 743**	–
(3 465)	**4 408**	Unrealised gains on foreign exchange contracts	**4 408**	(3 465)
		Expenses		
837	**1 640**	Internal auditor remuneration	**1 640**	837
		External auditor remuneration		
1 839	**–**	– for statutory audit 2020	**–**	1 839
1 941	**1 533**	– for statutory audit 2021	**1 533**	1 941
–	**1 961**	– for statutory audit 2022	**1 961**	–
–	**13 903**	Other services – Deloitte Capital	**13 903**	–
18	**395**	Other services – Deloitte Namibia	**395**	115
143 458	**137 494**	Depreciation on property, plant and equipment	**137 829**	143 828
18 801	**16 474**	Depreciation on right-of-use assets	**16 474**	18 801
6 686	**7 460**	Amortisation	**7 460**	6 686
(520)	**762**	Impairments losses including impairment reversals	**762**	(520)
58 240	**55 524**	Management and shared services fees	**55 524**	58 240
1 594	**2 710**	Royalties	**2 710**	1 594
25 600	**–**	Realised losses on foreign exchange transactions	**–**	25 600
(21 454)	**(531)**	Movement in the provision for impairment of inventories	**(531)**	(21 454)
3 490	**4 126**	Movement in the provision for impairment of trade receivables	**4 126**	3 490
(4 175)	**–**	Impairment of loans to subsidiaries	**–**	–
231 131	**241 357**		**241 889**	235 808

Company 2021 N$'000	Company 2022 N$'000		Group 2022 N$'000	Group 2021 N$'000
		23. FINANCE COSTS		
36 821	**37 948**	Interest bearing loans	**37 948**	36 821
7 707	**9 853**	Lease liabilities	**9 853**	7 707
2 324	**2 348**	Post-employment benefits	**2 348**	2 324
2	**4**	Other interest	**4**	2
46 854	**50 153**	Total finance costs	**50 153**	46 854
		24. INVESTMENT INCOME		
–	**6 934**	Dividend income	**58**	–
		Included in the current year dividend income of the company, is an amount of N$6 876 210 related to a non-cash dividend from a subsidiary.		
		Interest income earned on:		
20 920	**30 941**	Bank and funds on call	**30 941**	20 939
199	**43**	Group companies and other related parties	**43**	199
21 119	**37 918**	Total interest income	**31 042**	21 138
		For interest earned from discontinued operations, refer to note 8.		

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COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		25. INCOME TAX EXPENSE		
		The major components of income tax expense for the years ended 30 June 2022 and 2021 are:		
(133 365)	**(149 839)**	Namibian taxation	**(149 839)**	(133 365)
(11 373)	**(15 168)**	South African taxation	**(15 168)**	(11 373)
(144 738)	**(165 007)**	Total income tax expense	**(165 007)**	(144 738)
		Comprising		
		Normal taxation		
(144 469)	**(143 460)**	– current period: Namibian	**(143 460)**	(144 469)
		Withholding tax		
(11 373)	**(15 168)**	– current period: South African	**(15 168)**	(11 373)
		Deferred taxation		
11 104	**(6 379)**	– current period: Namibian	**(6 379)**	11 104
(144 738)	**(165 007)**	**Income tax expense**	**(165 007)**	(144 738)
		No provision for normal taxation has been made for certain subsidiaries which have estimated tax losses of N$68.9 million (2021: N$68.9 million). No deferred tax asset has been recognised for these calculated tax losses as it is uncertain that future taxable profits will be available against which the associated unused tax losses can be utilised.		
–	**–**	Estimated tax losses available for set-off against future taxable income	**68 857**	68 857
–	**–**	Less: Applied to offset any deferred taxation liability or to create deferred tax asset	**–**	–
–	**–**	Available to reduce future taxable income	**68 857**	68 857

%	**%**		**%**	%
		Reconciliation of effective tax rate		
32,0	**32,0**	Namibian normal tax rate	**32,0**	32,0
		(Reduction)/increase in rate of taxation		
(4,1)	**(3,6)**	– manufacturing allowances	**(3,6)**	(4,1)
0,8	**1,8**	– disallowable expenditure	**1,8**	1,1
(4,2)	**(5,0)**	– effect of rate differential between tax jurisdictions	**(4,7)**	(4,3)
24,5	**25,2**	Effective rate of taxation	**25,5**	24,7

26. BASIC AND HEADLINE EARNINGS PER ORDINARY SHARE

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

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		Calculation of weighted average number of shares for basic earnings per share and dilutive earnings per share:		
206 529	**206 529**	Shares issued at beginning of the year	**206 529**	206 529
–	**–**	Shares issued during the year to ordinary shareholders	**–**	–
206 529	**206 529**	Weighted average number of shares	**206 529**	206 529
		Profit for the year attributable to owners of the parent	**539 878**	378 112
		Equity account loss/(income) – other comprehensive income	**2 321**	(4 953)
		Profit attributable to ordinary shareholders	**542 199**	373 159
		Net (gain)/loss on the sale of property, plant and equipment	**(1 897)**	(5 189)
		Headline earnings	**540 302**	367 970
		26.1 Basic earnings per ordinary share (cents)		
		Profit attributable to ordinary shareholders	**542 199**	373 159
		Weighted number of shares in issue (000s)	**206 529**	206 529
		Basic earnings per ordinary share (cents)	**262,5**	180,7
		There is no difference between basic and diluted earnings per share		
		26.2 Headline earnings per ordinary share (cents)		
		Headline earnings	**540 302**	367 970
		Weighted average number of shares in issue (000s)	**206 529**	206 529
		Headline earnings per ordinary share (cents)	**261,6**	178,2
		There is no difference between headline earnings per share and diluted headline earnings per share		

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		27. DIVIDENDS PROPOSED		
		In respect of the 2021 financial year		
115 656	–	– interim (56 cents per share, paid 14 May 2021)	–	115 656
		In respect of the 2020 financial year		
109 460	–	– final (53 cents per share, 13 November 2020)	–	109 460
225 116	–	Dividends declared to ordinary shareholders	–	225 116
		Dividend paid per ordinary share		
53,0	–	Final dividend (cents)	–	53,0
56,0	–	Interim dividend (cents)	–	56,0
109,0	–		–	109,0
		Proposed dividend		
		On 12 September 2022, the board of directors elected not to declare a final dividend (29 September 2021: 0 cents).		
–	–		–	–
		No interim or final dividends were declared in accordance with the conditions of the transactions as set out in note 13.		

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		28. NOTES TO THE STATEMENTS OF CASH FLOWS		
		28.1 Cash generated by operations		
591 883	**655 808**	Profit before income tax	**648 325**	586 910
		Adjustments for:		
143 458	**137 494**	Depreciation on property, plant and equipment	**137 829**	143 828
18 801	**16 474**	Depreciation on right-of-use assets	**16 474**	18 801
6 686	**7 460**	Amortisation	**7 460**	6 686
(5 224)	**396**	(Gain)/Loss on disposal of property, plant and equipment	**593**	(5 189)
–	**(2 490)**	(Gain)/Loss on disposal of right-of-use assets	**(2 490)**	–
12 798	**(7 873)**	Unrealised (gains)/losses on foreign exchange contract	**(7 873)**	12 798
2 565	**–**	Actuarial gain on retirement benefit assets and liabilities	**–**	2 565
764	**935**	Increase/(decrease) in provision for medical aid and severance pay	**935**	764
(21 454)	**(531)**	Increase/(decrease) in provision for obsolete stock	**(531)**	(21 454)
3 490	**4 127**	Increase/(decrease) in provision for doubtful debts	**4 127**	3 490
(4 175)	**–**	Impairment on subsidiary loans	**–**	–
(21 119)	**(37 918)**	Investment income	**(31 042)**	(21 138)
46 854	**50 153**	Finance costs	**50 153**	46 854
(2 669)	**–**	Non-cash finance costs	**–**	(2 669)
772 658	**824 035**	Operating profit before working capital changes	**823 960**	772 246
136 577	**(240 656)**	Working capital changes	**(240 574)**	135 671
54 028	**(101 380)**	Increase in inventories	**(101 380)**	54 028
(36 121)	**(199 777)**	Increase in trade and other receivables	**(199 775)**	(35 721)
118 670	**60 501**	Increase in trade and other payables	**60 581**	117 364
909 235	**583 379**	Cash generated by operations	**583 386**	907 917

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		28. NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)		
		28.2 Income tax paid		
3 996	–	Balance receivable at beginning of the year	326	4 321
	(13 695)	Balance payable at beginning of the year	(13 695)	–
(155 842)	(158 628)	Current tax charge	(158 628)	(155 842)
–	–	Balance receivable at end of the year	(326)	(326)
13 695	25 518	Balance payable at end of the year	25 518	13 695
(138 151)	(146 805)	Income tax paid during the year	(146 805)	(138 152)

29. RELATED PARTIES

The immediate holding company of Namibia Breweries Limited is NBL Investment Holdings (Proprietary) Limited of which the shareholding is held by Ohlthaver & List Finance and Trading Corporation Limited and Heineken International N.V. The Company's ultimate holding Company is Sven Thieme Holdings (Proprietary) Limited.

Namibia Breweries Limited forms part of the Ohlthaver & List Group of companies and thus all companies in the Ohlthaver & List Group of companies are related parties of Namibia Breweries Limited and its subsidiaries.

Heineken South Africa (RF) Proprietary Limited is a related party as the Company holds 25% of its issued shares. Heineken South Africa (RF) Proprietary Limited does not form part of the Ohlthaver & List Group of Companies and has been disclosed as a related party in note 29.2.

29. RELATED PARTIES (CONTINUED)

During the year the Company and the Group, in the ordinary course of business, entered into various sales, purchases and loan transactions with group companies and its holding company.

Key management personnel are the directors of the company.

29.1 Group companies

Trade and other receivables

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		Group companies		
24	**15**	Chobe Water Villas (Proprietary) Limited	**15**	24
9	**6**	Hangana Seafood (Proprietary) Limited	**6**	9
60	**7**	Hartlief Corporation Limited	**7**	60
500	**477**	Namibia Dairies (Proprietary) Limited	**477**	500
2	**39**	O&L Center (Proprietary) Limited	**39**	2
1 698	**945**	O&L Leisure (Proprietary) Limited	**945**	1 698
5 100	**–**	Organic Energy Solutions (Proprietary) Limited	**–**	5 100
353	**–**	W.U.M. Properties (Proprietary) Limited t/a O&L Properties Division	**–**	353
7 746	**1 489**		**1 489**	7 746
		Subsidiaries		
4 368	**4 374**	Flycatcher (Proprietary) Limited	**–**	–
98 247	**98 247**	Namibian Breweries South African Proprietary Limited	**–**	–
(98 247)	**(98 247)**	Trade receivables from subsidiaries fully impaired	**–**	–
4 368	**4 374**		**–**	–
12 114	**5 863**		**1 489**	7 746

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		29. RELATED PARTIES		
		29.1 Group companies (continued)		
		Revenue		
		Sales of goods		
		Group companies		
33	**76**	Chobe Water Villas (Proprietary) Limited	**76**	33
52	**49**	Hangana Seafood (Proprietary) Limited	**49**	52
355	**266**	Hartlief Corporation Limited	**266**	355
3 088	**2 256**	Namibia Dairies (Proprietary) Limited	**2 256**	3 088
2 437	**2 985**	O&L Leisure (Proprietary) Limited	**2 985**	2 437
2	**–**	Ohlthaver & List Centre (Proprietary) Limited	**–**	2
135	**249**	W.U.M. Properties (Proprietary) Limited t/a Model Pick n Pay	**249**	135
6 102	**5 881**	**Total Revenue from Group companies**	**5 881**	6 102
		Trade payables		
		Group companies		
–	**–**	Broll and List Property Management (Namibia) (Proprietary) Limited	**–**	–
–	**56**	Eros Air (Proprietary) Limited	**56**	–
–	**6**	Hartlief Corporation Limited	**6**	–
488	**438**	ICT Holdings (Proprietary) Limited	**438**	488
25	**22**	Namibia Dairies (Proprietary) Limited	**22**	25
43	**3**	O&L Leisure (Proprietary) Limited	**3**	43
42	**–**	O&L South Africa Proprietary Limited	**–**	42
9 328	**6 174**	Ohlthaver & List Centre (Proprietary) Limited	**6 174**	9 328
1 366	**1 831**	Organic Energy Solutions (Proprietary) Limited	**1 831**	1 366
61	**(16)**	W.U.M. Properties (Proprietary) Limited t/a Model Pick n Pay	**(16)**	61
1 016	**829**	Weathermen & Co Advertising (Proprietary) Limited	**829**	1 016
12 369	**9 343**		**9 343**	12 369

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COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		29. RELATED PARTIES (CONTINUED)		
		29.1 Group companies (continued)		
		Subsidiaries		
1 104	**1 014**	Northgate Properties (Proprietary) Limited	**–**	–
1 104	**1 014**		**–**	–
13 473	**10 357**		**9 343**	12 369
		Purchases made during the year		
		Group companies		
105	**77**	Hartlief Corporation Limited	**77**	105
5 272	**4 568**	ICT Holdings (Proprietary) Limited	**4 568**	5 272
186	**20**	Kraatz Marine (Proprietary) Limited	**20**	186
168	**82**	Namibia Dairies (Proprietary) Limited	**82**	168
184	**–**	O&L Leisure (Proprietary) Limited	**–**	184
13 194	**11 262**	Organic Energy Solutions (Proprietary) Limited	**11 262**	13 194
2 574	**623**	W.U.M. Properties (Proprietary) Limited t/a Model Pick n Pay	**623**	2 574
6 364	**9 640**	Weatherman & Co Advertising (Proprietary) Limited	**9 640**	6 364
28 047	**26 272**		**26 272**	28 047

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		29. RELATED PARTIES (CONTINUED)		
		29.1 Group companies (continued)		
		Rent paid		
		Group companies		
2 973	**2 973**	W.U.M. Properties (Proprietary) Limited t/a O&L Property Division	**2 973**	2 973
		Interest received		
		Group companies		
53	**27**	ICT Holdings (Proprietary) Limited	**27**	53
98	**–**	Ohlthaver & List Centre (Proprietary) Limited	**–**	98
48	**16**	Weatherman & Co Advertising (Proprietary) Limited	**16**	48
199	**43**		**43**	199
		Interest paid		
		Group companies		
2	**4**	Weatherman & Co Advertising (Proprietary) Limited	**4**	2
		Management and shared service fees paid		
		Group companies		
52 941	**49 801**	Ohlthaver & List Centre (Proprietary) Limited	**49 801**	52 941
		Consulting fees paid		
1 228	**780**	HB Gerdes	**780**	1 228
		Directors fees		
		For directors fees refer to Annexure D.		

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		29. RELATED PARTIES (CONTINUED)		
		29.2 Other related parties		
		Trade and other receivables		
39	–	Dimension Data (Proprietary) Limited	–	39
86 084	201 755	Heineken South Africa (RF) Proprietary Limited	201 755	86 084
1 203	–	Heineken South Africa Exports Company Proprietary Limited	–	1 203
87 326	201 755		201 755	87 326
		Investment in associate – Loan receivable		
73 625	73 625	Heineken South Africa (RF) Proprietary Limited	73 625	73 625
		Trade payables		
1 460	7 089	Heineken South Africa (RF) Proprietary Limited	7 089	1 460
–	1 342	Heineken South Africa Exports Company Proprietary Limited	1 342	
1 660	2 294	Dimension Data (Proprietary) Limited	2 294	1 660
3 120	10 725		10 725	3 120
		Management fees paid		
5 299	5 723	Heineken International N.V.	5 723	5 299
		Royalties received		
3 437	5 008	Heineken South Africa Exports Company Proprietary Limited	5 008	3 437
98 126	131 725	Heineken South Africa (RF) Proprietary Limited	131 725	98 126
101 563	136 733		136 733	101 563
		Know-how fees received		
7 759	10 386	Heineken South Africa (RF) Proprietary Limited	10 386	7 759
		Sale of goods		
282	–	Dimension Data (Proprietary) Limited	–	282
135	–	Heineken South Africa Export Company Proprietary Limited	–	135
625 758	1 069 988	Heineken South Africa (RF) Proprietary Limited	1 069 988	625 758
626 175	1 069 988		1 069 988	626 175

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		29. RELATED PARTIES (CONTINUED)		
		29.2 Other related parties (continued)		
		Interest received		
4 443	**4 397**	Heineken South Africa (RF) Proprietary Limited	4 397	4 443
		Royalties paid		
1 594	**2 710**	Heineken International N.V.	2 710	1 594
		Purchases made during the year		
39 193	**51 490**	Heineken South Africa (RF) Proprietary Limited*	51 490	39 193
12 130	**–**	Dimension Data (Proprietary) Limited	–	12 130
51 323	**51 490**		51 490	51 323
		Legal fees		
1 014	**780**	Engling, Stritter & Partners	780	1 014
		Sundry income		
15 969	**–**	Heineken South Africa (RF) Proprietary Limited	–	15 969
		Sundry expenses		
2 896	**266**	Heineken South Africa (RF) Proprietary Limited	266	2 896

Subsidiaries

Details of the subsidiaries are disclosed in Annexure C.

Retirement benefit information and post employment medical aid benefit plan

Details of the above are disclosed in note 16.

Terms and conditions of transactions with related parties

Terms and conditions with related parties are at those set out below, with the exception of Heineken South Africa (RF) Proprietary Limited, which has contractually agreed upon terms as disclosed in note 8.

Sales to and purchases from related parties are made at those terms negotiated between the parties. Receivable balances at year end are unsecured, on 30-90 day terms, interest free and settlement occurs in cash. Payable balances are to be settled in cash on 30-60 day terms.

COMPANY 2021 %	COMPANY 2022 %		GROUP 2022 %	GROUP 2021 %
		29. RELATED PARTIES (CONTINUED)		
		29.2 Other related parties (continued)		
		Directors interest		
		At the financial year end the directors were directly and indirectly interested in the Company's issued shares as follows:		
		Ordinary shares		
0,13	**0,13**	Directly	**0,13**	0,13
		No individual director has a direct shareholding in excess of 1% of the issued shares of the Company.		

COMPANY N$'000	COMPANY N$'000		GROUP N$'000	GROUP N$'000
		30. CAPITAL COMMITMENTS AND CONTINGENCIES		
		Authorised		
18 067	**172 979**	Contracted for	**172 979**	18 067
164 679	**197 809**	Not contracted for	**197 809**	164 679
182 746	**370 788**		**370 788**	182 746
		These capital commitments are for the expansion, replacement and improvement of property plant and equipment.		
		This proposed capital expenditure is to be financed by own funds, and is expected to be settled within the following year.		

COMPANY			GROUP	
2021 N$'000	2022 N$'000		2022 N$'000	2021 N$'000

30. CAPITAL COMMITMENTS AND CONTINGENCIES (CONTINUED)

As part of an overall scheme of transactions involving entities within the O&L Group, Distell Group and Heineken Group, including Heineken International B.V., various purchase and sale transactions were proposed by Heineken International B.V. in order to upscale its investment in Africa related to alcohol and beverage sectors, particularly in Namibia and South Africa. Various agreements between companies of the above mentioned groups were concluded in this regard. The majority of the transactions would require as a minimum, Board, Shareholder and relevant Regulatory approval for the respective entities and in the respective jurisdictions. Considering this, the overall scheme of transactions were structure to be interdependent, meaning that if one portion of the transaction is not approved, the overall scheme would not continue. Although some exceptions were made in this regard, approval in the Namibia and South African jurisdictions are non-negotiable. Some of those agreements involving NBL and the related impact on these financial statements are detailed below:

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000

30. CAPITAL COMMITMENTS AND CONTINGENCIES (CONTINUED)

As part of the Share Purchase Agreement (the agreement concluded between South African Distilleries and Wines (SA) Limited, Sedgwick Tayler Holdings Pty Ltd, Namibia Breweries Limited, Distell Namibia Limited, Distillers Corporation Namibia (Pty) Ltd, Namibia Wines and Spirits Limited and Sunside Acquisitions Limited ("Sunside or Newco") on 14 November 2021), NBL received an offer to acquire the entire shareholding in the Distell Namibia Companies. Under the agreement, NBL would require the below:

- Approval of the Board of Directors – Approved by the Board on 3 March 2022
- Minimum required shareholder approval – Approved on 28 April 2022
- Anti-trust and regulatory approvals in Namibia and South Africa for the overall scheme of transactions – At the date of this report, regulatory approval has not been received, although approval is expected by end of October 2022. Refer to notes 13 and 39 for more information on regulatory approval.

The Distell Namibia Companies are all incorporated in Namibia and comprise:

- Distell Namibia Limited
- Distillers Corporation Namibia (Proprietary) Limited
- Namibia Wines and Spirits Limited

As a result of the above agreement, the directors made a commitment for the acquisition of the Distell Namibia Companies for an amount of N$1 638 698 661, subject to the relevant regulatory approvals. The purchase consideration will be financed by external financial institutions.

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
6 000	**6 000**	**Guarantees and suretyship**	**6 000**	6 000

The suretyships are issued by First Rand Bank Limited in favour of the Namibian Ministry of Finance.

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Categorisation of financial assets

	Note(s)	FVTPL – Mandatory N$'000	Amortised cost N$'000	Total N$'000	Fair value N$'000
GROUP – 2022					
Loan to associate – classified as held for sale	13	**–**	**73 625**	**73 625**	**73 625**
Derivatives – Hedging	12	**4 408**	**–**	**4 408**	**4 408**
Trade and other receivables	10	**–**	**526 735**	**526 735**	**526 735**
Cash and cash equivalents	11	**–**	**751 565**	**751 565**	**751 565**
		4 408	**1 351 925**	**1 356 333**	**1 356 333**
GROUP – 2021					
Loan to associate	8	–	73 625	73 625	73 625
Trade and other receivables	10	–	349 617	349 617	349 617
Cash and cash equivalents	11	–	602 219	602 219	602 219
		–	1 025 461	1 025 461	1 025 461
COMPANY – 2022					
Loan to associate - classified as held for sale	13	**–**	**73 625**	**73 625**	**73 625**
Derivatives – Hedging	12	**4 408**	**–**	**4 408**	**4 408**
Trade and other receivables	10	**–**	**531 109**	**531 109**	**531 109**
Cash and cash equivalents	11	**–**	**751 484**	**751 484**	**751 484**
		4 408	**1 356 218**	**1 360 626**	**1 360 626**
COMPANY – 2021					
Loan to associate	8	–	73 625	73 625	73 625
Trade and other receivables	10	–	353 985	353 985	353 985
Cash and cash equivalents	11	–	602 137	602 137	602 137
		–	1 029 747	1 029 747	1 029 747

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Categorisation of financial liabilities

	Note(s)	Leases N$'000	FVTPL – Mandatory N$'000	Amortised cost N$'000	Total N$'000	Fair value N$'000
GROUP – 2022						
Trade and other payables	18	–	–	317 991	317 991	317 991
Interest bearing borrowings	15	42 802	–	460 000	502 802	502 802
		42 802	–	777 991	820 793	820 793
GROUP – 2021						
Trade and other payables	18	–	–	267 610	267 610	267 610
Derivatives	12	–	3 465	–	3 465	3 465
Interest bearing borrowings	15	38 767	–	580 000	618 767	618 767
		38 767	3 465	847 610	889 842	889 842
COMPANY – 2022						
Trade and other payables	18	–	–	318 612	318 612	318 612
Interest bearing borrowings	15	42 802	–	460 000	502 802	502 802
		42 802	–	778 612	821 414	821 414
COMPANY – 2021						
Trade and other payables	18	–	–	268 311	268 311	268 311
Derivatives	12	–	3 465	–	3 465	3 465
Interest bearing borrowings	15	38 767	–	580 000	618 767	618 767
		38 767	3 465	848 311	890 543	890 543

The Group's principle financial instruments, other than derivatives, comprise bank loans, loans to and from holding company and Group companies, leases and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions such as forward exchange contracts. The reason for this is to manage the currency risk from the Group's operations. 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 company would receive, should the contracts be terminated at the reporting date, thereby taking into account the unrealised gains or losses.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

31.1 Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from purchases of raw materials and sales of the Group's products in a currency other than the Group's functional currency.

The Group appropriately hedges foreign purchases in order to manage its foreign currency exposure. The Group does not apply hedge accounting. Forward exchange contracts are entered into in order to manage the Group's exposure to fluctuations in foreign currency exchange rates on foreign transactions. Refer to note 32.2 for unutilised forward exchange contracts and uncovered foreign trade receivables and payables at year end.

31.2 Interest rate risk

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

Refer to Annexure A and note 32.3 for further detail on interest rates.

31.3 Credit risk

Financial assets which potentially subject the Group to a 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 and other receivables are stated at amortised cost. The Group's single largest customer during the year was Heineken South Africa (RF) Proprietary Limited. The Group has no significant concentration of credit risk or significant exposure to any individual customer or counterparty.

The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. In respect of possible default by a counterparty, the Group holds collateral as security in the amount of N$Nil (2021: Nil). Refer to the accounting policies for a more detailed description of the credit risk.

Management monitors adherence to payment terms by the associate, on a monthly basis. Financial performance and projected cash flows of the associate are monitored on a monthly basis to ensure recoverability of all amounts.

The granting of credit is made on application and is approved by management. At year end the company 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.

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		Financial assets exposed to credit risk at year end were as follows:		
602 137	**751 484**	Cash and Cash equivalents	**751 565**	602 219
73 625	**73 625**	Loan to associate – classified as held for sale (note 13)	**73 625**	73 625
353 985	**531 109**	Trade and other receivables	**526 735**	349 617
1 029 747	**1 356 218**		**1 351 925**	1 025 461
		Major concentrations of credit risk that arise from the Group's receivables in relation to the industry categories and location of the customers by the percentage of total receivables from customers are:		

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for the year ended 30 June 2022

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

31.3 Credit risk (continued)

COMPANY 2021 %	COMPANY 2022 %		GROUP 2022 %	GROUP 2021 %
		Trading industry		
62,20	**66,80**	Namibia	**66,80**	62,20
22,70	**29,40**	South Africa	**29,40**	22,70
15,10	**3,80**	Other export markets	**3,80**	15,10
100,00	**100,00**		**100,00**	100,00

31.4 Liquidity risk

The Group and Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Refer to Annexure A and note 15.

Borrowing capacity is determined by the directors of the Company. The Directors consider a ratio of not higher than 75% of shareholders' equity as conservative.

COMPANY 2021	COMPANY 2022		GROUP 2022	GROUP 2021
1 434 203	**1 845 806**	75% of Shareholder's Equity	**1 837 559**	1 431 572
(618 767)	**(502 802)**	Less total interest bearing borrowings	**(502 802)**	(618 767)
815 436	**1 343 004**	Unutilised borrowing capacity	**1 334 757**	812 805

31.5 Capital risk management

The Company and Group manage their 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 Company's and Group's overall strategy remains unchanged from the prior year.

The capital structure of the company and group consists of debt, which includes the borrowings disclosed in note 15, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital reserves and retained earnings.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

31.5 Capital risk management (continued)

Gearing ratio

The Company's and Group's Risk Management Committee reviews the capital structure on a semi-annual basis. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated and separate statement of financial position plus net debt.

The gearing ratio at the year end was as follows:

Company 2021 N$'000	Company 2022 N$'000		Group 2022 N$'000	Group 2021 N$'000
618 767	**502 802**	Debt (i)	**502 802**	618 767
(602 137)	**(751 484)**	Less: Cash and cash equivalents	**(751 565)**	(602 219)
16 630	**(248 682)**	Net debt	**(248 763)**	16 548
1 912 270	**2 461 074**	Equity (ii)	**2 450 079**	1 908 763
1%	**(10%)**	Net debt to equity ratio	**(10%)**	1%

(i) Debt is defined as long- and short-term interest bearing borrowings.

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

NOTES TO THE **ANNUAL FINANCIAL STATEMENTS** (CONTINUED)

for the year ended 30 June 2022

32. FINANCIAL INSTRUMENTS

32.1 Fair values

The fair value of all financial instruments are substantially identical to the carrying amounts reflected in the balance sheet.

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.
Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		Level 2		
		Assets		
		Financial assets at fair value through profit or loss		
–	4 408	Forward foreign exchange asset	4 408	–
(3 465)	–	Forward foreign exchange liability	–	(3 465)
(3 465)	4 408		4 408	(3 465)

Transfers of assets and liabilities within levels of fair value hierarchy

There are no transfers between level 1 and level 2 for the year ended 30 June 2022 and for the year ended 30 June 2021.

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.2 Hedging activities and foreign currency risk

Forward exchange contracts are entered into with banks but are not designated as hedges for specific purchases. If contract rates are more favourable than the spot rate, on the date of payment of foreign creditors, they will be used. The maturity date represents the date when the contract must be exercised if it is not exercised before this date. The following table summarises by major currency the unutilised forward exchange contracts and amounts to be paid/received in foreign currency, for the Group and Company:

	Maturity date	Foreign amount 2022 $'000	Foreign amount 2021 $'000	Average rate 2022	Average rate 2021	Namibia Dollar amount 2022 N$'000	Namibia Dollar amount 2021 N$'000
Forward exchange contracts:							
Bought:							
Euro	1 – 12 months	14 845	3 070	17,23	18,29	255 786	56 150
USD	1 – 12 months	–	3 900	15,34	15,39	–	60 021
Foreign trade receivables:							
US Dollar		4 234	1 879	16,15	14,31	68 387	26 886
Euro		19	88	16,94	17,04	328	1 506
Pound Sterling		13	–	19,63	19,82	259	–
Botswana Pula		–	211	1,30	1,30	–	275
						68 974	28 667
Foreign trade payables:							
US Dollars		(137)	(466)	16,15	14,31	(2 216)	(6 668)
Euro		(571)	–	16,94	17,04	(9 666)	–
Botswana Pula		–	–	1,30	1,30	–	–
						(11 882)	(6 668)

Foreign currency sensitivity analysis

The Group is primarily exposed to the currency of the European Central Bank (Euro) and secondly to currency of the United States of America (US Dollar).

The following table details the company's sensitivity to a 10% increase and decrease in the Namibia Dollar (N$) against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel an represents management's assessment of the reasonably possible change in foreign exchange rates.

Below, a positive number indicates an increase in profit, a negative number indicates a decrease in profit based on the Namibia Dollar strengthening 10% against the relevant currency. For a 10% weakening of the Namibia Dollar against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		32. FINANCIAL INSTRUMENTS (CONTINUED)		
		32.2 Hedging activities and foreign currency risk (continued)		
		Effect on profit before taxation		
–	–	Botswana Pula	–	(27)
(151)	934	Euro	934	(151)
–	(26)	Pound Sterling	(26)	–
(3 355)	(7 060)	US Dollar	(7 060)	(3 355)
(3 506)	(6 152)		(6 152)	(3 533)

32.3 Maturity profile

The following tables detail the Group and Company's remaining contractual maturity for its financial liabilities and assets. The tables have been drawn up based on the undiscounted cash flows based on the earliest date on which the Group and Company can be required/anticipate to incur and outflow/inflow. The table includes both interest and principal cash flows.

	Effective interest rate	Less than 1 year N$'000	2 – 5 years N$'000	More than 5 years N$'000	Less: Finance charges N$'000	Total N$'000
2022 – GROUP						
Financial assets						
Cash and cash equivalents	4,25%	751 565	–	–	–	751 565
Loans to associates	SA Prime	73 625	–	–	–	73 625
Trade and other receivables	0,00%	526 735	–	–	–	526 735
		1 351 925	–	–	–	1 351 925
Financial liabilities						
Non-current liabilities						
Interest-bearing borrowings – medium term borrowings	Annexure A	–	383 347	–	(43 347)	340 000
Interest–bearing borrowings – Finance lease liabilities	Annexure A	–	34 200	–	(5 367)	28 833
Current liabilities						
Interest-bearing borrowings – medium term borrowings	Annexure A	155 267	–	–	(35 267)	120 000
Interest-bearing borrowings – Finance lease liabilities	Annexure A	20 348	–	–	(6 379)	13 969
Trade and other payables	0,00%	317 991	–	–	–	317 991
		493 606	417 547	–	(90 360)	820 793

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.3 Maturity profile (continued)

	Effective interest rate	Less than 1 year N$'000	2 – 5 years N$'000	More than 5 years N$'000	Less: Finance charges N$'000	Total N$'000
2021 – GROUP						
Financial assets						
Cash and cash equivalents	4,25%	602 219	–	–	–	602 219
Loans to associates	SA Prime	73 625	–	–	–	73 625
Trade and other receivables	0,00%	349 617	–	–	–	349 617
		1 025 461	–	–	–	1 025 461
Financial liabilities						
Non-current liabilities						
Interest-bearing borrowings – medium term borrowings	Annexure A	–	508 842	–	(48 842)	460 000
Interest-bearing borrowings – Finance lease liabilities	Annexure A	–	38 251	–	(8 331)	29 920
Current liabilities						
Interest-bearing borrowings – medium term borrowings	Annexure A	149 135	–	–	(29 135)	120 000
Interest-bearing borrowings – Finance lease liabilities	Annexure A	12 349	–	–	(3 502)	8 847
Derivative financial instruments	0,00%	3 465	–	–	–	3 465
Trade and other payables	0,00%	267 610	–	–	–	267 610
		432 559	547 093	–	(89 810)	889 842

32. FINANCIAL INSTRUMENTS (CONTINUED)

32.3 Maturity profile (continued)

	Effective interest rate	Less than 1 year N$'000	2 – 5 years N$'000	More than 5 years N$'000	Less: Finance charges N$'000	Total N$'000
2022 – COMPANY						
Financial assets						
Cash and cash equivalents	4,25%	751 484	–	–	–	751 484
Trade and other receivables	0,00%	531 109	–	–	–	531 109
Loans to associates	SA Prime	73 625	–	–	–	73 625
		1 356 218	–	–	–	1 356 218
Financial liabilities						
Non-current liabilities						
Interest-bearing borrowings – medium term borrowings	Annexure A	–	383 347	–	(43 347)	340 000
Interest-bearing borrowings – Finance lease liabilities	Annexure A	–	34 200	–	(5 367)	28 833
Current liabilities						
Interest-bearing borrowings – medium term borrowings	Annexure A	149 135	–	–	(29 135)	120 000
Interest–bearing borrowings – Finance lease liabilities	Annexure A	12 349	–	–	(3 502)	8 847
Trade and other payables	0,00%	318 612	–	–	–	318 612
		480 096	417 547	–	(81 351)	816 292

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32. FINANCIAL INSTRUMENTS (CONTINUED)

32.3 Maturity profile (continued)

	Effective interest rate	Less than 1 year N$'000	2 – 5 years N$'000	More than 5 years N$'000	Less: Finance charges N$'000	Total N$'000
2021 – Company						
Financial assets						
Cash and cash equivalents	4,25%	602 219	–	–	–	602 219
Trade and other receivables	0,00%	353 985	–	–	–	353 985
Loans to associates	SA Prime	73 625	–	–	–	73 625
		1 029 829	–	–	–	1 029 829
Financial liabilities						
Non-current liabilities						
Interest-bearing borrowings – medium term borrowings	Annexure A	–	508 842	–	(48 842)	460 000
Interest-bearing borrowings – Finance lease liabilities	Annexure A	–	38 251	–	(8 331)	29 920
Current liabilities						
Interest-bearing borrowings – medium term borrowings	Annexure A	149 135	–	–	(29 135)	120 000
Interest-bearing borrowings – Finance lease liabilities	Annexure A	12 349	–	–	(3 502)	8 847
Derivative financial instruments	0,00%	3 465	–	–	–	3 465
Trade and other payables	0,00%	268 311	–	–	–	268 311
		433 260	547 093	–	(89 810)	890 543

Fair values of financial instruments are the same as the carrying amounts as detailed in note 31.

33. OTHER COMPREHENSIVE INCOME

	Note(s)	Gross N$'000	Tax N$'000	Net N$'000
GROUP AND COMPANY 2022				
Items that will not be reclassified to profit and loss				
Remeasurements on net defined benefit liability/asset	16	**2 122**	**(679)**	**1 443**
GROUP 2022				
Items that may be reclassified to profit and loss				
Exchange differences arising during the year		**(5)**	**–**	**(5)**
GROUP AND COMPANY 2021				
Items that will not be reclassified to profit and loss				
Remeasurements on net defined benefit liability/asset	16	(1 091)	349	(742)
GROUP 2021				
Items that may be reclassified to profit and loss				
Exchange differences arising during the year		614	–	614

COMPANY 2021 N$'000	COMPANY 2022 N$'000		GROUP 2022 N$'000	GROUP 2021 N$'000
		34. FOREIGN CURRENCY TRANSLATION RESERVE		
		Exchange differences relating to the translation of the results and net assets of the group and company's foreign subsidiaries from their functional currencies to the group and company's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign subsidiary.		
		Reconciliation of foreign currency translation reserve		
–	**–**	Balance payable at the beginning of the year	**66**	(548)
–	**–**	Exchange differences arising on translation of foreign subsidiaries	**(5)**	614
–	**–**	Balance payable at the end of the year	**61**	66

35. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Opening balance N$'000	Interest accrued N$'000	Movement in provisions N$'000	Additions or disposals N$'000
2022 – Group and company				
Reconciliation				
Interest-bearing loans and borrowings	**618 767**	**47 805**	**–**	**20 460**
Provisions	**21 972**	**2 348**	**(1 186)**	**–**
	640 739	**50 153**	**(1 186)**	**20 460**
2021 – Group and company				
Reconciliation				
Interest-bearing loans and borrowings	646 696	44 185	–	17 297
Provisions	21 208	2 326	2 094	–
	667 904	46 511	2 094	17 297

Total non-cash movement N$'000	Cash flows N$'000	Interest paid N$'000	Closing balance N$'000
68 265	**(136 425)**	**(47 805)**	**502 802**
1 162	**(738)**	**–**	**22 396**
69 427	**(137 163)**	**(47 805)**	**525 198**
61 482	(45 226)	(44 185)	618 767
4 420	(3 656)	–	21 972
65 902	(48 882)	(44 185)	640 739

36. SEGMENT REPORTING

Segment Information

Segments are reported in a manner consistent with internal reporting. The Group sells various types of beverages which are Beer, Ciders and Softs. These reflect the operating segments for the Group. Beer, which meets the quantitative threshold of 10% of sales, EBIT and assets, is presented on a standalone basis, as a reportable segment. All corporate assets are disclosed for the Group as a whole and not necessarily for a particular operating segment. In order to ensure that the total of segment results and assets agree to the amounts reported for the Group in terms of IFRS, the operations that do not qualify as separate segments are reported in the "Other" column.

Information about these segments are presented below:

	Beer		Other		Total	
	2022 N$'000s	2021 N$'000s	**2022 N$'000s**	2021 N$'000s	**2022 N$'000s**	2021 N$'000s *Represented
Total net sales revenue	**2 722 774**	2 360 632	**151 442**	178 622	**2 874 216**	2 539 254
Royalties and Know-how fees	**147 119**	109 288	**–**	34	**147 119**	109 322
Total net revenue	**2 869 893**	2 469 920	**151 442**	178 656	**3 021 335**	2 648 576
Segment operating profit	**633 981**	571 302	**33 455**	41 324	**667 436**	612 626
Finance costs					**(50 153)**	(46 854)
Finance income					**31 042**	21 138
Profit before taxation attributable to continuing operations					**648 325**	586 910
Taxation					**(165 007)**	(144 738)
Profit attributable to continuing operations					**483 318**	442 172

Major customers

The Group's three largest customers individually contributed to more than 10% of the Group's total net sales revenue amounting to N$1 076 million, N$605 million and N$486 million respectively.

NOTES TO THE **ANNUAL FINANCIAL STATEMENTS** (CONTINUED)

for the year ended 30 June 2022

36. SEGMENT REPORTING (CONTINUED)

Geographical information

Namibia is the parent company's country of domicile. Those countries which account for more than 10% of the group's total revenue are considered material and are reported separately.

	2022 N$'000s	2021 N$'000s
Namibia	**1 819 248**	1 947 816
South Africa	**907 743**	464 268
Botswana	**362**	10 278
Tanzania	**104 308**	71 090
Zambia	**29 130**	20 307
Rest of the world	**13 425**	25 495
Total net revenue (excluding royalties)	**2 874 216**	2 539 254

The basis for attributing revenue is based on actual sales. Non-current assets located in Namibia amount to N$916 million and those located in all foreign countries amount to N$1 million.

37. EVENTS SUBSEQUENT TO REPORTING DATE

On the 5th of September 2022, the Namibia Competition Commission notified NBL that the proposed NBL/Heineken/Distell transaction was approved with conditions.

On the 9th of September 2022, the Competition Commission of South Africa announced that it has recommended that the South African Competition Tribunal approves with conditions the proposed transaction whereby the Heineken Group, through Sunside Acquisitions Proprietary Limited (Newco), intends to acquire a controlling interest in Namibian Breweries Investment Holdings Limited (NIH) and the flavoured alcoholic beverages (FABs), wine, and spirits operations of Distell Group Holdings Limited (In-Scope Assets).

As of the date of this report, the Merger parties await the final approval from the South Africa Competition Tribunal and the completion of several other conditions precedent, which will allow for the completion of the transaction.

The Directors are not aware of any other significant events subsequent to the reporting date.

38. APPROVAL OF THE SEPARATE AND CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

These separate and consolidated annual financial statements set out on pages 68 to 162 were approved by the Directors and authorised for issue on 12 September 2022.

INTEREST-BEARING BORROWINGS

	Effective interest rate 2022 %	Effective interest rate 2021 %	Maturity date	Group 2022 N$'000	Group 2021 N$'000	Company 2022 N$'000	Company 2021 N$'000
PREFERENCE SHARE CAPITAL							
Authorised							
1 000 000 Variable rate redeemable preference shares of N$0.50 each				**500**	500	**500**	500
There are no preference shares in issue.							
MEDIUM TERM LOAN							
Variable rate instruments							
– FirstRand Bank Limited – Term A – The total facility is N$600 million and is reduced annually by N$120 million. The excess between the loan and the facility is repayable annually over five years.	**JIBAR + 2.55%**	JIBAR + 2.55%	30/06/2025	**260 000**	380 000	**260 000**	380 000
– FirstRand Bank Limited – Term B – Facility repayable at the end of the loan term in June 2025.	**JIBAR + 2.80%**	JIBAR + 2.80%	30/06/2025	**200 000**	200 000	**200 000**	200 000
Total interest bearing borrowing – Medium term loan				**460 000**	580 000	**460 000**	580 000
Current portion				**120 000**	120 000	**120 000**	120 000
Non-current portion				**340 000**	460 000	**340 000**	460 000
These loans are secured by a borrower cession and a general notarial bond over movable assets.							
The borrower cession comprises cession of:							
– All bank accounts in the name of the borrower							
– Debtors book of the borrower							
– Insurance policies of the borrower							
– Insurance proceeds payable to the borrower							
LEASE LIABILITIES							
Variable rate instruments							
– Vehicle leases – repayable in monthly instalments of N$1 698 942 (2021: N$1 539 000)	**9.60**	9.60		**38 648**	36 907	**38 648**	36 907
– Property leases – repayable in monthly instalments of N$315 956 (2021: 521 000)	**10.50**	10.50		**4 154**	1 860	**4 154**	1 860

ANNEXURE **A** (CONTINUED)

INTEREST-BEARING BORROWINGS (CONTINUED)

	Group		Company	
	2022 N$'000	2021 N$'000	**2022 N$'000**	2021 N$'000
Total interest bearing borrowing – Medium term loan	**42 802**	38 767	**42 802**	38 767
Current portion	**13 969**	8 847	**13 969**	8 847
Non-current portion	**28 833**	29 920	**28 833**	29 920
Total current interest bearing borrowings	**133 969**	128 847	**133 969**	128 847
Total non-current interest bearing borrowings	**368 833**	489 920	**368 833**	489 920
Total interest bearing borrowings	**502 802**	618 767	**502 802**	618 767

Details of the maturity profile of the above interest bearing loans have been disclosed in note 32.3.

	Group		Company	
	2022 N$'000	2021 N$'000	**2022 N$'000**	2021 N$'000
ANALYSIS BY CURRENCY				
South African Rand	**460 000**	580 000	**460 000**	580 000
Namibia Dollar	**113 547**	128 554	**113 547**	128 554

INTEREST RATE SENSITIVITY ANALYSIS

The sensitivity analyses have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date. For variable 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:

	Group		Company	
	2022 N$'000	2021 N$'000	**2022 N$'000**	2021 N$'000
Interest received:				
– profit before tax for the year would increase/(decrease) by:	**7 516**	6 022	**7 515**	6 021
Interest paid				
– profit before tax for the year would increase/(decrease) by:	**(5 028)**	(6 188)	**(5 028)**	(6 188)

ANNEXURE **B**

PROPERTY, PLANT AND EQUIPMENT

N$'000	Opening Balance	Additions	Disposals
GROUP – 2022			
Freehold land and buildings	**227 034**	**2 881**	**–**
Leasehold land and buildings	**2 719**	**2 074**	**–**
Plant and Machinery	**489 458**	**47 166**	**(1 951)**
Vehicles	**20 740**	**1 909**	**(83)**
Furniture and equipment	**20 547**	**7 483**	**(113)**
Solar plant	**–**	**–**	**–**
Returnable containers	**156 075**	**67 468**	**(134)**
Assets under construction	**20 707**	**6 479**	**–**
	937 280	**135 460**	**(2 281)**

Notes

Transfers consist of transfer(s) to the following asset classes:

Intangible assets	**1 436**

N$'000	Opening Balance	Additions	Disposals
GROUP – 2021			
Freehold land and buildings	229 405	1 787	–
Leasehold land and buildings	2 933	–	–
Plant and Machinery	523 587	40 638	(8 176)
Vehicles	27 017	2 684	(237)
Furniture and equipment	24 447	3 400	(92)
Returnable containers	140 675	64 488	–
Assets under construction	37 262	16 981	–
	985 326	129 978	(8 505)

Notes

Transfers consist of transfer(s) to the following asset classes:

Intangible assets	21 841

ANNEXURE **B** (CONTINUED)

Transfers	Foreign exchange movement	Depreciation	Reclassified as held for sale	Total
(6)	**–**	**(4 398)**	**(5 363)**	**220 148**
3 501	**–**	**(563)**	**(3 180)**	**4 551**
5 092	**–**	**(69 079)**	**(6 408)**	**464 278**
(4 174)	**–**	**(4 860)**	**–**	**13 532**
802	**–**	**(6 812)**	**–**	**21 907**
12 719	**–**	**–**	**–**	**12 719**
–	**–**	**(52 117)**	**–**	**171 292**
(19 370)	**–**	**–**	**–**	**7 816**
(1 436)	**–**	**(137 829)**	**(14 951)**	**916 243**
			13	

Transfers	Foreign exchange movement	Depreciation	Reclassified as held for sale	Total
3 902	–	(4 214)	(3 846)	227 034
–	–	(214)	–	2 719
5 911	–	(72 502)	–	489 458
–	–	(8 724)	–	20 740
216	(4)	(7 420)	–	20 547
1 666	–	(50 754)	–	156 075
(33 536)	–	–	–	20 707
(21 841)	(4)	(143 828)	(3 846)	937 280
			13	

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

N$'000	Opening Balance	Additions	Disposals
COMPANY – 2022			
Freehold land and buildings	**227 033**	**9 758**	**–**
Leasehold land and buildings	**2 719**	**2 074**	**–**
Plant and Machinery	**489 048**	**47 166**	**(1 951)**
Vehicles	**20 739**	**1 909**	**(83)**
Furniture and equipment	**20 413**	**7 483**	**(17)**
Solar plant	**–**	**–**	**–**
Returnable containers	**156 075**	**67 468**	**(134)**
Assets under construction	**20 708**	**6 479**	**–**
	936 735	**142 337**	**(2 185)**

Notes

Included in the additions of freehold land and buildings are non-cash additions of N$6 876 210, therefore, total cash additions amount to N$135 461.

Transfers consist of transfer(s) to the following asset classes:

Property, plant and equipment from subsidiary	**(98)**
Intangible assets	**1 436**
	1 338

N$'000	Opening Balance	Additions	Disposals
COMPANY – 2021			
Freehold land and buildings	195 182	1 787	–
Leasehold land and buildings	2 933	–	–
Plant and Machinery	522 849	40 638	(8 156)
Vehicles	27 016	2 684	(237)
Furniture and equipment	24 251	3 400	(76)
Returnable containers	140 675	64 488	–
Assets under construction	37 243	16 981	–
	950 149	129 978	(8 469)

Notes

Transfers consist of transfer(s) to the following asset classes:

Property, plant and equipment from subsidiary	34 222
Intangible assets	(21 841)
	12 381

Transfers into or out of property, plant and equipment, right of use assets and intangible assets represent non-cash flow movements.

ANNEXURE **B** (CONTINUED)

Transfers	**Foreign exchange movement**	**Depreciation**	**Reclassified as held for sale**	**Total**
(6)	**–**	**(4 398)**	**(5 363)**	**227 024**
3 501	**–**	**(563)**	**(3 180)**	**4 551**
5 190	**–**	**(68 766)**	**(6 408)**	**464 279**
(4 174)	**–**	**(4 860)**	**–**	**13 531**
802	**–**	**(6 790)**	**–**	**21 891**
12 719	**–**	**–**	**–**	**12 719**
–	**–**	**(52 117)**	**–**	**171 292**
(19 370)	**–**	**–**	**–**	**7 817**
(1 338)	**–**	**(137 494)**	**(14 951)**	**923 104**
			13	

Transfers	Foreign exchange movement	Depreciation	Reclassified as held for sale	Total
38 124	–	(4 214)	(3 846)	227 033
–	–	(214)	–	2 719
5 890	–	(72 173)	–	489 048
–	–	(8 724)	–	20 739
217	–	(7 379)	–	20 413
1 666	–	(50 754)	–	156 075
(33 516)	–	–	–	20 708
12 381	–	(143 458)	(3 846)	936 735
			13	

INTANGIBLE ASSETS

N$'000	Opening Balance	Additions	Disposals
GROUP – 2022			
Automation processes	**15 208**	**–**	**–**
Externally purchased software licences	**27 312**	**3 874**	**–**
Trademarks	**9 067**	**–**	**–**
	51 587	**3 874**	**–**
GROUP – 2021			
Automation processes	17 709	309	–
Externally purchased software licences	1 687	7 404	(144)
Trademarks	9 467		–
	28 863	7 713	(144)

N$'000	Opening Balance	Additions	Disposals
COMPANY – 2022			
Automation processes	**15 208**	**–**	**–**
Externally purchased software licences	**27 312**	**3 874**	**–**
Trademarks	**9 067**	**–**	**–**
	51 587	**3 874**	**–**
COMPANY – 2021			
Automation processes	17 709	309	–
Externally purchased software licences	1 687	7 404	(144)
Trademarks	9 467	–	–
	28 863	7 713	(144)

Transfers into or out of property, plant and equipment, right of use assets and intangible assets represent non-cash flow movements.

Amortisation periods are reviewed at the end of each financial year. If the expected useful life of the asset differs from previous estimates, the amortisation period shall be changed accordingly. The amortisation charge is recognised in the operating expenses in the statement of profit or loss and other comprehensive income.

Intangible assets with indefinite useful lives at 30 June 2022 amounted to N$9 547 966 (2021: N$9 000 000). This judgement is based on the market and trading conditions applicable to the Group and management's expectations and strategy for the use of the trademarks. It is the intention of the Group to receive a benefit from them indefinitely and there is no indication that this will not be the case.

ANNEXURE **B** (CONTINUED)

Transfers	Amortisation	Total
–	**(2 707)**	**12 501**
1 436	**(4 686)**	**27 936**
–	**(67)**	**9 000**
1 436	**(7 460)**	**49 437**
–	(2 810)	15 208
21 841	(3 476)	27 312
–	(400)	9 067
21 841	(6 686)	51 587

Transfers	Amortisation	Total
–	**(2 707)**	**12 501**
1 436	**(4 686)**	**27 936**
–	**(67)**	**9 000**
1 436	**(7 460)**	**49 437**
–	(2 810)	15 208
21 841	(3 476)	27 312
–	(400)	9 067
21 841	(6 686)	51 587

RIGHT OF USE ASSETS

N$'000	Opening Balance	Additions	Disposals
GROUP – 2022			
Motor vehicle leases	**29 140**	**20 418**	**(2 497)**
Property leases	**1 660**	**6 171**	**(1 142)**
	30 800	**26 589**	**(3 639)**
GROUP – 2021			
Motor vehicle leases	27 351	17 001	(873)
Property leases	4 953	1 169	–
	32 304	18 170	(873)

N$'000	Opening Balance	Additions	Disposals
COMPANY – 2022			
Motor vehicle leases	**29 140**	**20 418**	**(2 497)**
Property leases	**1 660**	**6 171**	**(1 142)**
	30 800	**26 589**	**(3 639)**
COMPANY – 2021			
Motor vehicle leases	27 351	17 001	(873)
Property leases	4 953	1 169	–
	32 304	18 170	(873)

The group and company leases several assets, including buildings and vehicles. The average lease term is between 2 and 5 years (2021: 2 – 5 years).

ANNEXURE **B** (CONTINUED)

Depreciation	Total
(13 958)	**33 103**
(2 516)	**4 173**
(16 474)	**37 276**
(14 339)	29 140
(4 462)	1 660
(18 801)	30 800

Depreciation	Total
(13 958)	**33 103**
(2 516)	**4 173**
(16 474)	**37 276**
(14 339)	29 140
(4 462)	1 660
(18 801)	30 800

ANNEXURE C

INTEREST IN SUBSIDIARIES

Subsidiary company	Country of incorporation	Issued capital N$'000
BEVERAGES		
Namibia Breweries South Africa Proprietary Limited*	South Africa	–
Flycatcher (Proprietary) Limited	Botswana	–
PROPERTY		
Northgate Properties (Proprietary) Limited	Namibia	–
Northgate Exports (Proprietary) Limited	Namibia	–
Hallie Investments Number Four Hundred and Twenty Eight (Proprietary) Limited**	Namibia	–
Accumulated loan impairment		

* *A letter of support is in place whereby Namibia Breweries Limited agrees to provide additional financial support to Namibia Breweries South Africa Proprietary Limited to meet its debts as and when they fall due until such time as specified in the letter.*

** *A Cession Agreement exists whereby Hallie Investments Number Four Hundred and Twenty Eight (Proprietary) Limited ceded all of their rights and obligations in its property to the Company.*

	Effective holding		Interest of holding company shares		Indebtedness	
	2022 %	2021 %	**2022 N$'000**	2021 N$'000	**2022 N$'000**	2021 N$'000
	100	100	**–**	–	**98 247**	98 247
	100	100	**–**	–	**4 374**	4 368
	100	100	**828**	828	**(1 014)**	(1 104)
	100	100	**–**	–	**–**	–
	100	100	**468**	468	**–**	–
			–	–	**(98 247)**	(98 247)
			1 296	1 296	**3 360**	3 264

DIRECTORS' EMOLUMENTS

	Salary N$'000	Bonuses N$'000	Housing and medical aid N$'000	Pension and travel allowance N$'000	Total N$'000
2022 – Executive directors					
M Wenk	**1 835**	**1 632**	**1 261**	**821**	**5 549**
W von Lieres	**1 030**	**951**	**809**	**443**	**3 233**
Total emoluments	**2 865**	**2 583**	**2 070**	**1 264**	**8 782**
2021 – Executive directors					
M Wenk	1 733	1 585	1 261	810	5 389
W von Lieres	972	921	805	435	3 133
Total emoluments	2 705	2 506	2 066	1 245	8 522

	2022 N$'000	2021 N$'000
Non-executive directors		
HB Gerdes	**1 062**	1 435
P Grüttemeyer	**276**	305
S Thieme	**279**	204
G Hanke	**55**	54
H van der Westhuizen	**192**	228
S Siemer	**192**	231
P Sabrie	**55**	54
R Pirmez	**237**	186
L Mcleod-Katjirua	**146**	120
VJ Mungunda	**504**	135
AR Schimming-Chase	**473**	112
Total emoluments	**3 471**	3 064

Non-executive directors only received directors' fees for the current and prior financial year, with the exception of HB Gerdes. Refer to note 29.1.

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