Annual financial statements

GROUP SALIENT FEATURES

	30 June 2016 N$'000s	30 June 2015 N$'000s	% Change
Revenue	**2 425 885**	2 434 177	(0.3)
Profit attributable to ordinary shareholders	**372 470**	258 982	43.8
Earnings per ordinary share (cents)	**180.3**	125.4	43.8
Headline earnings per ordinary share (cents)	**185.7**	187.1	(0.7)
Dividends declared per ordinary share (cents)	**77.0**	71.0	8.5
Net asset value per ordinary share (cents)	**609.0**	505.5	20.5
Return on ordinary shareholders' funds (%)	**32.4**	26.2	23.7

GROUP VALUE ADDED STATEMENT

	Notes	30 June 2016 N$'000s	30 June 2015 N$'000s
WEALTH CREATED			
Revenue		**2 425 885**	2 434 177
Paid to suppliers for materials and services		**(1 885 211)**	(1 927 663)
VALUE ADDED		**540 674**	506 514
Income from investments		**18 315**	22 000
TOTAL WEALTH CREATED		**558 989**	528 514
WEALTH DISTRIBUTION			
Salaries, wages and other employment costs	1	**289 544**	268 714
Providers of capital			
Dividends to shareholders		**159 027**	146 636
Finance costs on borrowings		**39 412**	8 847
Central and local governments	2	**132 034**	135 869
Reinvested in Group to maintain and develop operations			
Amortisation		**4 526**	3 745
Depreciation		**119 676**	112 817
Retained earnings		**213 443**	112 346
Deferred taxation		**6 009**	2 057
TOTAL WEALTH DISTRIBUTED		**963 671**	791 031
NOTES TO THE VALUE ADDED STATEMENT			
1. Salaries, wages and other employment costs			
Salaries, wages, overtime payments, commissions, bonuses and allowances		**244 428**	226 415
Total contributions to medical aid and pension fund		**45 116**	42 299
		289 544	268 714
2. Central and local governments			
Normal corporate taxation		**129 634**	134 035
Rates and taxes paid on properties		**2 400**	1 834
		132 034	135 869
3. Additional amounts collected on behalf of central and local governments			
Customs and excise duties including import surcharges		**580 555**	605 367
Value added tax collected on revenue		**110 638**	73 927
PAYE deducted from remuneration paid		**43 537**	32 983
Withholding taxes		**4 935**	7 531
		739 665	719 808
Number of employees		**740**	786

FIVE-YEAR SUMMARY OF RESULTS

N$'000s	12 Months 30 June 2016	12 Months 30 June 2015	12 Months 30 June 2014	12 Months 30 June 2013	12 Months 30 June 2012
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION					
Property, plant and equipment	**983 365**	871 133	874 932	827 683	799 762
Investment in joint venture	**–**	28 325	–	13 635	118 071
Investment in associate	**610 526**	–	–	–	–
Non-current assets held for sale	**–**	4 500	5 925	–	–
Other non-current assets	**25 530**	16 762	11 508	12 258	6 450
Current assets	**850 796**	816 429	648 834	860 598	748 238
	2 470 217	1 737 149	1 541 199	1 714 174	1 672 521
Issued capital	**1 024**	1 024	1 024	1 024	1 024
Foreign currency translation reserve	**249**	(3)	(126)	–	–
Retained income	**1 256 521**	1 043 078	930 732	859 447	906 289
Ordinary shareholders' equity	**1 257 794**	1 044 099	931 630	860 471	907 313
Interest-bearing loans and borrowings (non-current)	**479 739**	13 821	8 786	9 231	265 693
Other non-current liabilities	**212 949**	207 274	203 634	171 702	143 458
Current liabilities	**519 735**	471 955	397 149	672 770	356 057
	2 470 217	1 737 149	1 541 199	1 714 174	1 672 521
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME					
Revenue	**2 425 885**	2 434 177	2 316 932	2 383 384	2 160 067
Operating expenses	**(1 885 211)**	(1 927 663)	(1 865 601)	(1 883 295)	(1 731 052)
Operating profit	**540 674**	506 514	451 331	500 089	429 015
Finance costs	**(39 412)**	(8 847)	(14 932)	(23 648)	(23 233)
Finance income	**18 315**	22 000	12 338	20 392	22 346
Equity loss from joint venture (ongoing operations)	**(38 917)**	(124 593)	(120 341)	(109 002)	(92 147)
Equity loss from associate (ongoing operations)	**(61 759)**	–	–	–	–
Equity loss from joint venture (deferred tax asset write down)	**–**	–	–	(188 089)	–
Income from associate (deferred tax asset write-back)	**89 212**	–	–	–	–
Profit before income tax	**508 113**	395 074	328 396	199 742	335 981
Income tax expense	**(135 643)**	(136 092)	(122 867)	(126 797)	(114 027)
Profit attributable to ordinary shareholders	**372 470**	258 982	205 529	72 945	221 954
CONSOLIDATED STATEMENTS OF CASH FLOWS					
Cash generated by operations	**654 065**	736 481	502 637	706 776	363 084
Dividends paid	**(159 027)**	(146 636)	(134 244)	(119 787)	(106 345)
Taxation paid	**(137 764)**	(123 516)	(102 521)	(105 696)	(109 442)
Net cash flow from operating activities	**357 274**	466 329	265 872	481 293	147 297
Net cash flow applied to investing activities	**(770 111)**	(253 872)	(258 937)	(287 402)	(204 537)
Net cash flow from financing activities	**347 061**	(4 179)	(218 795)	(17 989)	57 488
Net (decrease)/increase in cash and cash equivalents	**(65 776)**	208 278	(211 860)	175 902	248

SUMMARY OF STATISTICS

	12 Months 30 June 2016	12 Months 30 June 2015	12 Months 30 June 2014	12 Months 30 June 2013	12 Months 30 June 2012
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)	**180.3**	125.4	99.5	35.3	107.5
Headline earnings per ordinary share (cents)	**185.7**	187.1	159.1	177.8	149.5
Dividends paid per ordinary share (cents)	**77.0**	71.0	65.0	58.0	51.5
Dividend cover (times)	**2.3**	1.8	1.5	0.6	2.1
Net asset value per ordinary share (cents)	**609.0**	505.5	451.1	416.6	439.3
PROFITABILITY AND ASSET MANAGEMENT					
Operating margin (%)	**22.3**	20.8	19.5	21.0	19.9
Return on total assets (%)	**31.4**	32.6	28.6	32.0	31.8
Return on ordinary shareholders' funds (%)	**32.4**	26.2	22.9	8.3	26.1
LIQUIDITY AND LEVERAGE					
Total liabilities to total shareholders' funds (%)	**81.0**	48.5	45.5	81.5	70.3
Financial gearing ratio (%)	**41.7**	11.4	12.3	32.0	29.8
Interest cover	**14.2**	59.7	31.1	22.0	19.4
Current ratio	**1.6**	1.7	1.6	1.3	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 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 Joint Venture).

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 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.

ORDINARY SHARE OWNERSHIP

	Number of Shareholders	%	Number of Shares	%
HOLDINGS				
1 – 1 000	997	64.28	472 920	0.23
1 001 – 50 000	513	33.08	3 093 893	1.50
50 001 – 100 000	14	0.90	980 267	0.47
100 001 – 10 000 000	25	1.61	18 718 926	9.06
10 000 001 and above	2	0.13	183 262 994	88.74
	1 551	100.00	206 529 000	100.00
CATEGORY				
Corporate bodies	46	2.96	123 481 372	59.78
Nominee companies	198	12.77	74 507 114	36.08
Private individuals	1 282	82.66	7 363 429	3.57
Trusts	25	1.61	1 177 085	0.57
	1 551	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 2016 %	at 30 June 2015 %
Non-public shareholders		
– holding company	**59.4**	52.6
– Directors and their associates, and trustees of the Company's share purchase trust.	**0.1**	0.1
Public shareholders	**40.5**	47.3
	100.0	100.0

MAJOR INDIVIDUAL HOLDINGS

With the exception of nominee holdings, the register of members does not reflect individual beneficial shareholdings at 30 June 2016 in excess of 1% of the total issued capital of the Company.

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 revenue decreased by 0.3% from N$2 434 million to N$2 426 million for the year ended 30 June 2016. The decrease in revenue is primarily driven by the migration of volumes to South Africa, offset by the performance in the local market.

OPERATING PROFIT
The Group's operating profit for the year ended 30 June 2016 showed an increase of 6.7% over the previous reporting period. This translates into an operating margin of 22% compared with 21% reported for the previous financial year.

TAXATION
The corporate tax rate reduced from 33% to 32% during the year under review. The taxation charge for the year ended 30 June 2016 was N$135.6 million, while the previous reporting period reflected a slightly higher charge of N$136.1 million. The accumulated tax losses of the Group's wholly owned South African subsidiary have not been recognised, due to uncertainty regarding future taxable income.

PROFIT AFTER TAX AND EARNINGS PER SHARE
Profit attributable to shareholders increased from N$259 million in the previous financial year to N$372 million in the current year. This represents an increase of 43.8%, resulting in the earnings per share for the year ended 30 June 2016 increasing to 180.3 cents (2015: 125.4 cents).

FINANCIAL POSITION
The net debt to equity ratio increased from -14% in the previous financial year to 26% in the year under review, following the restructuring of the South African joint venture. The increase in the gearing ratio, creates an opportunity for the financing of the Group's expected investments in the 2017 financial year.

NAMIBIAN MARKET
The Namibian market continues to remain a significant contributor to total revenues and earnings, with *Tafel Lager* spear-heading the overall beer growth. *Tafel Lager* achieved more than 1 million hectolitres in 12 months for the very first time. Sales in the ready-to-drink category decreased compared with the prior year, however, the soft drink category maintained its double-digit growth.

SOUTH AFRICA
On 1 December 2015, the joint venture agreement for the South African joint venture, DHN Drinks (Proprietary) Limited, was terminated by mutual consent. A new agreement was entered into with Heineken International B.V. The operating loss from the equity accounted investments decreased during the period under review when compared with the prior year. Included in current year income, is an amount of N$89.2 million, being Namibia Breweries Limited's share of the deferred tax asset included in the Heineken South Africa (Proprietary) Limited accounts. Taking royalties and production margins into account, we continued to make positive returns from the operations of our South African business. Further details on the restructuring of the South African joint venture are included in notes 7 and 8 to the consolidated financial statements.

EXPORTS (EXCLUDING SOUTH AFRICA)
Total beer volumes sold to export markets declined by 5% in comparison with the prior reporting year. Tanzania continued its double-digit growth and outperformed expectations. Botswana's performance remained stable, while Mozambique disappointed and Zambia remains challenging due to currency devaluation.

CASH FLOWS
Net cash flow from operating activities decreased from N$466 million in the previous financial year to N$357 million in 2016. The decrease in cash flow was mainly due to less sales to South Africa. Net cash outflow from investing activities increased from N$254 million in the previous year to N$770 million in the 2016 financial year, due to the purchase of shares in the associate and an increase in capital expenditure. Net cash flow from financing activities increased from a net outflow of N$4 million in the previous financial year to a net inflow of N$347 million in the current year. The increase was mainly due to the medium-term loans raised during the current year. (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 statements of financial position as at 30 June 2016, and the statements of comprehensive income, the statements of changes in equity, and 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 and in terms of Namibia's Companies Act, as set out in pages 81 to 130.

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 such 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 page 80.

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 6 September 2016 and signed on their behalf by

S Thieme
Chairman

H van der Westhuizen
Managing Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NAMIBIA BREWERIES LIMITED
We have audited the consolidated and separate annual financial statements of Namibia Breweries Limited, set out on pages 81 to 130 which comprise the statements of financial position as at 30 June 2016, statements of comprehensive income, statements of changes in equity and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and the report of the Directors.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
The Company's Directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act in 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.

AUDITOR'S RESPONSIBILITY
Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by the Directors, as well as evaluating the overall financial statements presentation.

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

OPINION
In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Namibia Breweries Limited as at 30 June 2016 and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act in Namibia.

Deloitte & Touche

Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (Namibia)

J Cronjé
Partner
Windhoek
6 September 2016

Deloitte Building
Maerua Mall Complex
PO Box 47
Jan Jonker Road
Windhoek
Namibia

ICAN practice number: 9407

Resident Partners: E Tjipuka (Managing Partner), RH Mc Donald, A Matenda, H de Bruin, J Cronjé, A Akayombokwa

Director: G Brand

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 2016 increased by 6.7% compared to the previous financial year. This translates into an operating margin of 22%.

DIVIDENDS PAID
Details of the ordinary dividends declared, paid and payable in respect of the 2015/16 financial year are reflected in note 27 to the financial statements. Total dividend paid for the year amounted to 77 cents per share.

DIVIDEND DECLARATION
In addition to the interim dividend of 40 cents per ordinary share paid in May 2016, the Board of Directors declared a final dividend of 40 cents per ordinary share, at its meeting of 6 September 2016. Payment will be effected to the shareholders of ordinary shares in the books of the Company registered at the close of business on 21 October 2016 and will be paid on 11 November 2016.

CAPITAL EXPENDITURE
Capital expenditure for the reporting year amounted to N$237.1 million (2015: N$115.1 million).

ISSUED CAPITAL
Full details of the authorised and issued capital of the Company as at 30 June 2016 are set out in note 14 to the financial statements. The 92 471 000 unissued shares of the Company are under the control of the Directors in terms of a members' resolution dated 3 December 2015. In terms of the Companies Act, this authority expires at the forthcoming Annual General Meeting, at which point the members will accordingly be asked to extend this said authority until the Annual General Meeting to be held on 18 November 2016.

DIRECTORATE AND SECRETARY
The names of the Directors as well as the name and address of the Company Secretaries appear under Directorate and Administration.

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

HOLDING COMPANY
The Company's holding company is NBL Investment Holdings (Proprietary) Limited, of which the shareholding is held by Ohlthaver & List Finance and Trading Corporation Limited and Heineken International B.V. ("Heineken"). The Company's ultimate holding company is the List Trust Company (Proprietary) Limited.

EVENTS SUBSEQUENT TO REPORTING DATE
The Directors are not aware of any other significant events subsequent to the reporting date to be accounted for or disclosed in the annual financial statements which significantly affect the financial position of the Group or the results of its operations.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

COMPANY at 30 June 2015 N$'000s	COMPANY at 30 June 2016 N$'000s		Notes	GROUP at 30 June 2016 N$'000s	GROUP at 30 June 2015 N$'000s
		ASSETS			
		Non-current assets			
836 263	**948 053**	Property, plant and equipment	4	**983 365**	871 133
16 747	**25 515**	Intangible assets	5	**25 515**	16 747
34 936	**35 658**	Investment in subsidiaries	6	**–**	–
28 325	**–**	Investment in a joint venture	7	**–**	28 325
–	**610 526**	Investment in associate	8	**610 526**	–
15	**15**	Available-for-sale investments	9	**15**	15
916 286	**1 619 767**			**1 619 421**	916 220
		Current assets			
226 604	**268 138**	Inventories	10	**268 138**	226 607
329 029	**382 128**	Trade and other receivables	11	**384 215**	325 603
260 557	**195 332**	Cash and cash equivalents	12	**198 443**	264 219
816 190	**845 598**			**850 796**	816 429
4 500	**–**	Non-current assets held for sale	13	**–**	4 500
1 736 976	**2 465 365**	**Total assets**		**2 470 217**	1 737 149
		EQUITY AND LIABILITIES			
		Equity			
1 024	**1 024**	Share capital	14	**1 024**	1 024
		Reserves		**249**	(3)
1 046 825	**1 256 435**	Retained earnings		**1 256 521**	1 043 078
1 047 849	**1 257 459**	**Ordinary shareholders' equity**		**1 257 794**	1 044 099
		Non-current liabilities			
13 811	**479 739**	Interest-bearing loans and borrowings	15	**479 739**	13 821
19 630	**19 295**	Post employment medical aid and severance pay benefit plan	16	**19 295**	19 630
187 611	**193 548**	Deferred taxation liability	17	**193 654**	187 644
221 052	**692 582**			**692 688**	221 095
		Current liabilities			
106 446	**46 464**	Interest-bearing loans and borrowings	15	**44 383**	105 711
358 753	**462 948**	Trade and other payables	18	**469 440**	363 368
300	**4 959**	Derivative financial instruments	19	**4 959**	300
2 576	**953**	Income tax payable		**953**	2 576
468 075	**515 324**			**519 735**	471 955
1 736 976	**2 465 365**	**Total equity and liabilities**		**2 470 217**	1 737 149

STATEMENT OF COMPREHENSIVE INCOME

AS AT 30 JUNE 2016

COMPANY				GROUP	
for the year ended 30 June 2015 N$'000s	for the year ended 30 June 2016 N$'000s		Notes	for the year ended 30 June 2016 N$'000s	for the year ended 30 June 2015 N$'000s
2 425 233	**2 403 839**	**Revenue**	20	**2 425 885**	2 434 177
(1 915 723)	**(1 867 248)**	Operating expenses	21	**(1 885 211)**	(1 927 663)
509 510	**536 591**	**Operating profit**	22	**540 674**	506 514
(8 807)	**(39 406)**	Finance costs	23	**(39 412)**	(8 847)
21 896	**18 249**	Finance income	24	**18 315**	22 000
(124 593)	**(11 464)**	Impairment of equity-accounted investment	7, 8	**–**	–
–	**–**	Equity loss from joint venture (ongoing operations)	7	**(38 917)**	(124 593)
–	**–**	Equity loss from associate (ongoing operations)	8	**(61 759)**	–
–	**–**	Equity income from associate (deferred tax asset write-back)	8	**89 212**	–
398 006	**503 970**	**Profit before income tax**		**508 113**	395 074
(136 087)	**(135 333)**	Income tax expense	25	**(135 643)**	(136 092)
261 919	**368 637**	**Profit for the year**		**372 470**	258 982
		Other comprehensive income			
		Items that may be reclassified subsequently to profit or loss			
–	**–**	Foreign currency translation reserve (FCTR)		**252**	123
–	**–**	**Other comprehensive income for the year net of taxation**		**252**	123
261 919	**368 637**	**Total comprehensive income for the year attributable to equity holders of the parent**		**372 722**	259 105
126.8	**178.5**	**Basic earnings per ordinary share (cents)**	26.1	**180.3**	125.4
–	**–**	**Headline earnings per ordinary share (cents)**	26.2	**185.7**	187.1

STATEMENT OF CHANGES IN EQUITY

	Notes	Issued Capital N$'000s	Foreign currency translation reserve N$'000s	Retained Earnings N$'000s	Total N$'000s
GROUP					
Balance at 30 June 2014		1 024	(126)	930 732	931 630
Profit for the year		–	–	259 105	259 105
Other comprehensive income for the year		–	123	(123)	-
Total comprehensive income for the year attributable to equity holders of the parent		–	123	258 982	259 105
Dividends to equity holders	28.2	–	–	(146 636)	(146 636)
Balance at 30 June 2015		1 024	(3)	1 043 078	1 044 099
Profit for the year		–	–	372 470	372 470
Other comprehensive income for the year		–	252	–	252
Total comprehensive income for the year attributable to equity holders of the parent		–	252	372 470	372 722
Dividends to equity holders	28.2	–	–	(159 027)	(159 027)
Balance at 30 June 2016		**1 024**	**249**	**1 256 521**	**1 257 794**
COMPANY					
Balance at 30 June 2014		1 024	–	931 542	932 566
Profit for the year		–	–	261 919	261 919
Other comprehensive income for the year		–	–	–	–
Total comprehensive income for the year attributable to equity holders of the parent		–	–	261 919	261 919
Dividends to equity holders	28.2	–	–	(146 636)	(146 636)
Balance at 30 June 2015		1 024	–	1 046 825	1 047 849
Profit for the year		–	–	368 637	368 637
Other comprehensive income for the year		–	–	–	–
Total comprehensive income for the year attributable to equity holders of the parent		–	–	368 637	368 637
Dividends to equity holders	28.2	–	–	(159 027)	(159 027)
Balance at 30 June 2016		**1 024**	**–**	**1 256 435**	**1 257 459**

STATEMENT OF CASH FLOWS

COMPANY for the year ended 30 June 2015 N$'000s	COMPANY for the year ended 30 June 2016 N$'000s		Notes	GROUP for the year ended 30 June 2016 N$'000s	GROUP for the year ended 30 June 2015 N$'000s
484 759	**362 129**	**CASH FLOW FROM OPERATING ACTIVITIES**		**357 274**	466 329
2 486 175	**2 350 740**	Cash receipts from customers		**2 367 273**	2 483 215
(1 731 681)	**(1 691 820)**	Cash paid to suppliers and employees		**(1 713 208)**	(1 746 734)
754 494	**658 920**	Cash generated by operations	28.1	**654 065**	736 481
(146 636)	**(159 027)**	Dividends paid	28.2	**(159 027)**	(146 636)
(123 099)	**(137 764)**	Income tax paid	28.3	**(137 764)**	(123 516)
(269 270)	**(775 525)**	**CASH FLOW FROM INVESTING ACTIVITIES**		**(770 111)**	(253 872)
21 896	**18 249**	Finance income		**18 315**	22 000
(155 000)	**-**	Purchase of shares in joint venture		**-**	(155 000)
-	**(566 548)**	Purchase of shares in associate		**(566 548)**	
(15 405)	**(5 431)**	Loans advanced to subsidiaries		**-**	-
(5 264)	**(722)**	Acquisition of subsidiary		**-**	-
-	**4 130**	Proceeds from disposal of non-current assets held for sale		**4 130**	-
(109 684)	**(217 995)**	Acquisition of property, plant and equipment		**(218 717)**	(115 065)
(8 151)	**(13 294)**	Acquisition of intangible asset		**(13 294)**	(8 151)
2 338	**6 086**	Proceeds on sale of assets		**6 003**	2 344
(4 216)	**348 171**	**CASH FLOW FROM FINANCING ACTIVITIES**		**347 061**	(4 179)
(8 807)	**(39 406)**	Finance costs		**(39 412)**	(8 847)
(2 848)	**(112 423)**	Repayment of interest-bearing loans and borrowings		**(113 527)**	(2 771)
7 439	**500 000**	Proceeds from medium term financing		**500 000**	7 439
211 273	**(65 225)**	Net increase in cash and cash equivalents		**(65 776)**	208 278
49 284	**260 557**	Cash and cash equivalents at beginning of the year		**264 219**	55 941
260 557	**195 332**	**CASH AND CASH EQUIVALENTS AT END OF THE YEAR**		**198 443**	264 219

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. REPORTING ENTITY

Namibia Breweries Limited (the "Company") is a company domiciled in Namibia. The consolidated financial statements of the Company as at and for the year ended 30 June 2016 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 Company and Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Namibian Companies Act. The financial statements were approved by the Board of Directors on 6 September 2016. The accounting policies below apply to both consolidated and separate financial statements.

(b) Basis of measurement

The Company and Group financial statements are prepared on the historical cost basis, modified for the fair value treatment of financial instruments.

(c) Functional and presentation currency

These financial statements are presented in Namibia Dollars (NAD), which is the Company's and Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. All information presented in NAD has been rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management 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 regards 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% (2015: 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.

Recoverability of investment in Associate

The Company's investment in the associate is carried at cost less impairment. The Directors have evaluated the value of the investment and have considered this to approximate the Company's investment less equity accounted losses at year end. The Directors have considered the recoverability of the deferred tax asset in the associate and is of the view that, as a result of the reorganisation described in note 8, an amount of N$356.8 million of deferred tax assets, with N$89.2 million being the Group's share, is recoverable. Should circumstances change this judgement may also change with consequential impact to the financial statements. See note 8 for further details on these assumptions.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the Company's and Group's 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 of 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 there is no evidence of impairment.

(b) Foreign currency

Transactions denominated in foreign currencies are initially recorded at the functional currency rate ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to 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.

(c) 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 life's unless it is reasonably certain that the Group and Company will obtain ownership by the end of the lease term. The depreciation rates for the current and comparative periods are as follows:

	2016	2015
Freehold buildings	**2 – 12%**	2 – 12%
Leasehold land and buildings	**4%**	4%
Plant and machinery	**4 – 20%**	4 – 20%
Vehicles	**20%**	20%
Furniture and equipment	**10%**	10%
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.

(d) 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

(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.

(e) Leased assets
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. Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Group or Company. Operating leases are those leases which do not fall within the scope of the above definition. Payments made under leases are recognised in profit or loss on a straight line basis over the term of the lease.

(f) Non-current assets held for sale
Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. A non-current asset is not depreciated while it is classified as held for sale.

(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
A financial asset not carried at fair value through profit or loss, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the assets that can be estimated reliably. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between the carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. An impairment loss in respect of an available for-sale financial asset is calculated by reference to its fair value. All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Impairment loss reversals are recognised in profit or loss except for impairment reversals of available-for-sale equity securities which are recognised in other comprehensive income.

(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 loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss 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 loss 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 3(m) and 3(l). 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 the share purchase trust as well as to holding company and fellow subsidiaries. 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 principle 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, less impairment losses.

(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 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 has 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

Revenue comprises royalty and rental income and the sales of beer, soft drinks and by-products, less indirect taxes, excise duty and discounts. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company or Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

(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.

(l) Finance income

Finance income comprises interest income on funds. Interest income is recognised in the year as it accrues in profit or loss, using the effective interest method.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

(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.

Deferred tax assets and deferred liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(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 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.

(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 Group's employees and is governed by the Pension Funds Act.

(iii) Equity compensation benefits

The Group and Company grants share options to certain employees under an employee share plan controlled by the ultimate holding company.

(iv) Post employment medical benefits

The Group and Company provides for post employment healthcare 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 credit unit method.

Actuarial gains and losses are recognised in profit or loss in full. 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 pension plan, past service cost is recognised as an expense immediately.

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

(v) Severance benefit obligation

In accordance with the Namibia Labour Act, 2007 (Act 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. The movement for the year is recognised in profit or loss in the year in which it occurs.

(r) 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.

(s) New and amended IFRS and IAS

The Group and Company has not adopted the following new and amended IFRS and IAS during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

ADOPTION OF NEW AND REVISED STANDARDS

Recent amendments

The following table contains effective dates of IFRS and recently revised International Accounting Standards (IAS), which have not been early adopted by the Company and that might affect future financial periods:

	New/Revised International Financial Reporting Standards	Effective for annual periods beginning on or after
IFRS 5	Non-current assets Held for Sale and Discontinued Operations	
	Clarity that a change in the manner of disposal of a non-current asset or disposal group held for sale does not result in a change of classification as held for sale does not change.	1 January 2016
IFRS 7	Financial Instruments: Disclosures	1 January 2016
IFRS 9	Financial Instruments	
	Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing recognition requirements	1 January 2018
IFRS 10	Consolidated Financial Statements	
	Amendments for investment entities	1 January 2016
IFRS 11	Joint Arrangements	
	Guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business	1 January 2016
IFRS 15	Revenue from Contracts from Customers	
	Changes to revenue recognition criteria and additional disclosure requirements	1 January 2018
IAS 1	Presentation of Financial Statements	
	Encouragement to entities to apply professional judgement in determining what information to disclose in their financial statements	1 January 2016
IAS 16	Financial Instruments: Presentation	
	Amendments relating to the offsetting of financial assets and financial liabilities	1 January 2016
IAS 19	Defined Benefit Plans: Employee Contributions	
	– Clarity of the requirements of to determine the discount rate in a regional market sharing the same currency.	1 January 2016
IAS 27	Consolidated and Separate Financial Statements	
	– Amendments to allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements	1 January 2016
IAS 28	Investments in Associates and Joint Ventures	1 January 2016
IAS 34	Interim Financial Reporting	1 January 2016
IAS 38	Intangible Assets	
	Clarity on the principles and the basis for the calculation of depreciation and amortisation	1 January 2016
IFRS 12	Disclosure of Interests in Other Entities	
	Amendments for investment entities	1 January 2016

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

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		4. PROPERTY, PLANT AND EQUIPMENT		
		At cost		
150 362	**153 605**	Freehold land and buildings	**188 434**	184 470
3 892	**3 892**	Leasehold land and buildings	**6 050**	6 050
993 926	**1 046 706**	Plant and machinery	**1 406 735**	994 071
73 992	**96 465**	Vehicles	**96 618**	74 261
50 053	**62 784**	Furniture and equipment	**62 926**	50 252
193 026	**278 361**	Returnable containers	**278 361**	207 923
11 042	**60 425**	Assets under construction	**60 425**	11 042
1 476 293	**1 702 238**		**1 739 549**	1 528 069
		Accumulated depreciation and impairment losses		
29 246	**30 325**	Freehold land and buildings	**30 325**	29 246
3 138	**3 581**	Leasehold land and buildings	**5 351**	4 753
438 027	**500 383**	Plant and machinery	**500 395**	438 150
44 151	**51 602**	Vehicles	**51 750**	44 319
35 167	**40 242**	Furniture and equipment	**40 311**	35 269
90 301	**128 052**	Returnable containers	**128 052**	105 199
640 030	**754 185**		**756 184**	656 936
		Carrying value		
121 116	**123 280**	Freehold land and buildings	**158 109**	155 224
754	**311**	Leasehold land and buildings	**699**	1 297
555 899	**546 323**	Plant and machinery	**546 340**	555 921
29 841	**44 863**	Vehicles	**44 868**	29 942
14 886	**22 542**	Furniture and equipment	**22 615**	14 983
102 725	**150 309**	Returnable containers	**150 309**	102 724
11 042	**60 425**	Assets under construction	**60 425**	11 042
836 263	**948 053**		**983 365**	871 133

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

LEASED ASSETS

Included above are leased vehicles under a number of finance lease agreements, details of which are set out below:

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		Vehicles		
26 106	**37 918**	At cost	**37 918**	26 106
(12 371)	**(15 437)**	Accumulated depreciation	**(15 437)**	(12 371)
13 735	**22 481**	Carrying value	**22 481**	13 735

The leased assets are encumbered in terms of finance lease agreements (see note 15 and 30).

Land and Buildings

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		5. INTANGIBLE ASSETS		
		At cost		
10 971	**17 592**	Automation processes	**17 592**	10 971
9 000	**9 000**	Trademarks	**9 000**	9 000
11 960	**18 633**	Software licences	**18 633**	11 960
31 931	**45 225**		**45 225**	31 931
		Accumulated amortisation		
7 700	**9 648**	Automation processes	**9 648**	7 700
–	**–**	Trademarks	**–**	–
7 484	**10 062**	Software licences	**10 062**	7 484
15 184	**19 710**		**19 710**	15 184
		Carrying value		
3 271	**7 944**	Automation processes	**7 944**	3 271
9 000	**9 000**	Trademarks	**9 000**	9 000
4 476	**8 571**	Software licences	**8 571**	4 476
16 747	**25 515**		**25 515**	16 747

Movement of intangible asset has been detailed in Annexure B.

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s	
		6. INVESTMENT IN SUBSIDIARIES (ANNEXURE C)
35 096	**35 818**	Shares at cost
(995)	**(2 246)**	Loan from subsidiary
34 101	**33 572**	
–	**–**	Loan to subsidiaries
34 101	**33 572**	
(835)	**(2 086)**	Current
34 936	**35 658**	Non-current
34 101	**33 572**	Net investment in subsidiaries

Aggregated losses of subsidiaries amounted to N$59.3 million (2015: N$54.7 million). Losses incurred by subsidiaries for the year amounted to N$4.6 million (2015: N$17.8 million).

The loans are interest free and have no fixed repayment terms.

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		7. INVESTMENT IN A JOINT VENTURE		
784 007	**–**	Shares at cost	**–**	784 007
(829 307)	**–**	Impairment of investment	**–**	–
73 625	**–**	Loans to joint venture	**–**	73 625
–	**–**	Accumulated equity accounted losses	**–**	(829 307)
28 325	**–**	Carrying amount of the investment	**–**	28 325
		Disclosed as		
–		Current	**–**	–
28 325	**–**	Non-current	**–**	28 325
28 325	**–**		**–**	28 325

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		7. INVESTMENT IN A JOINT VENTURE (continued)		
		On 1 December 2015, the joint venture agreement between NBL, Diageo and Heineken was terminated by mutual consent. This agreement was replaced by a new agreement between NBL and Heineken. Refer to note 8 for details on the new agreement between NBL and Heineken.		
		The summarised financial information of material joint ventures at 30 June and for the years then ended is as follows:		
		Summarised statement of financial position		
		Current assets	**–**	784 295
		Non-current assets	**–**	356 849
			–	1 141 144
		Current liabilities	**–**	1 073 345
		Non-current liabilities	**–**	–
			–	1 073 345
		No balances in the statement of financial position, as all balances are reflected in the investment in associate. Amounts reflected in the statement of comprehensive income are up to the date of reorganisation.		
		Summarised statement of comprehensive income		
		Revenue	**2 159 405**	4 743 766
		Net interest expense	**(20 689)**	(100 726)
		Other income and expenses	**(2 389 796)**	(5 424 531)
		Loss before income tax	**(251 080)**	(781 491)
		Income tax expense		–
		Profit/(loss) from continuing operations	**(251 080)**	(781 491)
		Total comprehensive income	**(251 080)**	(781 491)
		Royalties received from joint venture	**49 686**	79 067
		Reconciliation of movements		
–	**28 325**	Opening balance	**28 325**	–
139 500	**–**	Equity investment	**–**	139 500
13 418	**–**	Loans advanced	**–**	13 418
(124 593)	**(38 917)**	Loss recognised	**(38 917)**	(124 593)
–	**(73 625)**	Transfer of loan to associate	**(73 625)**	–
–	**–**	Transfer of loss to associate	**84 217**	–
–	**84 217**	Transfer of investment to associate	**–**	–
28 325	**–**		**–**	28 325

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COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		8. INVESTMENT IN ASSOCIATES		
–	**593 665**	Shares at cost	**593 665**	–
–	**(61 759)**	Accumulated equity accounted losses	**(61 759)**	–
–	**89 212**	Accumulated equity accounted income (deferred tax asset write-back)	**89 212**	–
	73 625	Transfer of loan from joint venture	**73 625**	
–	**(84 217)**	Transfer of net impairment from joint venture	**(84 217)**	–
–	**610 526**	Carrying amount of the investment	**610 526**	–
		Disclosed as		
–	**–**	Current	**–**	–
–	**610 526**	Non-current	**610 526**	–
–	**610 526**		**610 526**	–

On 1 December 2015 the Group acquired 25% of the issued share capital of Sedibeng Brewery (Proprietary) Limited ("Sedibeng") and an additional 9.5% of the issued share capital of DHN Drinks (Proprietary) Limited ("DHN") from Diageo Highlands Holdings B.V. to increase its shareholding to 25%, and obtained significant influence of these operations. This transaction also resulted in the termination of the previous DHN Drinks (Proprietary) Limited joint venture by mutual consent. Both companies are incorporated in South Africa.

DHN carried on the business of marketing, sale and distribution of international beer and cider brands and Sedibeng carried on the business of manufacturing these brands and exclusively supplying these manufactured products to DHN for distribution in the relevant markets.

With effect from 31 December 2015, Sedibeng Brewery (Proprietary) Limited sold and transferred its operations as a going concern to DHN Drinks (Proprietary) Limited. The Company also changed its name to Heineken South Africa (Proprietary) Limited and from this date became an integrated operation producing and distributing beer and cider in South Africa.

At 30 June 2013 management reassessed the recoverability of the Group and Company's investment in Heineken South Africa (Proprietary) Limited, formerly known as DHN Drinks (Proprietary) Limited and in particular the recoverability of the Heineken South Africa deferred tax asset. As a result, the Group had recognised a full write-down of its portion (15.5%) of the deferred tax asset in Heineken South Africa (Proprietary) Limited amounting to N$188.1 million.

During the current year, as a result of the reorganisation described above, the Directors consider that, at year end, a portion of the N$1.6 billion assessed loss in Heineken South Africa (Proprietary) Limited is recoverable and have therefore included, in current year income, an amount of N$89.2 million, being its share of the deferred tax asset included in the Heineken South Africa (Proprietary) Limited accounts.

Included in the carrying amount of the associate at 30 June 2016 is an accrual of N$27.1 million. The accrual is management's best estimate of the amount owing to Diageo Highlands Holdings B.V. due to expected adjustments to the purchase price of the associate.

The closing balance and transfer includes a capital loan of N$73.6 million owed by Heineken South Africa (Proprietary) Limited. The loan is unsecured and bears interest at JIBAR + 2%.

Trade receivables from the Associate are disclosed in note 11.

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		8. INVESTMENT IN ASSOCIATES (continued)		
		The summarised financial information of material associates at 30 June and for the years then ended is as follows:		
		Summarised statement of financial position		
		Current assets	**1 721 294**	–
		Non-current assets	**4 250 252**	–
			5 971 546	–
		Current liabilities	**937 468**	–
		Non-current liabilities	**2 917 406**	–
			3 854 874	–
		Summarised statement of comprehensive income		
		Revenue	**2 815 648**	–
		Other income and expenses	**(3 028 971)**	–
		Loss before income tax	**(213 323)**	–
		Income tax expense	**(33 712)**	–
		Profit (loss) from continuing operations	**(247 035)**	–
		Total comprehensive loss	**(247 035)**	–
		Equity loss from associate	**(61 759)**	–
		Equity income from associate (deferred tax asset write-back)	**89 212**	–
			27 453	–
		Royalties received from associate	**38 929**	–
		Results are included from the date of commencement of the new arrangement.		
		9. AVAILABLE-FOR-SALE INVESTMENTS		
		Unlisted investments		
15	**15**	L&T Ventures (Proprietary) Limited	**15**	15
15	**15**	Directors' valuation of unlisted investments	**15**	15
		10. INVENTORIES		
58 577	**60 486**	Raw materials	**60 486**	58 577
17 631	**18 144**	Work in progress	**18 144**	17 631
55 127	**101 845**	Finished products	**101 845**	55 869
89 821	**82 012**	Consumable stores	**82 012**	89 082
5 448	**5 651**	Merchandise	**5 651**	5 448
226 604	**268 138**		**268 138**	226 607

On 30 June 2016 the impairment to inventories amounted to N$12.1 million (2015: N$9.1 million). The impairment is included in operating expenses in the income statement and is mainly due to redundant spares and changes in packaging design.

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FOR THE YEAR ENDED 30 JUNE 2016

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		11. TRADE AND OTHER RECEIVABLES		
174 756	**234 559**	Trade receivables	**237 417**	173 275
(1 860)	**(7 079)**	Allowance for credit losses	**(7 079)**	(1 860)
62 911	**–**	Receivables from Joint Ventures	**–**	62 911
–	**60 402**	Receivables from Associates	**60 402**	–
3 671	**5 136**	Receivables from holding company and fellow subsidiaries (note 29.1)	**2 136**	740
323	**–**	Receivables from other related parties (note 29.2)	**–**	323
13 700	**6 673**	Value added taxation	**7 733**	14 503
4 244	**10 989**	Receiver of revenue tax receivable	**10 989**	4 482
10 830	**11 874**	Refundable deposits	**11 874**	10 830
30 549	**30 991**	Prepayments	**30 991**	30 549
29 905	**28 583**	Other receivables	**29 752**	29 850
329 029	**382 128**		**384 215**	325 603

Trade receivables is shown net of impairment of N$7.1 million (2015: N$1.9 million). The impairment is included in operating expenses in profit or loss.

Trade receivables are non-interest-bearing and are generally on 30 – 60 days' terms.

For terms and conditions relating to related party receivables, refer to note 29.

Trade receivables are pledged as security for the medium term loans disclosed in note 15 and Annexure A.

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

The average credit period on sales of goods of the Company is 45 days (2015: 45 days). No interest is charged on trade receivables. At 30 June 2016, receivables of N$73.9 million (2015: N$57.2 million) were past due but not impaired. The Company has not provided for these as there has not been a significant change in credit quality.

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		Movement in the allowance account for impairment losses:		
(563)	**(1 860)**	Balance at the beginning of the year	**(1 860)**	(563)
(1 865)	**(9 187)**	Charge for the year	**(9 187)**	(1 865)
568	**3 968**	Utilised	**3 968**	568
(1 860)	**(7 079)**	Balance at the end of the year	**(7 079)**	(1 860)
		Analysed as follows:		
(1 860)	**(7 079)**	Individually impaired trade receivables	**(7 079)**	(1 860)
–	**–**	Collectively impaired trade receivables	**–**	–
(1 860)	**(7 079)**		**(7 079)**	(1 860)

In determining the recoverability of a trade receivable, the Company and Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. See also note 31.3.

The concentration of credit risk is limited and is fully detailed in note 31.3. The Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

The impairment recognised represents the difference between the carrying amount of these trade receivable and the present value of the expected liquidation proceeds. The Group does not hold any collateral over these balances.

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		12. CASH AND CASH EQUIVALENTS		
31 805	**78 067**	Cash and bank	**78 530**	32 154
228 752	**117 265**	Funds on call	**119 913**	232 065
260 557	**195 332**	Cash and cash equivalents at end of the year	**198 443**	264 219
		The carrying amount of these assets approximate their fair value.		
		The undrawn facilities at 30 June 2015 were N$41.5 million (2015: N$30.2 million).		
		13. NON-CURRENT ASSETS HELD FOR SALE		
		The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:		
		Net assets of disposal group:		
		Non-current assets held for sale		
4 500	**–**	Property, Plant and Equipment	**–**	4 500
4 500	**–**		**–**	4 500
		The Camelthorn Brewing assets were classified as held for sale on 30 April 2014 and disposed during October 2015.		
		14. SHARE CAPITAL		
		Ordinary – Authorised		
		299 000 000 shares of no par value (2015: 299 000 000)		
		Ordinary – Issued		
1 024	**1 024**	206 529 000 shares of no par value (2015: 206 529 000). All shares issued are fully paid.	**1 024**	1 024

The 92 471 000 unissued shares of the Company are under the control of the Directors in terms of a members' resolution dated 3 December 2015. In terms of the Companies Act, this authority expires at the forthcoming Annual General Meeting. Members will accordingly be asked to extend this said authority until the Annual General Meeting to be held in 2016. 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.

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COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		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. For more information about the exposure to interest rate risk, see Annexure A.		
		Non-current liabilities		
		Secured		
–	**462 500**	Medium term loan (Annexure A)	**462 500**	–
13 811	**17 239**	Finance lease liabilities (Annexure A) (note 4)	**17 239**	13 821
13 811	**479 739**		**479 739**	13 821
		Current liabilities		
		Unsecured		
835	**2 086**	Loan from related parties (Annexure A)	**–**	–
		Secured		
100 000	**37 500**	Medium term loan (Annexure A)	**37 500**	100 000
5 611	**6 878**	Finance lease liabilities (Annexure A) (note 4)	**6 883**	5 711
106 446	**46 464**		**44 383**	105 711
		For terms and conditions relating to interest-bearing borrowings, refer to Annexure A.		
		16. RETIREMENT BENEFIT INFORMATION		
		16.1 Retirement fund		
		The total value of contributions to the Ohlthaver & List Retirement Fund during the period amounted to:		
7 014	**7 618**	Members	**7 618**	7 014
18 749	**19 791**	Employer contributions	**19 791**	18 749
25 763	**27 409**		**27 409**	25 763
		This is a defined contribution plan and is regulated by the Pension Fund Act. The fund is valued at intervals of not more than three years. The fund was valued by an independent consulting actuary at 30 June 2016 and its assets were found to exceed its actuarially calculated liabilities.		
		16.2 Post employment medical aid benefit plan		
8 882	**9 484**	Balance at the beginning of the year	**9 484**	8 882
732	**754**	Interest cost	**754**	732
566	**(891)**	Actuarial (gain)/loss	**(891)**	566
(696)	**(759)**	Benefits paid	**(759)**	(696)
9 484	**8 588**	Non current balance at the end of the year	**8 588**	9 484

The O&L Group provides for post employment medical aid benefits in respect of retired employees. The present value of the provision at 30 June 2016, as determined by using projected unit credit method, was N$8.6 million (2015: N$9.5 million). Future benefits valued are projected using specific actuarial assumptions and the liability for in-service members is accrued over the expected working lifetime.

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		16. RETIREMENT BENEFIT INFORMATION (continued)		
		16.2 Post employment medical aid benefit plan (continued)		
		The principal actuarial assumptions used in determining post employment medical aid benefit obligations for the Group's plan are as follows:		
8.30%	**9.60%**	Discount rate	**9.60%**	8.30%
8.20%	**9.30%**	Healthcare cost inflation	**9.30%**	8.20%
24	**22**	Employees	**22**	24
		Sensitivity of results		
		1% increase in medical inflation assumption		
927	**808**	Accrued liability	**808**	927
9.8%	**9.4%**	% increase	**9.4%**	9.8%
770	**865**	Current service + interest cost in next year	**865**	770
10.2%	**9.9%**	% increase	**9.9%**	10.2%
		1% decrease in medical inflation assumption		
(800)	**(699)**	Accrued liability	**(699)**	(800)
(8.4%)	**(8.1%)**	% decrease	**(8.1%)**	(8.4%)
(660)	**(721)**	Current service + interest cost in next year	**(721)**	(660)
(8.8%)	**(8.5%)**	% decrease	**(8.5%)**	(8.8%)
		1% increase in discount rate assumption		
(789)	**(687)**	Accrued liability	**(687)**	(789)
(8.3%)	**(8.0%)**	% increase	**(8.0%)**	(8.3%)
		1% decrease in discount rate assumption		
931	**810**	Accrued liability	**810**	931
9.8%	**9.4%**	% decrease	**9.4%**	9.8%
		16.3 Severance benefit		
9 164	**10 146**	Balance at the beginning of the year	**10 146**	9 164
730	**768**	Current service costs	**768**	730
867	**939**	Interest cost	**939**	867
(549)	**(1 143)**	Actuarial (gain)/loss	**(1 143)**	(549)
(66)	**(3)**	Benefits paid	**(3)**	(66)
10 146	**10 707**	Non current balance at the end of the year	**10 707**	10 146
19 630	**19 295**		**19 295**	19 630
		The principal actuarial assumptions used in determining severance pay obligations for the Group is as follows:		
8.60%	**9.90%**	Discount rate	**9.90%**	8.60%
5.70%	**6.50%**	Inflation rate	**6.50%**	5.70%
5.70%	**6.50%**	Salary Increase Rate	**6.50%**	5.70%

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COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		17. DEFERRED TAXATION		
		Deferred taxation liability		
185 380	**187 611**	Balance at beginning of the year	**187 644**	185 588
11 502	**13 847**	Accelerated depreciation for tax purposes	**13 920**	11 327
(650)	**4 721**	Consumables	**4 721**	(650)
1 723	**(5 473)**	Customer deposits	**(5 473)**	1 723
(10 016)	**(2 321)**	Other provisions	**(2 321)**	(10 016)
174	**(3 134)**	Other leases	**(3 134)**	174
1 915	**(2 404)**	Prepayments	**(2 404)**	1 915
(523)	**303**	Retirement and severance pay benefit obligations	**303**	(523)
(476)	**1 037**	Intangible asset	**1 037**	(476)
(1 418)	**–**	Prior period adjustment	**–**	(1 418)
–	**(639)**	Unrealised foreign exchange (losses)/profit	**(639)**	–
2 231	**5 937**	Movement during the year	**6 010**	2 056
187 611	**193 548**		**193 654**	187 644
		Analysis of deferred taxation liability:		
217 679	**231 526**	Accelerated depreciation for tax purposes	**231 632**	217 712
4 528	**9 249**	Consumables	**9 249**	4 528
(13 550)	**(19 023)**	Customer deposits	**(19 023)**	(13 550)
(14 408)	**(16 729)**	Other provisions	**(16 729)**	(14 408)
(4 584)	**(7 718)**	Other leases	**(7 718)**	(4 584)
3 158	**754**	Prepayments	**754**	3 158
(6 478)	**(6 175)**	Retirement benefit obligations	**(6 175)**	(6 478)
2 684	**3 721**	Intangible asset	**3 721**	2 684
(1 418)	**(1 418)**	Prior period adjustment	**(1 418)**	(1 418)
–	**(639)**	Unrealised foreign exchange (losses)/profit	**(639)**	–
187 611	**193 548**		**193 654**	187 644

The deferred tax assets and deferred tax liability relate to income in the same jurisdiction, and the law allows net settlement.

Unused tax losses not recognised as deferred tax assets as a result of uncertainty with regards to the recoverability thereof amount to N$57.0 million (2015: N$53.7 million).

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		18. TRADE AND OTHER PAYABLES		
158 362	**179 995**	Trade and other payables	**182 995**	162 161
45 685	**54 956**	Excise duties	**54 956**	45 685
119 161	**174 332**	Accruals	**176 886**	119 332
28 195	**42 333**	Returnable packaging deposits	**42 333**	28 195
2 656	**3 119**	Value added taxation	**4 057**	3 301
4 694	**8 213**	Payables to related parties (note 29.1)	**8 213**	4 694
358 753	**462 948**		**469 440**	363 368

For terms and conditions and balances owing to relating 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 approximates their fair value.

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

The Company and Group have financial risk management policies to ensure payables are paid in time.

Accruals relates to leave, medical, bonus, electricity and management fee accruals.

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		19. DERIVATIVE FINANCIAL INSTRUMENTS		
(300)	**(4 959)**	Forward foreign exchange contract liability	**(4 959)**	(300)

Refer to note 32.2 for details for outstanding forward exchange contracts at year end.

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		20. REVENUE		
2 421 961	**2 408 456**	Sale of goods	**2 432 491**	2 432 806
(75 795)	**(93 232)**	Discounts allowed	**(95 221)**	(77 696)
79 067	**88 615**	Royalty income	**88 615**	79 067
2 425 233	**2 403 839**		**2 425 885**	2 434 177

The amount included in revenue arising from export sales amounts to N$670 million (2015: N$912 million).

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		21. OPERATING EXPENSES		
		Costs by nature		
858 531	**730 593**	Raw material and consumables	**730 524**	860 587
266 365	**286 080**	Employment costs	**289 544**	268 714
442 587	**502 171**	Administration and marketing expenses	**516 165**	448 969
177 930	**155 880**	Railage and transport	**155 880**	177 930
50 147	**67 460**	Repairs and maintenance	**67 735**	50 572
120 163	**125 064**	Depreciation, amortisation and impairments	**125 363**	120 891
1 915 723	**1 867 248**		**1 885 211**	1 927 663

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COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		22. OPERATING PROFIT		
		is arrived at after taking account of		
		Income		
–	**1 172**	Rent received	**2 344**	–
(2 856)	**908**	Net gain/(loss) on disposal of property, plant and equipment	**825**	(2 856)
		Expenses		
		Audit fees		
1 404	**1 540**	– for statutory audit	**1 540**	1 404
500	**1 153**	– for other services	**1 153**	623
112 089	**119 396**	Depreciation	**119 676**	112 817
3 745	**4 526**	Amortisation – intangible asset	**4 526**	3 745
6 678	**8 675**	Directors emoluments (Annexure D)	**8 675**	6 678
46 846	**45 204**	Management and shared services fees	**45 204**	46 846
1 731	**1 627**	Royalties	**1 627**	1 731
(3 158)	**4 312**	Realised (profit)/loss on foreign exchange transactions	**4 312**	(4 050)
		Operating lease payments		
7 290	**6 770**	– land and buildings	**7 002**	7 479
5 117	**7 423**	– motor vehicles	**7 468**	5 214
–	**4 660**	Unrealised losses	**4 660**	–
1 607	**2 966**	Impairment of inventories	**2 227**	1 607
1 297	**5 219**	Impairment of trade receivables	**5 219**	1 297
1 425	**–**	Impairment of Non-Current Assets Held for Sale	**–**	1 425
15 405	**5 431**	Impairment of loans to subsidiaries	**–**	–
–	**370**	Loss on sale of Non-Current Assets Held for Sale	**370**	–
		23. FINANCE COSTS		
7 430	**37 946**	Interest-bearing loans	**37 945**	7 455
1 377	**1 460**	Finance leases	**1 467**	1 392
8 807	**39 406**	Total finance costs	**39 412**	8 847
		24. FINANCE INCOME		
		Interest		
7 033	**12 147**	– bank and funds on call interest	**12 213**	7 137
14 863	**2 569**	– jointly controlled entities	**2 569**	14 863
–	**3 106**	– associates	**3 106**	–
–	**427**	– holding company, fellow subsidiaries and other related parties	**427**	–
21 896	**18 249**	Total finance income	**18 315**	22 000

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		25. INCOME TAX EXPENSE		
		The major components of income tax expense for the years ended 30 June 2016 and 2015 are:		
(113 963)	**(109 993)**	Namibian taxation	**(110 303)**	(113 968)
(22 124)	**(25 340)**	South African taxation	**(25 340)**	(22 124)
(136 087)	**(135 333)**	Total income tax expense in income statement	**(135 643)**	(136 092)
		Comprising		
		Normal taxation		
(111 733)	**(104 056)**	– current period: Namibian	**(104 294)**	(111 911)
(22 124)	**(25 340)**	– current period: South African	**(25 340)**	(22 124)
		Deferred taxation		
(2 230)	**(5 937)**	– current period: Namibian	**(6 009)**	(2 057)
(136 087)	**(135 333)**	**Income tax expense**	**(135 643)**	(136 092)
		No provision for normal taxation has been made for certain subsidiaries which have estimated tax losses of N$57.0 million (2015: N$53.8 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	**57 036**	53 776
–	**–**	Less: Applied to offset any deferred taxation liability	**–**	–
–	**–**		**57 036**	53 776
–	**–**	Utilised to create deferred tax asset	**–**	–
–	**–**	Available to reduce future taxable income	**57 036**	53 776
%	**%**	**Reconciliation of effective tax rate**	**%**	%
33.0	**32.0**	Namibian normal tax rate	**32.0**	33.0
		(Reduction)/increase in rate of taxation		
0.0	**0.0**	– exempt income	**0.0**	0.0
(9.2)	**(7.4)**	– manufacturing allowances	**(7.4)**	(9.3)
0.0	**(1.3)**	– decrease in tax rate	**(1.3)**	0.0
1.2	**2.0**	– disallowable expenditure	**1.8**	0.1
(1.0)	**0.0**	– effect of rate differential between tax jurisdictions	**0.0**	(1.2)
10.2	**1.8**	– impairment of equity accounted investments	**0.0**	0.0
0.0	**0.0**	– equity accounted losses	**1.8**	10.4
0.0	**(0.1)**	– Prior period error	**(0.1)**	1.5
34.2	**26.9**	Effective rate of taxation	**26.7**	34.4

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COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		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 weighted average number of ordinary shares outstanding during the year.		
		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 period	**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 attributable to ordinary shareholders	**372 470**	258 982
		Accumulated equity accounted losses from ongoing operations	**11 464**	124 593
		Net (gain)/loss on the sale of property, plant and equipment (after tax)	**(561)**	1 914
		Impairment loss on Non-Current Assets Held for Sale (after tax)	**–**	955
		Loss on sale of Non-Current Assets Held for Sale (after tax)	**252**	–
		Headline earnings	**383 625**	386 444
		26.1 Basic earnings per ordinary share (cents)		
261 919	**368 637**	Profit attributable to ordinary shareholders	**372 470**	258 982
206 529	**206 529**	Weighted number of shares in issue ('000s)	**206 529**	206 529
126.8	**178.5**	Basic earnings per ordinary share (cents)	**180.3**	125.4
		26.2 Headline earnings per ordinary share (cents)		
		Headline earnings	**383 625**	386 444
		Weighted average number of shares in issue ('000s)	**206 529**	206 529
		Headline earnings per ordinary share (cents)	**185.7**	187.1

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		27. DIVIDENDS PAID AND PROPOSED		
		In respect of the 2016 financial year		
–	**82 611**	– interim (40 cents per share, paid 13 May 2016)	**82 611**	–
–	**–**	– final (40 cents per share, proposed)	**–**	–
		In respect of the 2015 financial year		
76 416	**–**	– interim (37 cents per share, paid 8 May 2015)	**–**	76 416
–	**76 416**	– final (37 cents per share, proposed)	**76 416**	–
		In respect of the 2014 financial year		
–	**–**	– interim (34 cents per share, paid 9 May 2014)	**–**	–
70 220	**–**	– final (34 cents per share, paid 21 November 2014)	**–**	70 220
146 636	**159 027**	Dividends to equity holders	**159 027**	146 636
		Dividend paid per ordinary share (net of share purchase trust)		
34.0	**37.0**	Final dividend (cents)	**37.0**	34.0
37.0	**40.0**	Interim dividend (cents)	**40.0**	37.0
71.0	**77.0**		**77.0**	71.0
		Proposed dividend		
76 416	**82 612**	On 6 September 2016 the Directors declared a final dividend of 40 cents (8 September 2015: 37 cents) per ordinary share. This dividend will be paid on 11 November 2016.	**82 612**	76 416

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COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		28. NOTES TO THE STATEMENT OF CASH FLOWS		
		28.1 Cash generated by operations		
398 006	**503 970**	Profit before income tax	**508 113**	395 074
		Adjustments for:		
112 089	**119 396**	Depreciation	**119 676**	112 817
3 745	**4 526**	Amortisation	**4 526**	3 745
2 856	**(908)**	(Gain)/Loss on disposal of property, plant and equipment	**(825)**	2 856
–	**370**	Loss on sale of Non-Current Assets Held for Sale	**370**	–
–	**4 660**	Unrealised (gains)/losses	**4 660**	–
1 584	**(335)**	Increase/(decrease) in provisions	**(335)**	1 584
124 593	**11 464**	Impairment of equity-accounted investment	**–**	–
–	**–**	Accumulated equity accounted losses from joint venture	**38 917**	124 593
–	**–**	Accumulated equity accounted income from joint venture (deferred tax asset write-back)	**(89 212)**	–
		Accumulated equity accounted losses from associate	**61 759**	–
15 405	**5 431**	Impairment loss on subsidiary loans	**–**	–
1 425	**–**	Impairment loss on Non-Current Assets Held for Sale	**–**	1 425
2 081	**–**	Accrued interest on DHN loan	**–**	2 081
(21 896)	**(18 249)**	Finance income	**(18 315)**	(22 000)
8 807	**39 406**	Finance costs	**39 412**	8 847
648 695	**669 731**	Operating profit before working capital changes	**668 746**	631 022
105 799	**(10 811)**	Working capital changes	**(14 681)**	105 459
(17 797)	**(41 534)**	Inventories	**(41 531)**	(17 036)
51 689	**(46 354)**	Trade and other receivables	**(52 105)**	48 161
71 907	**77 077**	Trade and other payables	**78 955**	74 334
754 494	**658 920**	Cash generated by operations	**654 065**	736 481
		28.2 Dividends paid		
		Dividends paid are reconciled to the amounts disclosed in the statement of changes in equity as follows:		
(146 636)	**(159 027)**	Ordinary dividends per statement of changes in equity	**(159 027)**	(146 636)
		28.3 Income tax paid		
12 426	**1 668**	Balance at beginning of the year	**1 906**	12 426
(133 857)	**(129 396)**	Current tax charge	**(129 634)**	(134 036)
(1 668)	**(10 036)**	Balance at end of the year	**(10 036)**	(1 906)
(123 099)	**(137 764)**	Income tax paid during the year	**(137 764)**	(123 516)

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 B.V.

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

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

The following table provides the total amount of transactions, which have been entered into with related parties for the relevant financial year. For information regarding outstanding balances at 30 June 2016 and 2015, refer to notes 6, 7, 8, 9, 11, 15 and 18.

29.1 Holding company and fellow subsidiaries

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		Current assets (note 11)		
–	**26**	Broll and List Property Management (Namibia) (Proprietary) Limited	**26**	–
441	**309**	Namibia Dairies (Proprietary) Limited	**309**	441
71	**–**	Ohlthaver & List Centre (Proprietary) Limited	**–**	71
170	**1 738**	O&L Leisure (Proprietary) Limited	**1 738**	170
25	**–**	W.U.M. Properties Limited t/a Model Pick 'n Pay	**–**	25
–	**17**	W.U.M. Properties Limited t/a O&L Properties Division	**17**	–
–	**13**	Wernhill Park (Proprietary) Limited	**13**	–
2	**1**	O&L Energy (Proprietary) Limited	**1**	2
5 135	**3 000**	Flycatcher (Proprietary) Limited	**–**	–
–	**12**	Hangana Seafood (Proprietary) Limited	**12**	–
26	**20**	Dimension Data (Proprietary) Limited	**20**	26
5	**–**	Weathermen & Co Advertising (Proprietary) Limited	**–**	5
5 875	**5 136**		**2 136**	740
		Revenue		
		Sales during the year		
78	**86**	Broll and List Property Management (Namibia) (Proprietary) Limited	**86**	78
3	**131**	Hangana Seafood (Proprietary) Limited	**131**	3
22	**28**	Weathermen & Co Advertising (Proprietary) Limited	**28**	22
3 372	**3 258**	Namibia Dairies (Proprietary) Limited	**3 258**	3 372
599	**3 071**	O&L Leisure (Proprietary) Limited	**3 071**	599
290	**300**	Ohlthaver & List Centre (Proprietary) Limited	**300**	290
–	**4**	Organic Energy Solutions (Proprietary) Limited	**4**	–
72	**67**	Wernhill Park (Proprietary) Limited	**67**	72
10	**5**	O&L Energy (Proprietary) Limited	**5**	10
398	**1 191**	W.U.M. Properties Limited t/a Model Pick 'n Pay	**1 191**	398
4 844	**8 141**		**8 141**	4 844
		Rent received		
–	**–**	W.U.M. Properties Limited t/a Model Pick 'n Pay	**1 172**	–
4 844	**8 141**	**Total revenue from Group companies**	**9 313**	4 844

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COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		29. RELATED PARTIES (continued)		
		29.1 Holding company and fellow subsidiaries (continued)		
		Current liabilities (note 18)		
79	**1 437**	Dimension Data (Proprietary) Limited	**1 437**	79
124	**170**	ICT Holdings (Proprietary) Limited	**170**	124
1 626	**–**	Namibia Dairies (Proprietary) Limited	**–**	1 626
1 395	**2 607**	Ohlthaver & List Centre (Proprietary) Limited	**2 607**	1 395
1 186	**1 984**	Weathermen & Co Advertising (Proprietary) Limited	**1 984**	1 186
–	**1 036**	Organic Energy Solutions (Proprietary) Limited	**1 036**	–
–	**341**	O&L South Africa (Proprietary) Limited	**341**	–
231	**638**	Kraatz Marine (Proprietary) Limited	**638**	231
53	**–**	W.U.M. Properties Limited t/a Model Pick 'n Pay	**–**	53
4 694	**8 213**		**8 213**	4 694
		Purchases during the year		
547	**224**	Eros Air (Proprietary) Limited	**224**	547
1 300	**1 778**	ICT Holdings (Proprietary) Limited	**1 778**	1 300
1 414	**741**	Namibia Dairies (Proprietary) Limited	**741**	1 414
246	**544**	O&L Leisure (Proprietary) Limited	**544**	246
–	**2 437**	O&L South Africa (Proprietary) Limited	**2 437**	–
–	**1 017**	Organic Energy Solutions (Proprietary) Limited	**1 017**	–
1 568	**4 981**	Kraatz Marine (Proprietary) Limited	**4 981**	1 568
15 755	**18 567**	Weathermen & Co Advertising (Proprietary) Limited	**18 567**	15 755
178	**618**	W.U.M. Properties Limited t/a Model Pick 'n Pay	**618**	178
21 008	**30 907**		**30 907**	21 008
		Rent paid		
–	**2 513**	W.U.M. Properties Limited t/a O&L Property Division	**2 513**	–
21 008	**33 420**	**Total payments to related parties**	**33 420**	21 008
		Interest received		
249	**427**	O&L Centre (Proprietary) Limited	**427**	249
14 863	**2 569**	DHN Drinks (Proprietary) Limited	**2 569**	14 863
–	**3 106**	Heineken South Africa (Proprietary) Limited	**3 106**	–
15 112	**6 102**		**6 102**	15 112
		Key management personnel		
		For Directors emoluments refer to Annexure D.		
		Interest paid		
3	**–**	O&L Centre (Proprietary) Limited	**–**	3
3	**–**		**–**	3
		Management and shared service fees paid		
40 320	**40 189**	O&L Centre (Proprietary) Limited	**40 189**	40 320
		Directors fees		
360	**415**	O&L Centre (Proprietary) Limited	**415**	360

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		29. RELATED PARTIES (continued)		
		29.2 Other related parties		
		Management fees paid		
3 263	**1 475**	Diageo plc	**1 475**	3 263
3 263	**3 540**	Heineken International B.V.	**3 540**	3 263
6 526	**5 015**		**5 015**	6 526
		Royalties received		
79 067	**49 686**	DHN Drinks (Proprietary) Limited	**49 686**	79 067
–	**38 929**	Heineken South Africa (Proprietary) Limited	**38 929**	–
79 067	**88 615**		**88 615**	79 067
		Sales		
912 228	**434 510**	DHN Drinks (Proprietary) Limited	**434 510**	912 228
26 089	**1 741**	Heineken South Africa Export Company (Proprietary) Limited	**1 741**	26 089
–	**95 613**	Heineken South Africa (Proprietary) Limited	**95 613**	–
938 317	**531 864**		**531 864**	938 317
		Royalty expense		
1 731	**1 627**	Heineken International B.V.	**1 627**	1 731
		Know-how fees paid		
–	**1 926**	Heineken South Africa (Proprietary) Limited	**1 926**	–
		Directors fees		
125	**155**	Engling, Stritter & Partners	**155**	125
225	**107**	Diageo plc	**107**	225
190	**214**	Heineken International B.V.	**214**	190
540	**476**		**476**	540
		Current assets (note 11)		
323	**–**	Heineken South Africa Export Company (Proprietary) Limited	**–**	323
323	**–**		**–**	323
		Legal fees		
859	**2 817**	Engling, Stritter & Partners	**2 817**	859

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COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		29. RELATED PARTIES (continued)		
		29.2 Other related parties (continued)		
		Subsidiaries		
		Details of the subsidiaries are disclosed in Annexure C.		
		Joint venture		
		Details of joint ventures are disclosed in note 7.		
		Associates		
		Details of associates are disclosed in note 8.		
		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		
		The sales to and purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured, on 30 – 90 day terms, interest free and settlement occurs in cash.		
		For the year ended 30 June 2016, the Company impaired an amount of N$5.4 million (2015: 15.4 million) with respect to a loan advanced to a subsidiary. Also refer to note 7 and 8 for details of loans to associates and joint ventures.		
		Directors interest		
		At the financial year end the Directors were directly and indirectly interested in the Company's issued shares as follows:		
			%	%
		Ordinary shares	**0.07**	0.07
		Directly	**0.07**	0.07
		No individual Director has a direct shareholding in excess of 1% of the issued shares of the Company.		
		The Company has not been informed of any material changes in these holdings to the date of this report.		
		30. CAPITAL COMMITMENTS AND CONTINGENCIES		
		Authorised		
55 883	**12 035**	Contracted for	**12 035**	55 883
248 117	**193 258**	Not contracted for	**193 258**	248 117
304 000	**205 293**		**205 293**	304 000
		These capital commitments are for the acquisition of new plant and machinery.		
		This proposed capital expenditure is to be financed by own funds, and are expected to be settled in the following year.		
5 675	**5 675**	**Guarantees and suretyship**	**5 675**	5 675
		The suretyships are issued by FirstRand Bank Limited in favour of the South African Revenue Services.		

30. CAPITAL COMMITMENTS AND CONTINGENCIES (continued)

Finance lease liabilities

The Group has entered into finance leases on certain motor vehicles. These leases have fixed terms of repayments and purchase options. Lease payments are linked to prime variable interest rates. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		Minimum lease payments		
6 712	**9 104**	Within one year	**9 109**	6 819
14 754	**16 659**	After one year but not more than five years	**16 659**	14 763
21 466	**25 763**	Total minimum lease payments	**25 768**	21 582
(2 044)	**(1 646)**	Less amounts representing finance charges	**(1 646)**	(2 050)
19 422	**24 117**	Principal minimum lease payments	**24 122**	19 532

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise bank loans, loans to and from related parties, 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.

31.1 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.

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 receivables are stated at their cost less impairment losses. The Group's single largest customer during the year was Heineken South Africa (Proprietary) Limited (previously DHN Drinks (Proprietary) Limited). On 1 December 2015 the joint venture agreement between NBL, Diageo and Heineken was terminated by mutual consent. Refer to note 8 for further details. The Group has no significant concentration of credit risk or significant exposure to any other 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 (2015: Nil).

Management monitors adherence to payment terms by Heineken South Africa (Proprietary) Limited 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.

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

Company 2015 N$'000s	Company 2016 N$'000s		Group 2016 N$'000s	Group 2015 N$'000s
260 557	**195 332**	Cash and cash equivalents	**198 443**	264 219
28 325	**73 625**	Loan to joint venture/associate	**73 625**	28 325
66 905	**65 538**	Receivables due from related parties	**62 538**	63 974
15	**15**	Unlisted investments	**15**	15
174 756	**234 559**	Trade and other receivables	**237 417**	173 275

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:

	Group 2016 %	Group 2015 %
Trading industry		
Namibia	**58.70**	59.60
RSA	**28.90**	28.90
Other export markets	**12.40**	11.50
	100.00	100.00

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

31.3 Credit risk (continued)

As at 30 June, the ageing of trade receivables, including those due from related parties, is as follows:

		Original terms	Changed terms	Past due but not impaired		
	Total	Neither past due nor impaired	Neither past due nor impaired	0 – 60 days	60 – 120 days	120 + days
	N$'000s	N$'000s	N$'000s	N$'000s	N$'000s	N$'000s
GROUP						
2016	**292 876**	**218 946**	**0**	**28 925**	**16 322**	**28 683**
2015	235 389	178 209	0	22 259	6 353	28 568
COMPANY						
2016	**293 018**	**219 152**	**0**	**28 921**	**16 322**	**28 623**
2015	239 801	182 621	0	22 259	6 353	28 568

31.4 Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

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

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
785 887	**943 094**	75% of Shareholder's Equity	**943 346**	783 074
(120 257)	**(526 203)**	Less total interest bearing borrowings	**(524 122)**	(119 532)
665 630	**416 891**	Unutilised borrowing capacity	**419 224**	663 542

31.5 Capital risk management

The Company and Group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company and Group's overall strategy remains unchanged from the prior year. The Company and Group's total debt increased due to additional loans raised during the year.

The capital structure of the Company and Group consists of debt, which includes the borrowings disclosed in note 14, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital reserves and retained earnings.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

31.5 Capital risk management (continued)

Gearing ratio

The Company's and Group's Risk 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 statement of financial position plus net debt.

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		The gearing ratio at the year end was as follows:		
120 257	**526 203**	Debt (i)	**524 122**	119 532
(260 557)	**(195 332)**	Less: Cash and cash equivalents	**(198 443)**	(264 219)
(140 300)	**330 871**	Net debt	**325 679**	(144 687)
1 047 849	**1 257 459**	Equity (ii)	**1 257 794**	1 044 099
(13%)	**26%**	Net debt to equity ratio	**26%**	(14%)

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

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

32. FINANCIAL INSTRUMENTS

32.1 Fair values

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

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 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		Level 2		
		Liabilities		
		Financial liabilities at fair value through profit or loss		
300	**4 959**	Forward foreign exchange liability	**4 959**	300
		Level 3		
		Non-recurring fair value measurements		
		Assets held for sale in accordance with IFRS 5		
4 500	**–**	Non-current assets held for sale	**–**	4 500

32. FINANCIAL INSTRUMENTS (continued)

32.1 Fair values (continued)

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 2016 and for the year ended 30 June 2015.

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:

		Foreign amount		Average rate		Namibia Dollar amount	
	Maturity date	2016 N$'000s	2015 N$'000s	2016	2015	2016 N$'000s	2015 N$'000s
Forward exchange contracts:							
Bought:							
Euro	1 – 12 months	**8 700**	1 288	**17.28**	13.97	**150 317**	17 999
Foreign trade receivables:							
US Dollars		**1 862**	1 318	**15.01**	12.28	**27 953**	16 181
Euro		**0**	0	**16.64**	13.62	**0**	0
British Sterling		**28**	12	**20.11**	19.30	**561**	233
Botswana Pula		**1 724**	1 764	**1.34**	1.21	**2 310**	2 135
						30 824	18 549
Foreign trade payables:							
Euro		**1 239**	1 078	**16.64**	13.62	**20 619**	14 686
British Sterling		**1**	0	**20.11**	19.30	**15**	0
						20 634	14 686

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

32. FINANCIAL INSTRUMENTS (continued)

32.2 Hedging activities and foreign currency risk (continued)

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 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		Effect on profit before taxation		
(1 469)	**(2 062)**	Euro	**(2 062)**	(1 469)
23	**55**	British Sterling	**55**	23
1 618	**2 795**	US Dollars	**2 795**	1 618
172	**788**		**788**	172
–	**–**	**Effect on equity**	**–**	–

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 to incur cash outflow/inflow. The table includes both interest and principal cash flows.

32. FINANCIAL INSTRUMENTS (continued)

32.3 Maturity profile (continued)

	Effective interest rate	1 year N$'000s	2 years N$'000s	3 – 5 years N$'000s	5 years + N$'000s	Total N$'000s
2016 – Group						
Financial assets						
Cash and cash equivalents	**4.70%**	**198 443**	**–**	**–**	**–**	**198 443**
Loans to associates	**JIBAR +2.0%**	**73 625**		**–**		**73 625**
Trade and other receivables	**0.00%**	**341 581**	**–**	**–**	**–**	**341 581**
Other investments	**0.00%**	**–**	**–**	**–**	**15**	**15**
		613 649	**–**	**–**	**15**	**613 664**
Financial liabilities						
Interest-bearing liabilities	**Ref. Anex. A**	**92 195**	**144 686**	**428 173**	**–**	**665 054**
Trade and other payables	**0.00%**	**233 541**	**–**	**–**	**–**	**233 541**
Derivative financial instruments	**0.00%**	**4 959**	**–**	**–**	**–**	**4 959**
		330 695	**144 686**	**428 173**	**0**	**903 554**
2015 – Group						
Financial assets						
Cash and cash equivalents	6.75%	264 219	–	–	–	264 219
Loans to joint venture	JIBAR +2.0%	28 325	–	–	–	28 325
Trade and other receivables	0.00%	278 472	–	–	–	278 472
Other investments	0.00%	–	–	–	15	15
		571 016	0	0	15	571 031
Financial liabilities						
Interest-bearing liabilities	Ref. Anex. A	105 711	4 702	9 119	–	119 532
Derivative financial instruments	0.00%	300	–	–	–	300
Trade and other payables	0.00%	195 050	–	–	–	195 050
		301 061	4 702	9 119	0	314 882

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

32. FINANCIAL INSTRUMENTS (continued)

32.3 Maturity profile (continued)

	Effective interest rate	1 year N$'000s	2 years N$'000s	3 – 5 years N$'000s	5 years + N$'000s	Total N$'000s
2016 – Company						
Financial assets						
Cash and cash equivalents	**4.70%**	**195 332**	**–**	**–**	**–**	**195 332**
Loans to associate	**JIBAR +2.0%**	**73 625**	**–**	**–**	**–**	**73 625**
Trade and other receivables	**0.00%**	**340 554**	**–**	**–**	**–**	**340 554**
Other investments	**0.00%**	**–**	**–**	**–**	**15**	**15**
		609 511	**–**	**–**	**15**	**609 526**
Financial liabilities						
Interest-bearing liabilities	**Ref. Anex. A**	**94 276**	**144 686**	**428 173**	**–**	**667 135**
Trade and other payables	**0.00%**	**230 541**	**–**	**–**	**–**	**230 541**
Derivative financial instruments		**4 959**	**–**	**–**	**–**	**4 959**
		329 776	**144 686**	**428 173**	**–**	**902 635**
2015 – Company						
Financial assets						
Cash and cash equivalents	6.75%	260 557	–	–	–	260 557
Loans to joint venture	JIBAR+2.0%	28 325	–	–	–	28 325
Trade and other receivables	0.00%	282 396	–	–	–	282 396
Other investments	0.00%	–	–	–	15	15
		571 278	–	–	15	571 293
Financial liabilities						
Interest-bearing liabilities	Ref. Anex. A	106 446	4 692	9 119	–	120 257
Trade and other payables	0.00%	191 251	–	–	–	191 251
Derivative financial instruments		300				300
		297 997	4 692	9 119	–	311 808

Interest rate sensitivity analysis

Refer to Annexure A.

COMPANY 2015 N$'000s	COMPANY 2016 N$'000s		GROUP 2016 N$'000s	GROUP 2015 N$'000s
		32. FINANCIAL INSTRUMENTS (CONTINUED)		
		32.4 Carrying value of financial instruments on the statement of financial position		
		Financial assets		
		Derivative instruments at fair value through profit or loss		
–	**–**	– Forward foreign exchange contracts (note 19)	**–**	–
		Loans and receivables		
–	**73 625**	– Loans to associates (note 8)	**73 625**	–
28 325	**–**	– Loans to joint venture (note 7)	**–**	28 325
282 396	**340 554**	– Trade and other receivables (note 11)	**341 581**	278 472
260 557	**195 332**	– Cash and cash equivalents (note 12)	**198 443**	264 219
571 278	**609 511**		**613 649**	571 016
		Available-for-sale financial assets		
15	**15**	– Available-for-sale investments (note 9)	**15**	15
		Financial liabilities		
		Derivative instrument at fair value through profit or loss		
300	**4 959**	– Forward foreign exchange contracts (note 19)	**4 959**	300
		Amortised cost		
191 251	**230 541**	– Trade and other payables (note 18)	**233 541**	195 050
120 257	**667 135**	– Interest-bearing loans and borrowings (note 15)	**665 054**	119 532
311 508	**897 676**		**898 595**	314 582

Fair values of financial instruments that are not the same as the carrying amounts are detailed in note 32.1.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

33. SEGMENT REPORTING

Segment Information

Segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker. The Group sells various types of beverages which are Beer, RTDs and Softs, and these reflects 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 divisions is presented below:

	Beer		Other		Total	
	2016 N$'000s	2015 N$'000s	2016 N$'000s	2015 N$'000s	2016 N$'000s	2015 N$'000s
Sales revenue from external customers	**2 198 731**	2 228 643	**184 898**	167 734	**2 383 629**	2 396 377
Sales revenue from Group Companies	**42 256**	37 800	**–**	–	**42 256**	37 800
Total sales revenue	**2 240 987**	2 266 443	**184 898**	167 734	**2 425 885**	2 434 177
Depreciation and amortisation					**124 202**	116 562
Impairment losses					**7 446**	4 329
Segment profit or loss (operating profit)	**501 208**	499 742	**39 466**	6 772	**540 674**	506 514
Share of losses of equity accounted investments					**(100 676)**	(124 593)
Equity income from associate (deferred tax asset write-back)					**89 212**	–
Finance costs					**(39 412)**	(8 847)
Finance income					**18 315**	22 000
Segmental profit before taxation	**501 208**	499 742	**39 466**	6 772	**508 113**	395 074
Profit before taxation					**508 113**	395 074
Taxation					**(135 643)**	(136 092)
Profit attributable to ordinary shareholders					**372 470**	258 982
Investments in property, plant and equipment and intangible assets					**250 380**	123 216

33. SEGMENT REPORTING (continued)

Major customers

In terms of IFRS 8 a customer is regarded as a major customer, if the revenue from transactions with that customer exceeds 10% or more of the entity's total revenue.

	Sales Revenue per customer	
	2016 N$'000s	2015 N$'000s
DHN Drinks (Proprietary) Limited and Heineken South Africa (Proprietary) Limited	**530 123**	912 228
Sefalana Cash & Carry Namibia (Proprietary) Limited	**275 321**	220 699
Remaining customers	**1 620 441**	1 301 250
	2 425 885	2 434 177

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.

	Sales Revenue	
	2016 N$'000s	2015 N$'000s
Namibia	**1 755 510**	1 400 293
South Africa	**531 864**	912 228
Rest of the world	**138 511**	121 656
Total revenue	**2 425 885**	2 434 177

ANNEXURE A
SECURED INTEREST-BEARING BORROWINGS

	Effective interest rate 2016 %	Effective interest rate 2015 %	Maturity date	Company 2016 N$'000s	Company 2015 N$'000s	Group 2016 N$'000s	Group 2015 N$'000s
PREFERENCE SHARE CAPITAL							
Authorised							
1 000 000 Variable rate redeemable preference shares of N$0.50 each				**500**	500	**500**	500
LOANS FROM RELATED PARTIES							
Fixed rate instruments							
– Northgate Properties (Proprietary) Limited	**–**	–		**2 086**	835	**–**	–
Less: Current portion included in short-term interest-bearing borrowings				**(2 086)**	(835)	**–**	–
Long-term portion of loans from related parties				**–**	–	**–**	–
MEDIUM TERM LOAN							
Variable rate instruments							
– Standard Bank Namibia Limited repayable in 16 equal instalments of N$12 500 000 commencing in December 2016.	**JIBAR + 2.20%**	–	31/12/2021	**200 000**	–	**200 000**	–
Unsecured loan							
– FirstRand Bank Limited – Capex Facility – repayable at the end of the loan term in November 2020.	**JIBAR + 2.10%**	–	27/11/2020	**100 000**	–	**100 000**	–
Secured by a cession of trade and other receivables and a general national bond							
– FirstRand Bank Limited – Acquisition Facility – repayable in four annual instalments of R50 000 000 commencing in November 2017.	**JIBAR + 1.90%**	–	27/11/2020	**200 000**	–	**200 000**	–
Secured by a cession of trade and other receivables and a general national bond							
– FirstRand Bank Limited repayable in three equal quarterly instalments of R26 666 667 commencing in September 2013.	**JIBAR + 1.85%**			**–**	100 000	**–**	100 000
Less: Current portion included in short-term interest-bearing borrowings				**(37 500)**	(100 000)	**(37 500)**	(100 000)
Long-term portion of medium term loans				**462 500**	–	**462 500**	–

ANNEXURE A
SECURED INTEREST-BEARING BORROWINGS (continued)

	EFFECTIVE INTEREST RATE 2016 %	EFFECTIVE INTEREST RATE 2015 %	Maturity date	COMPANY 2016 N$'000s	COMPANY 2015 N$'000s	GROUP 2016 N$'000s	GROUP 2015 N$'000s
Variable rate instruments							
– Repayable in monthly instalments of N$611 000 (2015: N$500 000)	**10.75**	9.75		**24 117**	19 422	**24 122**	19 532
Less: Current portion included in short-term interest-bearing borrowings				**(6 878)**	(5 611)	**(6 883)**	(5 711)
Long-term portion of finance lease liabilities				**17 239**	13 811	**17 239**	13 821
TOTAL NON-CURRENT INTEREST-BEARING BORROWINGS				**479 739**	13 811	**479 739**	13 821

	COMPANY 2016 N$'000s	COMPANY 2015 N$'000s	GROUP 2016 N$'000s	GROUP 2015 N$'000s
ANALYSIS OF REPAYMENTS INCLUDING INTEREST				
Repayable within:				
Year 1	**92 190**	105 611	**92 195**	105 711
Year 2	**144 686**	4 692	**144 686**	4 702
Year 3	**133 038**	2 383	**133 038**	2 383
Year 4	**121 679**	1 079	**121 679**	1 079
Repayable thereafter	**173 456**	5 657	**173 456**	5 657
	665 049	119 422	**665 054**	119 532
ANALYSIS BY CURRENCY				
South African Rands	**394 438**	100 000	**394 438**	100 000
Namibia Dollars	**270 612**	19 422	**270 612**	19 422
Botswana Pula	**–**	–	**5**	110
INTEREST RATE SENSITIVITY ANALYSIS				
The sensitivity analyses have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For variable rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the statement of financial position 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:				
Interest received:				
– profit before tax for the year would increase by:	**4 281**	2 766	**4 281**	2 766
– other equity reserves would increase by:	**–**	–	**–**	–
Interest paid				
– profit before tax for the year would decrease by:	**(3 967)**	(1 986)	**(3 967)**	(1 986)
– other equity reserves would decrease by:	**–**	–	**–**	–

ANNEXURE B
PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings N$'000s	Leasehold land and buildings N$'000s	Plant and machinery N$'000s	Vehicles N$'000s	Furniture and equipment N$'000s	Returnable containers N$'000s	Assets under con-struction N$'000s	Total N$'000s
GROUP								
2016								
Cost								
Balance at beginning of the year	**184 470**	**6 050**	**994 071**	**74 261**	**50 252**	**193 026**	**11 042**	**1 513 172**
Additions	**2 812**	**–**	**46 369**	**29 624**	**13 170**	**85 335**	**59 776**	**237 086**
Disposals	**–**	**–**	**(218)**	**(7 267)**	**(554)**	**–**	**–**	**(8 039)**
Other movements	**1 152**	**–**	**6 513**	**–**	**58**	**–**	**(10 393)**	**(2 670)**
Balance at end of the year	**188 434**	**6 050**	**1 046 735**	**96 618**	**62 926**	**278 361**	**60 425**	**1 739 549**
Accumulated depreciation								
Balance at beginning of the year	**29 246**	**4 753**	**438 150**	**44 319**	**35 269**	**90 301**	**–**	**642 038**
Depreciation charges	**1 079**	**598**	**62 464**	**12 445**	**5 339**	**37 751**	**–**	**119 676**
Accumulated depreciation on disposals	**–**	**–**	**(219)**	**(5 014)**	**(297)**	**–**	**–**	**(5 530)**
Balance at end of the year	**30 325**	**5 351**	**500 395**	**51 750**	**40 311**	**128 052**		**756 184**
Carrying amount at end of the year	**158 109**	**699**	**546 340**	**44 868**	**22 615**	**150 309**	**60 425**	**983 365**
2015								
Cost								
Balance at beginning of the year	176 931	6 050	960 790	65 069	46 669	206 059	9 227	1 470 795
Additions	7 438	–	40 096	15 194	3 794	39 942	8 601	115 065
Disposals	–	–	(11 700)	(6 002)	(211)	(38 078)	(908)	(56 899)
Other movements	101	–	4 885	–	–	–	(5 878)	(892)
Balance at end of the year	184 470	6 050	994 071	74 261	50 252	207 923	11 042	1 528 069
Accumulated depreciation								
Balance at beginning of the year	28 392	3 665	388 602	37 859	30 788	106 557	–	595 863
Depreciation charges	854	1 088	60 334	10 171	4 688	35 682	–	112 817
Accumulated depreciation on disposals	–	–	(10 786)	(3 711)	(207)	(37 040)	–	(51 744)
Balance at end of the year	29 246	4 753	438 150	44 319	35 269	105 199	–	656 936
Carrying amount at end of the year	155 224	1 297	555 921	29 942	14 983	102 724	11 042	871 133

ANNEXURE B
PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land and buildings N$'000s	Leasehold land and buildings N$'000s	Plant and machinery N$'000s	Vehicles N$'000s	Furniture and equipment N$'000s	Returnable containers N$'000s	Assets under con-struction N$'000s	Total N$'000s
COMPANY								
2016								
Cost								
Balance at beginning of the year	**150 362**	**3 892**	**993 926**	**73 992**	**50 053**	**193 026**	**11 042**	**1 476 293**
Additions	**2 091**	**–**	**46 369**	**29 640**	**13 153**	**85 335**	**59 776**	**236 364**
Disposals	**–**	**–**	**(102)**	**(7 167)**	**(480)**	**–**	**–**	**(7 749)**
Other movements	**1 152**		**6 513**		**58**		**(10 393)**	**(2 670)**
Balance at end of the year	**153 605**	**3 892**	**1 046 706**	**96 465**	**62 784**	**278 361**	**60 425**	**1 702 238**
Accumulated depreciation								
Balance at beginning of the year	**29 246**	**3 138**	**438 027**	**44 151**	**35 167**	**90 301**	**–**	**640 030**
Depreciation charges	**1 079**	**443**	**62 459**	**12 349**	**5 315**	**37 751**	**–**	**119 396**
Accumulated depreciation on disposals	**–**	**–**	**(103)**	**(4 898)**	**(240)**	**–**	**–**	**(5 241)**
Balance at end of the year	**30 325**	**3 581**	**500 383**	**51 602**	**40 242**	**128 052**	**–**	**754 185**
Carrying amount at end of the year	**123 280**	**311**	**546 323**	**44 863**	**22 542**	**150 309**	**60 425**	**948 053**
2015								
Cost								
Balance at beginning of the year – restated	148 087	3 892	960 790	64 809	46 616	206 059	9 227	1 439 480
Additions	2 174	–	40 070	15 178	3 718	39 943	8 601	109 684
Disposals	–	–	(11 819)	(5 995)	(281)	–	(908)	(19 003)
Breakages and write-offs	–	–	–	–	–	(52 976)	–	(52 976)
Other movements	101	–	4 885	–	–	–	(5 878)	(892)
Balance at end of the year – restated	150 362	3 892	993 926	73 992	50 053	193 026	11 042	1 476 293
Accumulated depreciation								
Balance at beginning of the year	28 392	2 656	388 602	37 781	30 782	106 558	–	594 771
Depreciation charges	854	482	60 330	10 080	4 661	35 682	–	112 089
Accumulated depreciation on disposals	–	–	(10 905)	(3 710)	(276)	–	–	(14 891)
Breakages and write-offs	–	–	–	–	–	(51 939)	–	(51 939)
Balance at end of the year – restated	29 246	3 138	438 027	44 151	35 167	90 301	–	640 030
Carrying amount at end of the year	121 116	754	555 899	29 841	14 886	102 725	11 042	836 263

GROUP AND COMPANY

The carrying amount of motor vehicles held under finance leases at 30 June 2016 was N$22 481 472 (2015: N$13 734 517). Additions during the year include N$18 369 546 (2015: N$12 900 000) of motor vehicles held under finance leases.

ANNEXURE B
INTANGIBLE ASSETS

	20% Auto-mation processes 2016 N$'000s	33.3% Externally purchased software licences 2016 N$'000s	0% Trade-marks 2016 N$'000s	Total 2016 N$'000s	20% Auto-mation processes 2015 N$'000s	33.3% Externally purchased software licences 2015 N$'000s	0% Trade-marks 2015 N$'000s	Total 2015 N$'000s
GROUP								
Cost								
Balance at beginning of the year	**10 971**	**11 960**	**9 000**	**31 931**	11 016	9 917	2 000	22 933
Disposals	**–**	**–**	**–**	**–**	(45)	–	–	(45)
Additions	**6 621**	**6 673**	**–**	**13 294**	–	1 151	7 000	8 151
Other movements	**–**	**–**	**–**	**–**	–	892	–	892
Balance at end of the year	**17 592**	**18 633**	**9 000**	**45 225**	10 971	11 960	9 000	31 931
Accumulated amortisation								
Balance at beginning of the year	**7 700**	**7 484**	**–**	**15 184**	5 447	5 992	–	11 439
Amortisation charges	**1 948**	**2 578**	**–**	**4 526**	2 253	1 492	–	3 745
Balance at end of the year	**9 648**	**10 062**	**–**	**19 710**	7 700	7 484	–	15 184
Carrying amount at end of the year	**7 944**	**8 571**	**9 000**	**25 515**	3 271	4 476	9 000	16 747
COMPANY								
Cost								
Balance at beginning of the year	**10 971**	**11 960**	**9 000**	**31 931**	11 016	9 917	2 000	22 933
Disposals	**–**	**–**	**–**	**–**	(45)	–	–	(45)
Additions	**6 621**	**6 673**	**–**	**13 294**	–	1 151	7 000	8 151
Other movements	**–**	**–**	**–**	**–**	–	892	–	892
Balance at end of the year	**17 592**	**18 633**	**9 000**	**45 225**	10 971	11 960	9 000	31 931
Accumulated amortisation								
Balance at beginning of the year	**7 700**	**7 484**	**–**	**15 184**	5 447	5 992	–	11 439
Amortisation charges	**1 948**	**2 578**	**–**	**4 526**	2 253	1 492	–	3 745
Balance at end of the year	**9 648**	**10 062**	**–**	**19 710**	7 700	7 484	–	15 184
Carrying amount at end of the year	**7 944**	**8 571**	**9 000**	**25 515**	3 271	4 476	9 000	16 747

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

ANNEXURE C
INTEREST IN SUBSIDIARIES

Subsidiary Company	Country of Incor-poration	Issued Capital N$'000s	Effective Holding 2016 %	2015 %	Interest of Holding Company Shares 2016 N$'000s	2015 N$'000s	In-debtedness 2016 N$'000s	2015 N$'000s
BEVERAGES								
Hansa Brauerei (Proprietary) Limited	Namibia	–	**100**	100	**160**	160	**(160)**	(160)
Namibia Breweries South Africa (Proprietary) Limited	South Africa	–	**100**	100	**–**	–	**57 036**	51 605
Flycatcher (Proprietary) Limited	Botswana	–	**100**	100	**–**	–		
PROPERTY								
Northgate Properties (Proprietary) Limited	Namibia	–	**100**	100	**828**	828	**(2 086)**	(835)
Hansa Properties (Proprietary) Limited	Namibia	–	**100**	100	**–**	–	**–**	–
Northgate Exports (Proprietary) Limited	Namibia	–	**100**	100	**–**	–	**–**	–
L&T Ventures (Proprietary) Limited	Namibia	–	**100**	100	**–**	–	**–**	–
Hallie Investments Number Four Hundred and Twenty Eight (Proprietary) Limited	Namibia	–	**100**	100	**34 830**	34 108	**–**	–
Accumulated loan impairment							**(57 036)**	(51 605)
					35 818	35 096	**(2 246)**	(995)

ANNEXURE D
DIRECTORS' EMOLUMENTS

	2016 N$'000s Directors fees	2016 N$'000s Salary	2016 N$'000s Bonuses	2016 N$'000s Other Benefits	2016 N$'000s Pension/ Medical Aid	2016 N$'000s Total	2015 N$'000s Total
Executive Directors							
G Mouton	**–**	**820**	**792**	**832**	**363**	**2 807**	2 153
H van der Westhuizen	**–**	**1 633**	**1 326**	**1 363**	**480**	**4 802**	3 410
Non-executive Directors							
CL List	**95**	**–**	**–**	**–**	**–**	**95**	80
E Ender	**110**	**–**	**–**	**–**	**–**	**110**	80
HB Gerdes	**155**	**–**	**–**	**–**	**–**	**155**	125
NB Blazquez	**21**	**–**	**–**	**–**	**–**	**21**	65
P Grüttemeyer	**150**	**–**	**–**	**–**	**–**	**150**	125
S Thieme	**155**	**–**	**–**	**–**	**–**	**155**	155
S Heimstra	**36**	**–**	**–**	**–**	**–**	**36**	90
L van der Borght	**50**	**–**	**–**	**–**	**–**	**50**	50
M Kromat	**21**	**–**	**–**	**–**	**–**	**21**	70
D Leleu	**65**	**–**	**–**	**–**	**–**	**65**	50
R Pirmez	**87**	**–**	**–**	**–**	**–**	**87**	–
L Mcleod-Katjirua	**80**	**–**	**–**	**–**	**–**	**80**	65
J Milliken	**21**	**–**	**–**	**–**	**–**	**21**	95
P Jenkins	**21**	**–**	**–**	**–**	**–**	**21**	65
Total emoluments	**1 067**	**2 453**	**2 118**	**2 195**	**843**	**8 676**	6 678

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 95th Annual General Meeting of shareholders of the Company will be held in the auditorium of Namibia Breweries Limited, Namibia Breweries premises, Iscor Street, Northern Industrial Area, Windhoek on Friday, 18 November 2016 at 09:00 for the following purposes:

1. To receive and consider, and if approved, adopt the Group Annual Financial Statements and the Report of the Independent Auditors for the financial year ended 30 June 2016 as submitted, and to confirm all matters and things undertaken and discharged by the Directors on behalf of the Company.
2. To elect Directors in place of Messrs E Ender, S Thieme, and H-B Gerdes who retire by rotation in accordance with the Company's Articles of Association but, being eligible, offer themselves for re-election.
3. To approve the Directors remuneration as set out in the financial report.
4. To authorise the Directors to determine the auditors' remuneration.
5. To place the unissued 92 471 000 ordinary shares of no par value of the Company under the control of the Directors who shall be authorised to allot all or any of those shares at their discretion on such terms and conditions and at such times as they may deem fit.
6. To confirm the payment of a final dividend of 40.0 cents, which had been approved by the Directors, to the holders of ordinary shares, registered in the books of the Company at the close of business on 21 October 2016 and payable on 11 November 2016.
7. To transact such other business as may be transacted at an Annual General Meeting. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his or her stead. A proxy need not also be a member of the Company. In order to be effective, proxy forms should be forwarded to reach the registered office of the Company not less than 48 hours prior to the time for the holding of the meeting.

By order of the Board

Ohlthaver & List Centre (Proprietary) Limited Secretaries
Windhoek

6 September 2016

SHAREHOLDERS' DIARY

Annual General Meeting	Friday, 18 November 2016 at 09:00	
Reports Published		
Interim Financial Report	15 March 2016	
Annual Financial Statements	16 September 2016	
Dividends	**Declared**	**Paid**
Interim	3 March 2016	13 May 2016
Final	6 September 2016	11 November 2016

PROXY FORM

for the 95th Annual General Meeting of

NAMIBIA BREWERIES LIMITED
Registration number 2/1920

The Secretaries
Namibia Breweries Limited
PO Box 16, Windhoek, Namibia

I/we ______________________________ (name in full)

of ______________________________ (address)

being a shareholder of ______________ (no. of shares) of the above-mentioned Company hereby appoint

(a) ______________________________ (name); or failing him/her

(b) ______________________________ (name); or failing him/her

(c) ______________________________ (name)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 95th Annual General Meeting of the Company to be held in the auditorium of Namibia Breweries Limited, Namibia Breweries premises, Iscor Street, Northern Industrial Area, Windhoek on Friday, 18 November 2016 at 09:00 and at any adjournment thereof, in particular to vote for/against/abstain* the resolutions contained in the notice of the meeting:

I/we desire as follows:

Item Number*		For	Against	Abstain
1.	Adoption of the annual financial statements			
2.	Re-election of retiring Directors			
	E Ender			
	S Thieme			
	H-B Gerdes			
3.	Approval of Directors' remuneration			
4.	Authorisation of Directors to approve auditors' remuneration			
5.	General authority to the Directors to allot and issue shares			
6.	Confirmation of the final dividend			

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

Signed at ______________________ on this __________ day of ______________ 2016.

Signature(s) of shareholder ______________________________

NOTES TO THE PROXY

1. A member entitled to attend and vote at the aforementioned meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and, on a poll, to vote in his/her stead.
2. Shareholders who wish to appoint proxies must lodges their proxy forms at the registered office of the Company **not later than 09:00 on Wednesday, 16 November 2016**.
3. In respect of shareholders which are companies, an extract of the relevant resolution of Directors must be attached to the proxy form.