Alpha Namibia Industries Renewable Energy Power Limited

(Registration number 2018/0148)
Consolidated Annual Financial Statements
for the year ended 28 February 2021

General Information

Company registration number	2018/0148
Country of incorporation and domicile	Namibia
Nature of business and principal activities	Facilitate the investment in long-term renewable industries incorporating artificial intelligence technology in Namibia and Sub-Sahara Africa.
Directors	M. Hengari I. Nangolo A. Myllärinen M. Demamu S. Oosthuysen Amb. P. Kambala G. Nakazibwe-Sekandi H. Hamukoto S.D. Mayinga F.G. Kisting
Registered office	47 Nelson Mandela Avenue Klein Windhoek Windhoek Namibia
Postal address	P.O. Box 90680 Windhoek Namibia
Auditors	Ernst & Young Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	Dr Weder, Kauta & Hoveka Incorporated

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The reports and statements set out below comprise the consolidated and separate annual financial statements presented to the shareholders:

The following supplementary information does not form part of the consolidated or separate annual financial statements and is unaudited:

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of Namibia to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group’s cash flow forecast for the year to 28 February 2022 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the group's external auditors and their report is presented on pages 4 to 8.

The consolidated and separate annual financial statements set out on pages 9 to 73, which have been prepared on the going concern basis, were approved by the directors on 31 May 2021 and were signed on their behalf by:

Director	**Director**

Independent Auditor's Report

To the shareholders of Alpha Namibia Industries Renewable Energy Power Limited

Opinion

We have audited the consolidated annual financial statements of Alpha Namibia Industries Renewable Energy Power Limited set out on pages 9 to 73, which comprise the statement of financial position as at 28 February 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, directors's report and notes to the consolidated annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated annual financial statements present fairly, in all material respects, the financial position of Alpha Namibia Industries Renewable Energy Power Limited as at 28 February 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated annual financial statements section of our report. We are independent of the company in accordance with section 290 and 291 of the International Ethics Standards Board for Accountants *Code for Ethics for Professional Accountants (Revised July 2016)*, parts 1 and 3 of the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (Revised July 2018)* and other independence requirements applicable to performing audits of consolidated annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 31 in the consolidated annual financial statements, which indicates that the company incurred a net loss of N$- during the year ended 28 February 2021 and, as of that date, the company's total liabilities exceeded its total assets by N$-. As stated in note 31, these events or conditions, along with other matters as set forth in note 31, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matters - Accounting and secretarial duties

Without qualifying our opinion, we draw attention to the fact that with written consent of the shareholders, we have performed certain accounting and secretarial duties.

Other information

The directors are responsible for the other information. The other information comprises the detailed income statement as set out on pages 74 to 75. Other information does not include the consolidated annual financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Consolidated Annual Financial Statements

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

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

Auditor's responsibilities for the audit of the Consolidated Annual Financial Statements

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

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

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

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

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

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

Ernst & Young

Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Partner's name
Partner

Windhoek ... Namibia
31 May 2021

Directors' Report

The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of Alpha Namibia Industries Renewable Energy Power Limited (ANIREP) and the group for the year ended 28 February 2021.

1. Nature of business

Alpha Namibia Industries Renewable Energy Power Limited is an investment entity incorporated in Namibia with interests in the renewable energy industry.

ANIREP Limited acquired 70% of Anirep Solar (Proprietary) Limited shareholding on the 19th of June 2020, which resulted in the group obtaining control. Furthermore the 30% shareholding was sold to an employee share trust of which the Trustees appointed are directors of ANIREP, which resulted in complete control over the entity. The acquisition resulted in ANIREP's first owned Solar PV Power plants, each of 5 MW in Namibia.

ANIREP Limited acquired 80% in Hopsol Africa (Proprietary) Limited shareholding on the 1st of April 2020. The Engineering and Procurement Contractor is a major player for ANIREP in the market to produce and build the quality necessary as expected of ANIREP.

2. Review of financial results and activities

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

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

3. Group reporting

During the current financial period, Alpha Namibia Industries Renewable Power Limited obtained control of Anirep Solar (Proprietary) Limited and HopSol Africa (Proprietary) Limited. The financial results for the period under review for these entities are included in the group figures. As this was the first business combinations of the group, no comparative figures will be presented.

4. Authorised and issued share capital

There have been no changes to the authorised or issued share capital during the year under review.

5. Dividends

The directors do not recommend the declaration of a dividend for the year (2020: Nil).

Directors' Report

6. Directorate

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

Directors	Nationality	Changes
M. Hengari	Namibian	
I. Nangolo	Namibian	
A. Myllärinen	Finnish	
M. Demamu	Ethiopian	
S. Oosthuysen	Namibian	
Amb. P. Kambala	Namibian	
G. Nakazibwe-Sekandi	Ugandan	
H. Hamukoto	Namibian	
S.D. Mayinga	South African	Appointed 22 September 2020
F.G. Kisting	Namibian	Appointed 22 September 2020
P. Hango	Namibian	Resigned 22 September 2020
A. Müseler	Namibian	Resigned 31 March 2021
C.J. Scholtz	Namibian	Appointed 22 September 2020 Resigned 31 March 2021

7. Events after the reporting period

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

8. Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

9. Secretary

The company secretary is Dr Weder, Kauta & Hoveka Incorporated.

10. Special resolutions

There were no special resolutions made by the company during the period under review.

Statement of Financial Position as at 28 February 2021

		Group	Company	
	Note(s)	2021 N$	2021 N$	2020 N$
Assets				
Non-Current Assets				
Property, plant and equipment	3	173 751 531	317 691	-
Right-of-use assets	4	605 450	605 450	269 520
Goodwill	5	129 391 043	-	-
Investments in subsidiaries	7	-	144 577 912	-
Loans to group companies	8	39 756 907	-	-
		343 504 931	**145 501 053**	**269 520**
Current Assets				
Inventories	10	4 664 652	-	-
Loans to group companies	8	-	-	176 802
Trade and other receivables	11	3 706 261	528 417	524 828
Prepayments		163 532	5 550	24 005
Cash and cash equivalents	12	45 982 795	14 216 317	163 638 604
		54 517 240	**14 750 284**	**164 364 239**
Total Assets		**398 022 171**	**160 251 337**	**164 633 759**
Equity and Liabilities				
Equity				
Equity Attributable to Equity Holders of Parent				
Share capital and share premium	13	164 240 863	164 240 863	164 240 863
Accumulated loss		(1 670 130)	(5 536 920)	(822 624)
		162 570 733	158 703 943	163 418 239
Non-controlling interest		5 904 964	-	-
		168 475 697	**158 703 943**	**163 418 239**
Liabilities				
Non-Current Liabilities				
Loans from group companies	14	80 252 142	-	-
Interest-bearing borrowings	15	111 455 101	-	-
Lease liabilities	4	429 539	429 539	122 314
Deferred tax liability	9	15 722 208	-	-
		207 858 990	**429 539**	**122 314**
Current Liabilities				
Trade and other payables	16	7 403 856	933 099	696 008
Loans from group companies	14	4 479 610	-	225 118
Interest-bearing borrowings	15	8 358 335	-	-
Lease liabilities	4	184 756	184 756	172 080
Current tax payable		1 260 927	-	-
		21 687 484	**1 117 855**	**1 093 206**
Total Liabilities		**229 546 474**	**1 547 394**	**1 215 520**
Total Equity and Liabilities		**398 022 171**	**160 251 337**	**164 633 759**

Statement of Profit or Loss and Other Comprehensive Income

		Group	Company	
	Note(s)	2021 N$	2021 N$	2020 N$
Revenue	17	69 722 176	1 504 635	-
Cost of sales	18	(26 029 740)	-	-
Gross profit		**43 692 436**	**1 504 635**	**-**
Other operating income	19	177 994	30 681	-
Other operating gains		375 115	-	-
Other operating expenses		(33 437 649)	(8 639 497)	(5 074 550)
Operating profit/(loss)	20	**10 807 896**	**(7 104 181)**	**(5 074 550)**
Finance income	21	4 509 887	2 407 555	4 280 372
Finance cost	22	(11 933 298)	(17 670)	(31 298)
Profit/(loss) before taxation		**3 384 485**	**(4 714 296)**	**(825 476)**
Taxation	23	(2 697 210)	-	-
Profit/(loss) for the year		**687 275**	**(4 714 296)**	**(825 476)**
Other comprehensive income		-	-	-
Total comprehensive income/(loss) for the year		**687 275**	**(4 714 296)**	**(825 476)**
Profit/(loss) attributable to:				
Owners of the parent		(847 506)	(4 714 296)	(825 476)
Non-controlling interest		1 534 781	-	-
		687 275	**(4 714 296)**	**(825 476)**
Total comprehensive income/(loss) attributable to:				
Owners of the parent		(847 506)	(4 714 296)	(825 476)
Non-controlling interest		1 534 781	-	-
		687 275	**(4 714 296)**	**(825 476)**

Alpha Namibia Industries Renewable Energy Power Limited
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Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Accumulated loss	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
	N$	N$	N$	N$	N$	N$	N$
Group							
Balance at 1 March 2019	**2 797**	**919 303**	**922 100**	**2 852**	**924 952**	**-**	**924 952**
Changes in equity							
Loss for the period	-	-	-	(825 476)	(825 476)	-	(825 476)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**(825 476)**	**(825 476)**	**-**	**(825 476)**
Issue of shares	166 021	165 855 349	166 021 370	-	166 021 370	-	166 021 370
Share issue cost	-	(2 702 607)	(2 702 607)	-	(2 702 607)	-	(2 702 607)
Total changes	166 021	163 152 742	163 318 763	(825 476)	162 493 287	-	162 493 287
Balance at 1 March 2020	**168 818**	**164 072 045**	**164 240 863**	**(822 624)**	**163 418 239**	**-**	**163 418 239**
Changes in equity							
Loss for the year	-	-	-	(847 506)	(847 506)	1 534 781	687 275
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**-**	**(847 506)**	**(847 506)**	**1 534 781**	**687 275**
Business combinations	-	-	-	-	-	4 370 183	4 370 183
Total changes	-	-	-	(847 506)	(847 506)	5 904 964	5 057 458
Balance at 28 February 2021	**168 818**	**164 072 045**	**164 240 863**	**(1 670 130)**	**162 570 733**	**5 904 964**	**168 475 697**
Note	13	13	13				

Statement of Changes in Equity

	Share capital N$	Share premium N$	Total share capital N$	Accumulated loss N$	Total attributable to equity holders of the group / company N$	Non-controlling interest N$	Total equity N$
Company							
Balance at 1 March 2019	**2 797**	**919 303**	**922 100**	**2 852**	**924 952**	**-**	**924 952**
Changes in equity							
Loss for the year	-	-	-	(825 476)	(825 476)	-	(825 476)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**(825 476)**	**(825 476)**	**-**	**(825 476)**
Issue of shares	166 021	165 855 349	166 021 370	-	166 021 370	-	166 021 370
Share issue cost	-	(2 702 607)	(2 702 607)	-	(2 702 607)	-	(2 702 607)
Total changes	166 021	163 152 742	163 318 763	(825 476)	162 493 287	-	162 493 287
Balance at 1 March 2020	**168 818**	**164 072 045**	**164 240 863**	**(822 624)**	**163 418 239**	**-**	**163 418 239**
Changes in equity							
Loss for the year	-	-	-	(4 714 296)	(4 714 296)	-	(4 714 296)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**(4 714 296)**	**(4 714 296)**	**-**	**(4 714 296)**
Total changes	-	-	-	(4 714 296)	(4 714 296)	-	(4 714 296)
Balance at 28 February 2021	**168 818**	**164 072 045**	**164 240 863**	**(5 536 920)**	**158 703 943**	**-**	**158 703 943**
Note	13	13	13				

Statement of Cash Flows

		Group	Company	
	Note(s)	2021 N$	2021 N$	2020 N$
Cash flows from operating activities				
Cash generated from/(used in) operations	24	22 659 794	(6 462 837)	(3 911 743)
Interest income		4 509 887	2 407 555	4 280 372
Interest paid		(11 915 628)	-	-
Tax paid	25	(1 426 865)	-	-
Net cash from operating activities		**13 827 188**	**(4 055 282)**	**368 629**
Cash flows from investing activities				
Purchase of property, plant and equipment	3	(1 623 255)	(361 306)	-
Acquisition of subsidiary net of cash acquired		(124 003 395)	-	-
Acquisition of investments		-	(144 577 912)	-
Loans advanced to group companies		(39 794 180)	(37 275)	-
Repayment of related party loan		-	(225 118)	-
Net cash from investing activities		**(165 420 830)**	**(145 201 611)**	**-**
Cash flows from financing activities				
Issue of share capital	13	-	-	166 021
Issue of share premium	13	-	-	165 855 349
Share issue cost	13	-	-	(2 702 607)
Loans received from group companies		87 497 500	-	48 315
Interest bearing borrowings repaid		(90 428 887)	-	-
Interest bearing borrowings received		123 013 440	-	-
Loans from related parties repaid		(85 978 826)	-	(248 514)
Repayment on lease – capital portion		-	-	(129 137)
Repayment on lease – interest portion		-	-	(31 298)
Rental repayments		(165 394)	(165 394)	-
Net cash from financing activities		**33 937 833**	**(165 394)**	**162 958 129**
Total cash movement for the year		**(117 655 809)**	**(149 422 287)**	**163 326 758**
Cash at the beginning of the year		163 638 604	163 638 604	311 846
Total cash at end of the year	12	**45 982 795**	**14 216 317**	**163 638 604**

Accounting Policies

Corporate information

Alpha Namibia Industries Renewable Energy Power Limited is a public limited company incorporated and domiciled in Namibia.

1. Significant accounting policies

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

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with the International Financial Reporting Standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated annual financial statements and the Companies Act of Namibia.

The consolidated and separate annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the group and company's functional currency, and are rounded to the nearest Namibian dollar.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the consolidated annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

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

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

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Consolidated Statement of Changes in Equity.

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

Accounting Policies

1.2 Consolidation (continued)

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Business combinations

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

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

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

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

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

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

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

1.2 Consolidation (continued)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of consolidated annual financial statements in conformity with the International Financial Reporting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The
value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next few years. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the forecasted revenues, gross profit margin and terminal growth rates. These estimates are most relevant to goodwill. The key assumptions used to determine the recoverable amount for the different cash generating units are disclosed and further explained in Note 5.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Leasehold property	Straight line	33 years
Plant and machinery	Straight line	3 - 25 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	3 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 - 6 years
Installations	Straight line	5 years
Workshop equipment	Straight line	5 years
Tools	Straight line	3 years
Site equipment	Straight line	3 years
Buildings	Straight line	25 years

Accounting Policies

1.4 Property, plant and equipment (continued)

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.5 Financial instruments

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

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

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

1.5 Financial instruments (continued)

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 28 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Loans receivable at amortised cost

Classification

Loans to group companies (note), are classified as financial assets subsequently measured at amortised cost.

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Accounting Policies

1.5 Financial instruments (continued)

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in finance income (note 21).

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

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

Loans denominated in foreign currencies

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

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 28).

Impairment

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

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

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

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

Accounting Policies

1.5 Financial instruments (continued)

Significant increase in credit risk

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

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

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

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

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

Definition of default

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

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

Write off policy

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

1.5 Financial instruments (continued)

Measurement and recognition of expected credit losses

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

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

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

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

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

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 20).

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 28).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a loan receivable is included in profit or loss in derecognition gains (losses) on financial assets at amortised cost.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 11).

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

1.5 Financial instruments (continued)

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income (note 21).

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

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

Trade and other receivables denominated in foreign currencies

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

Details of foreign currency risk exposure and the management thereof are provided in the trade and other receivables (note 11).

Impairment

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

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

Accounting Policies

1.5 Financial instruments (continued)

Measurement and recognition of expected credit losses

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

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 11.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 20).

Write off policy

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

Credit risk

Details of credit risk are included in the trade and other receivables note (note 11) and the financial instruments and risk management note (note 28).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Borrowings and loans from related parties

Classification

Loans from group companies (note 14), and borrowings (note 15) are classified as financial liabilities subsequently measured at amortised cost.

Accounting Policies

1.5 Financial instruments (continued)

Recognition and measurement

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

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

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

Interest expense, calculated on the effective interest method, is included in profit or loss in finance cost (note 22).

Borrowings expose the group to liquidity risk and interest rate risk. Refer to note 28 for details of risk exposure and management thereof.

Loans denominated in foreign currencies

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

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in the financial instruments and risk management (note 28).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 16), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Accounting Policies

1.5 Financial instruments (continued)

Recognition and measurement

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

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

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

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance cost (note 22).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 28 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

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

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 28).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Accounting Policies

1.5 Financial instruments (continued)

Financial liabilities at fair value through profit or loss

Classification

Financial liabilities which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss.

When a financial liability is contingent consideration in a business combination, the group classifies it as a financial liability at fair value through profit or loss.

The group, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy; or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss.

Recognition and measurement

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

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses).

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the group's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of liabilities, rather than in profit or loss. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance cost (note 22).

Financial liabilities denominated in foreign currencies

When a financial liability at fair value through profit or loss is denominated in a foreign currency, the fair value of the instrument is determined in the foreign currency. The fair value is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised as part of the fair value adjustment in profit or loss. To the extent that the foreign exchange gain or loss relates to the portion of the fair value adjustment recognised in other comprehensive income, that portion of foreign exchange gain or loss is included in the fair value adjustment recognised in other comprehensive income.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 28).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

The changes in fair value attributable to changes in own credit risk which accumulated in equity for financial liabilities which were designated at fair value through profit or loss are not reclassified to profit or loss. Instead, they are transferred directly to retained earnings on derecognition.

Accounting Policies

1.5 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

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

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

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

Reclassification

Financial assets

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

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

Financial liabilities

Financial liabilities are not reclassified.

1.6 Tax

Current tax assets and liabilities

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

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

Accounting Policies

1.6 Tax (continued)

Deferred tax assets and liabilities

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

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

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

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

Tax expenses

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

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

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

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

1.7 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Accounting Policies

1.7 Leases (continued)

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (note 20) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However, as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the group is a lessee are presented in note 4 Leases (group as lessee).

Lease liability

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

Lease payments included in the measurement of the lease liability comprise the following:
- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;
- the exercise price of purchase options, if the group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 4).

The lease liability is presented as a separate line item on the Consolidated Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance cost (note 22).

1.7 Leases (continued)

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Consolidated Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

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

Accounting Policies

1.7 Leases (continued)

Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in other operating income (note 19).

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

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

Finance leases

Amounts due from lessees are recognised from commencement date at an amount equal to the the group net investment in the lease. They are presented as lease receivables on the statement of financial position.

The interest rate implicit in the lease is used to measure the net investment in the lease. If the interest rate implicit in a sublease cannot be readily determined for a sublease, then the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) is used to measure the net investment in the sublease.

The interest rate implicit in the lease is defined in a manner which causes the initial direct costs to be included in the initial measurement of the net investment in the lease.

Lease payments included in the measurement of the net investment in the lease comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives payable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be receivable by the group from the lessee, a party related to the lessee or a third party unrelated to the group under residual value guarantees (to the extent of third parties, this amount is only included if the party is financially capable of discharging the obligations under the guarantee);
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the option;
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The group recognises finance income over the lease term, based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. Finance income recognised on finance leases is included in investment income in profit or loss (note 21).

Accounting Policies

1.7 Leases (continued)

The group applies the impairment provisions of IFRS 9 to lease receivables. Refer to the accounting policy for trade and other receivables as lease receivables are impaired on a consistent basis with that accounting policy.

1.8 Inventories

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

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

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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

1.9 Impairment of assets

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

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

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

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

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

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

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

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

Accounting Policies

1.9 Impairment of assets (continued)

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

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

1.10 Share capital and equity

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

Ordinary shares are classified as equity.

1.11 Revenue from contracts with customers

The group recognises revenue from the following major sources:
- Sales of electricity; and
- Solar projects.

Sale of electricity

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

Revenue is recognised when it is probable that economic benefits arising from a transaction will flow to the company and when it can be measured reliably. Revenue is measured as the amount of consideration to which the company expects to be entitled in exchange for goods. Revenue is shown net of tax, rebates, trade discounts and value added tax.

Solar projects

Revenue from solar projects are recognised over time as the entity satisfies its performance obligations in terms of the contract, either based on engineer consultant milestone certificates (EPC installation projects) or on a periodic basis, either annually, quarterly or monthly (Operating & Maintenance services).

Revenue from solar projects are measured based on engineer consultant milestone certificates which are estimates of the percentage completion of the project (output method in terms of IFRS 15) as a measure of progress over time.

Revenue from additional services are recognised once the additional services are complete.

Accounting Policies

1.12 Cost of sales

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

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

Contract costs comprise:
- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the group right to recover products from customers where customers exercise their right of return under the group returns policy.

Notes to the Consolidated Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard / Interpretation:

- Amendments to IFRS 3 Business Combinations: Definition of Business;
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- IFRS 7, IFRS 9 and IAS 39 Financial Instruments: Disclosures Interest Rate Benchmark Reform; and
- IAS 1 Presentation of Financial Statements: Definition of Material.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2021 or later periods:

Standard / Interpretation:	Effective date: Years beginning on or after
• Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture	To be determined
• IFRS 1 First-time Adoption of International Financial Reporting Standards	01 January 2022
• IFRS 3 Business Combinations: Reference to the Conceptual Framework	01 January 2022
• IFRS4, IFRS 7, IFRS 9, IAS 39 and IFRS 16: Disclosures Interest Rate Benchmark Reform Phase 2	01 January 2021
• Amendments to IFRS 9: Annual Improvements to IFRS Standards 2018 - 2020 cycle	01 January 2022
• IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	01 January 2023
• IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	01 January 2022
• IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts—Cost of Fulfilling a Contract	01 January 2022
• IFRS 16: COVID-19-Related Rent Concessions	01 June 2020
• IAS 41 Agriculture: Annual Improvements to IFRS Standards 2018 - 2020	01 January 2022
• IFRS 9 Financial Instruments: Annual Improvements to IFRS Standards 2018 - 2020	01 January 2022
• IFRS 17 Insurance contracts: Replaces IFRS 4 Insurance Contracts	01 January 2021

Management has assessed the impact of these new and revised standards on the company not to be material.

2. New Standards and Interpretations (continued)

IFRS 17 Insurance Contracts
In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

• A specific adaptation for contracts with direct participation features (the variable fee approach): and
• A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

• What is meant by a right to defer settlement;
• That a right to defer must exist at the end of the reporting period;
• That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately
.
At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Notes to the Consolidated Annual Financial Statements

2. New Standards and Interpretations (continued)

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

Notes to the Consolidated Annual Financial Statements

2. New Standards and Interpretations (continued)

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

IAS 41 Agriculture – Taxation in fair value measurements
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments are not expected to have a material impact on the Group.

3. Property, plant and equipment

Group

	2021		
	Cost N$	**Accumulated depreciation N$**	**Carrying value N$**
Buildings	26 906	(1 327)	25 579
Leasehold property	1 823 719	(39 462)	1 784 257
Plant and machinery	173 675 026	(5 846 038)	167 828 988
Furniture and fixtures	177 888	(33 254)	144 634
Motor vehicles	2 025 387	(162 525)	1 862 862
Office equipment	51 701	(6 657)	45 044
IT equipment	248 676	(37 277)	211 399
Installations: Backup	319 363	(59 525)	259 838
Site Equipment	75 545	(48 045)	27 500
Workshop Equipment	15 223	(4 332)	10 891
Working Tools	102 934	(54 919)	48 015
Land	1 502 524	-	1 502 524
Total	**180 044 892**	**(6 293 361)**	**173 751 531**

Company

	2021			2020		
	Cost N$	**Accumulated depreciation N$**	**Carrying value N$**	**Cost N$**	**Accumulated depreciation N$**	**Carrying value N$**
Furniture and fixtures	155 179	(15 398)	139 781	-	-	-
Office equipment	33 205	(3 530)	29 675	-	-	-
IT equipment	172 922	(24 687)	148 235	-	-	-
Total	**361 306**	**(43 615)**	**317 691**	**-**	**-**	**-**

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2021 (N$)

	Opening balance	Additions	Additions through business combinations	Depreciation	Total
Buildings	-	-	26 906	(1 327)	25 579
Leasehold property	-	-	1 823 719	(39 463)	1 784 256
Plant and machinery	-	-	173 675 026	(5 846 038)	167 828 988
Furniture and fixtures	-	159 075	18 814	(33 254)	144 635
Motor vehicles	-	1 189 856	835 531	(162 525)	1 862 862
Office equipment	-	33 205	18 496	(6 657)	45 044
IT equipment	-	220 018	28 658	(37 277)	211 399
Installations: Backup	-	-	319 363	(59 525)	259 838
Site Equipment	-	-	75 545	(48 045)	27 500
Workshop Equipment	-	-	15 223	(4 332)	10 891
Working Tools	-	21 101	81 832	(54 918)	48 015
Land	-	-	1 502 524	-	1 502 524
	-	**1 623 255**	**178 421 637**	**(6 293 361)**	**173 751 531**

Reconciliation of property, plant and equipment - Company - 2021 (N$)

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	-	155 179	(15 398)	139 781
Office equipment	-	33 205	(3 530)	29 675
IT equipment	-	172 922	(24 687)	148 235
	-	**361 306**	**(43 615)**	**317 691**

Property, plant and equipment encumbered as security

Refer to note 14 for details of property, plant and equipment encumbered as security for borrowings.

The Leasehold Property consist of 12 hectares of Otjiwarongo Townlands West No 408. The Land consist of Portion 2 of the Farm Kranzfontein No 753, a portion of the farm Ackerbau No 3 of approximately 12 hectares, Grootfontein.

Notes to the Consolidated Annual Financial Statements

4. Group and company as lessee

The company signed a lease agreement for the purposes of renting an office for a period of 2 years with 1-year extension at an annual increase of 10% on the lease amount in the prior financial year. In the current financial year, there was a lease modification to the lease term and the lease payments. The lease term was extended to 4 years on 01 December 2020. The IFRS 16 exemption was applied to a short-term lease which a subsidiary is contracted to.

The weighted average borrowing rate as a lessee is applied at 8.54%. The rate has been determined based on the average interest rate received on cash balances and the prime lending rate of Namibia, (6.82% and 10.25% respectively). The rate was also compared to the general outlook on the general credit rating given to Namibia by Moody's and is targeted to be lower given the short period of time of the lease, i.e. less than 5 years.

Right-of-use assets

	Building N$
As at 01 March 2019	**-**
Addition	423 531
Depreciation expense	(154 011)
As at 01 March 2020	**269 520**
Lease modification	492 500
Depreciation expense	(156 570)
As at 28 February 2021	**605 450**

Lease liabilities

	Building N$
As at 01 March 2019	**-**
Addition	423 531
Accretion of interest	31 297
Payments	(160 435)
As at 01 March 2020	**294 393**
Current liabilities	172 079
Non-current liabilities	122 314
	294 393
Lease modification	467 626
Accretion of interest	17 670
Repayments	(165 394)
As at 28 February 2021	**614 295**
Current liabilities	184 756
Non-current liabilities	429 539
	614 295

5. Goodwill

Group	2021		
	Cost N$	**Accumulated impairment N$**	**Carrying value N$**
Goodwill	129 391 043	-	129 391 043

Reconciliation of goodwill - Group - 2021 (N$)

	Opening balance	**Additions through business combinations**	**Total**
Goodwill	-	129 391 043	129 391 043

The group performed its annual impairment test of goodwill for the year ended 28 February 2021.

Anirep Solar (Pty) Ltd

Management performed a discounted cash flow analysis to determine an enterprise value the cash generating unit. The cash generating unit consists solely of the two 5MW solar PV grid connected utility plants. The respective cash flows were modelled over an explicit period which corresponponds to the remaining contractual period of each Power Purchase Agreement. The discount rate applied to the cash flow projections is 5.8%. As a result of the analysis, there is headroom of N$ 110,6 million, and management did not identify an impairment for this cash generating unit.

Hopsol Africa (Pty) Ltd

Management performed a discounted cash flow analysis to determine an enterprise value for the cash generating unit. Hopsol Africa (Pty) Ltd's explicit forecast period was six years, with a terminal growth assumption applied beyond this point. The discount rate applied to the cash flow projections is 11.34%. The growth rate used to extrapolate the cash flows of the unit beyond the six-year period is 2.5%. As a result of the analysis, there is headroom of N$ 12,5 million, and management did not identify an impairment for this cash generating unit.

Key assumptions used in enterprise value calculations and sensitivity to changes in assumptions:
The calculation of the enterprise value for both Anirep Solar (Proprietary) Limited and Hopsol Africa (Proprietary) Limited is most sensitive to the following assumptions:

- Revenue
- Gross profit margins
- Administration expenses
- Discount rates
- Taxation cash flows
- Terminal growth rates

Notes to the Consolidated Annual Financial Statements

5. Goodwill (continued)

Hopsol Africa (Pty) Ltd's revenue assumptions are reflective of its new strategic position in the Anirep Group and critically, its positioning as a key player in the Namibian renewable market. The existing contract held by this cash generating unit as well as the anticipation of further contracts of a similar nature has been used as a basis for projecting a normalised revenue level for the forecast period.

Anirep Solar (Pty) Ltd's revenue is a function of the solar energy output at a contractually agreed rate, adjusted annually for inflation.

Gross profit margins of Hopsol Africa (Pty) Ltd have been estimated based on the historic gross profit margins.

Administration expenses have been forecasted to be a percentage of revenue based on historic periods. Specific consideration has been given to expenses which are considered to be once-off.

Taxation cash flows are estimated at 32% which is consistent with the Namibian corporate tax rate.

A terminal growth rate of 2.5% was used for Hopsol Africa (Pty) Ltd to extrapolate cash flows beyond the forecast period. Management recognises that the increase in demand for renewable energy solutions and the possibility of new entrants can have a significant impact on growth rate assumptions. This growth rate is reflective of the long-term growth expected.

The discount rate calculation is based on the specific circumstances of each cash generating unit and takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the investors. The cost of debt is based on the interest-bearing borrowings the cash generatining unit is obliged to service.

6. Business combinations

Anirep Solar (Proprietary) Limited

ANIREP Limited acquired 70% of Anirep Solar (Proprietary) Limited shareholding on the 19th of June 2020, which resulted in the group obtaining control. Furthermore, the previous shareholders of Anirep Solar (Proprietary) limited sold the remaining 30% shareholding to an employee share trust of which the Trustees appointed are directors of ANIREP Limited, which resulted in complete control over the entity. The acquisition resulted in ANIREP's first owned Solar PV Power plants, each of 5 MW in Namibia.

The Group has elected to measure the non-controlling interests in the acquiree at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Goodwill of N$85 366 503 arose from the acquisition and consists largely of future economic benefits of the entity from its long term income contracts, which is not separately recognised. The long term income contracts are not separable. Therefore, it does not meet the criteria for recognition as an intangible asset under IAS 38. None of the goodwill recognised is expected to be deductible for income tax purposes.

Notes to the Consolidated Annual Financial Statements

	Group	Company	
	2021 N$	2021 N$	2020 N$

6. Business combinations (continued)

Fair value of assets acquired and liabilities assumed

	Group 2021 N$	Company 2021 N$	Company 2020 N$
Property, plant and equipment	177 001 269	-	-
Prepayments	62 738	-	-
Trade and other receivables	5 425 571	-	-
Cash and cash equivalents	9 691 494	-	-
Interest-bearing borrowings	(87 228 883)	-	-
Deferred tax liability	(15 197 639)	-	-
Trade and other payables	(2 178 863)	-	-
Loans from shareholder	(82 987 960)	-	-
Total identifiable net assets	4 587 727	-	-
Non-controlling interest measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.	(1 376 318)	-	-
Goodwill	85 366 503	-	-
Purchase consideration transferred	**88 577 912**	**-**	**-**

From the date of acquisition, Anirep Solar (Proprietary) Limited contributed N$ 26 468 634 of revenue and N$ 1 777 937 to profit before tax from continuing operations of the Group.

Acquisition related costs

The acquisition related cost amounted to N$ 1 729 419. These cost have been expensed in the current and prior period and the cost in the current period are reflected in the line items as shown below:

	Group 2021 N$	Company 2021 N$	Company 2020 N$
Namibian competition commission	-	-	500 000
Auditors & secretarial services	-	-	20 750
Lawyers	-	24 000	106 133
Corporate Advisor	-	562 055	271 900
Brokers	-	-	67 425
Stamp duties	-	177 156	-
	-	**763 211**	**966 208**

HopSol Africa (Proprietary) Limited

ANIREP Limited acquired 80% in Hopsol Africa (Proprietary) Limited shareholding on the 1st of April 2020., which resulted in the group obtaining control. The Engineering and Procurement Contractor is a major player.

The Group has elected to measure the non-controlling interests in the acquiree at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Goodwill of N$44 024 540 arose from the acquisition and consists largely of future economic benefits of the assembled workforce, which is not separately recognised. The assembled workforce is not separable. Therefore, it does not meet the criteria for recognition as an intangible asset under IAS 38. None of the goodwill recognised is expected to be deductible for income tax purposes.

Notes to the Consolidated Annual Financial Statements

	Group	Company	
	2021 N$	2021 N$	2020 N$

6. Business combinations (continued)

Fair value of assets acquired and liabilities assumed

Property, plant and equipment	1 420 368	-	-
Inventories	7 583 991	-	-
Trade and other receivables	46 653	-	-
Cash and cash equivalents	10 883 023	-	-
Deferred tax liability	(211 699)	-	-
Trade and other payables	(4 449 559)	-	-
Current tax payable	(303 452)	-	-
Total identifiable net assets	14 969 325	-	-
Non-controlling interest measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.	(2 993 865)	-	-
Goodwill	44 024 540	-	-
Purchase consideration transferred	**56 000 000**	**-**	**-**

From the date of acquisition, Hopsol Africa (Proprietary) Limited contributed N$ 45 638 628 of revenue and N$ 7 825 478 to profit before tax from continuing operations of the Group.

Acquisition related costs

The acquisition related cost amounted to N$ 2 016 731. These cost have been expensed in the current and prior period and the cost in the current period are reflected in the line items as shown below:

Namibian competition commission	-	-	500 000
Auditors & secretarial services	-	6 760	87 254
Lawyers	-	414 269	106 133
Corporate Advisor	-	562 055	160 835
Brokers	-	-	67 425
Stamp duties	-	112 000	-
	-	**1 095 084**	**921 647**

Notes to the Consolidated Annual Financial Statements

7. Interests in subsidiaries including consolidated structured entities

The following table lists the entities which are controlled by the ultimate holding company, Alpha Namibia Industries Renewable Power Limited incorporated in Namibia.

Company

Name of company	Country of incorporation	Principal activities	% holding 2021	% holding 2020	Carrying amount 2021 N$	Carrying amount 2020 N$
Anirep Solar (Proprietary) Limited	Namibia	Solar Power Generation	70.00 %	- %	88 577 912	-
HopSol Africa (Proprietary) Limited	Namibia	To engage in import, export, production and distribution of solar products, planning construction, running and servicing of solar power plants and all related matters thereto	80.00 %	- %	56 000 000	-
					144 577 912	-

	Group	Company	
	2021 N$	2021 N$	2020 N$

8. Loans to group companies

	Group 2021 N$	Company 2021 N$	Company 2020 N$
ANISOL (Proprietary) Limited The above loan is interest free, unsecured and has no fixed terms of repayment. These arrangements are reviewed from time to time.	-	-	176 802
Sinco Investments 178 (Proprietary) Limited The loan is unsecured, bears interest at prime plus 0.5% (8% at year end) per annum and has no fixed repayment terms.	39 756 907	-	-
	39 756 907	**-**	**176 802**

Split between non-current and current portions

	Group 2021 N$	Company 2021 N$	Company 2020 N$
Non-current assets	39 756 907	-	-
Current assets	-	-	176 802
	39 756 907	**-**	**176 802**

Exposure to credit risk

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

The loan with Sinco Investments One Hundred and Seventy Eight (Proprietary) Limited (subscription of shares) is secured by a contract with the shareholder ensuring future cash flow distributions of the company will first repay the loan, hence the loan receivable is reduced by dividends paid to the shareholder each year.

Credit rating framework

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due	Lifetime ECL (not credit impaired)
Doubtful	Either 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL (not credit impaired)
In default	Either 90 days past due or there is evidence that the asset is credit impaired	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

Notes to the Consolidated Annual Financial Statements

	Group	Company	
	2021 N$	2021 N$	2020 N$

9. Deferred tax liability

	Group 2021 N$	Company 2021 N$	Company 2020 N$
Deferred tax liability			
Property plant and equipment	(54 655 115)	-	-
Deferred tax asset			
Employee cost provisions	96 848	-	-
Assessed loss	38 836 059	-	-
Deferred tax balance from temporary differences other than unused tax losses	38 932 907	-	-
Unrecognised tax losses available for set off against future taxable income	38 836 059	-	-
	77 768 966	-	-
Total deferred tax asset	**77 768 966**	**-**	**-**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	Group 2021 N$	Company 2021 N$	Company 2020 N$
Deferred tax liability	(54 655 115)	-	-
Deferred tax asset	38 932 907	-	-
Total net deferred tax liability	**(15 722 208)**	**-**	**-**

Reconciliation of deferred tax asset / (liability)

	Group 2021 N$	Company 2021 N$	Company 2020 N$
Increases in tax loss available for set off against future taxable income	38 836 059	-	-
Deductible temporary difference movement on tangible fixed assets	(54 655 115)	-	-
Taxable temporary difference on employee cost provisions	96 848	-	-
	(15 722 208)	**-**	**-**

10. Inventories

	Group 2021 N$	Company 2021 N$	Company 2020 N$
Consumables and other finished goods	4 664 652	-	-

Notes to the Consolidated Annual Financial Statements

	Group	Company	
	2021 N$	**2021 N$**	**2020 N$**

11. Trade and other receivables

	Group 2021 N$	Company 2021 N$	Company 2020 N$
Financial instruments:			
Trade receivables	729 084	-	-
Accrued income	2 663 447	247 687	-
Trade receivables at amortised cost	3 392 531	247 687	-
Deposits	33 000	-	2 500
Non-financial instruments:			
Value Added Tax	280 730	280 730	522 328
Total trade and other receivables	**3 706 261**	**528 417**	**524 828**

Split between non-current and current portions

	Group 2021 N$	Company 2021 N$	Company 2020 N$
Current assets	3 706 261	528 417	524 828

Financial instrument and non-financial instrument components of trade and other receivables

	Group 2021 N$	Company 2021 N$	Company 2020 N$
At amortised cost	3 425 531	247 687	2 500
Non-financial instruments	280 730	280 730	522 328
	3 706 261	**528 417**	**524 828**

Trade and other receivables pledged as security

No trade receivables were pledged as security.

Exposure to credit risk

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

Trade receivables relate to long-term contracts with customers for the supply of electricity.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

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

Notes to the Consolidated Annual Financial Statements

	Group	Company	
	2021 N$	2021 N$	2020 N$

11. Trade and other receivables (continued)

Exposure to currency risk

Refer to note 28 for details of currency risk management for trade receivables.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

12. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group 2021 N$	Company 2021 N$	Company 2020 N$
Cash on hand	25 491	16	-
Bank balances	45 598 848	14 216 301	163 638 604
Short-term deposits	358 456	-	-
	45 982 795	**14 216 317**	**163 638 604**

Exposure to currency risk

Refer to note 28 Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.

13. Share capital and share premium

	Group 2021 N$	Company 2021 N$	Company 2020 N$
Authorised			
100 000 000 Ordinary shares with a par value of N$0.01	1 000 000	1 000 000	1 000 000
Reconciliation of number of shares issued:			
Reported as at 1 March 2020	168 818	168 818	168 818
Issued			
16 881 947 Ordinary shares with a par value of N$0.01	168 818	168 818	168 818
Share premium	164 072 045	164 072 045	164 072 045
	164 240 863	**164 240 863**	**164 240 863**

Notes to the Consolidated Annual Financial Statements

	Group	Company	
	2021 N$	2021 N$	2020 N$

14. Loans from group companies

Related parties

Tulive Private Equity (Proprietary) Limited This loan is interest free, unsecured and not subject to any fixed repayment terms. These arrangements are reviewed from time to time.	-	-	225 118
Tulive Private Equity (Proprietary) Limited The loan is secured, bears interest at 9.25% per annum. The total principal debt over 5 years with 60 monthly payment instalments over 144 monthly payments schedule with 59 equal monthly instalments of approximately N$ 1 008 108 each. Thereafter a balloon repayment of outstanding amount of approximately N$ 62 166 561 in month 60 (Sixty) and failing repayment of same, an option to refinance the outstanding capital, interest and costs owing at such time, subject to formal credit application to and approval by Tulive Private Equity (Pty) Ltd and all credit criteria being met.	84 731 752	-	-
	84 731 752	**-**	**225 118**

Split between non-current and current portions

Non-current liabilities	80 252 142	-	-
Current liabilities	4 479 610	-	225 118
	84 731 752	**-**	**225 118**

Exposure to liquidity risk

Refer to note 28 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to currency risk

Refer to note 28 Financial instruments and financial risk management for details of currency risk management for group loans payable.

Exposure to interest rate risk

Refer to note 28 Financial instruments and financial risk management for details of interest rate risk management for group loans receivable.

	Group	Company	
	2021 N$	2021 N$	2020 N$
15. Interest-bearing borrowings			
Held at amortised cost			
Bank Windhoek: CL 4000080726 The loan is secured, bears interest at the prime lending rate (7.50% at year end) per annum. The loan is repayable as follows: 5 (five) years with 60 (sixty) monthly instalments of approximately N$ 1 088 472 calculated over a 120 (one hundred and twenty) monthly payment schedule with 59 (fifty nine) equal monthly instalments and a balloon payment of the outstanding amount of approximately N$ 55 408 980 in month 60 (sixty) and, failing repayment of same, an option to refinance the outstanding capital, interest and costs owing at such time, subject to formal credit application to and approval by the bank and all credit criteria being met.	90 211 950	-	-
Bank Windhoek: CL 4000080678 The loan is secured, bears interest at the prime lending rate plus 0.50% (8.00% at year end) per annum. The loan is repayable as follows: 5 (five) years with 60 (sixty)·monthly instalments of approximately N$ 345 784 calculated over a 120 (one hundred and twenty) monthly payment schedule with 59 (fifty nine) equal monthly instalments and a balloon payment of the outstanding amount of approximately N$ 17 399 295 in month 60 (sixty) and, failing repayment of same, an option to refinance the outstanding capital, interest and costs owing at such time, subject to formal credit application to and approval by the bank and all credit criteria being met.	29 601 486	-	-
	119 813 436	**-**	**-**
Split between non-current and current portions			
Non-current liabilities	111 455 101	-	-
Current liabilities	8 358 335	-	-
	119 813 436	**-**	**-**

Exposure to liquidity risk

Refer to note 28 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to currency risk

Refer to note 28 Financial instruments and financial risk management for details of currency risk management for borrowings.

Notes to the Consolidated Annual Financial Statements

	Group	Company	
	2021 N$	2021 N$	2020 N$

15. Interest-bearing borrowings (continued)

Exposure to interest rate risk

Refer to note 28 for details of interest rate risk management for investments in Group and company as lessee.

16. Trade and other payables

Financial instruments:			
Trade payables	1 559 064	18 781	666 883
Other payables	885 229	868 912	10 000
Salary accruals and provisions	500 060	45 406	-
Accrued expenses	220 851	-	19 125
Provision for faulty solar panels	2 200 000	-	-
Non-financial instruments:			
VAT	2 038 652	-	-
	7 403 856	**933 099**	**696 008**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	5 365 204	933 099	696 008
Non-financial instruments	2 038 652	-	-
	7 403 856	**933 099**	**696 008**

Exposure to currency risk

Refer to note 28 Financial instruments and financial risk management for details of currency risk management for trade payables.

Exposure to liquidity risk

Refer to note 28 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to interest rate risk

Refer to note 28 Financial instruments and financial risk management for details of interest rate risk management for trade and other payables.

Notes to the Consolidated Annual Financial Statements

	Group	Company	
	2021 N$	2021 N$	2020 N$

17. Revenue

Revenue from contracts with customers			
Sale of goods	34 974 025	-	-
Rendering of services	34 748 151	1 504 635	-
	69 722 176	**1 504 635**	**-**

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

Sale of goods			
Sales - Cenored - Otjiwarongo	12 622 691	-	-
Sales - Nampower - Otjozondjupa	13 845 943	-	-
Sale of goods	8 505 391	-	-
	34 974 025	**-**	**-**
Rendering of services			
Administration and management fees received	779 119	1 504 635	-
Services revenue	33 969 032	-	-
	34 748 151	**1 504 635**	**-**
Total revenue from contracts with customers	**69 722 176**	**1 504 635**	**-**

Timing of revenue recognition

Over time			
Sale of goods	34 974 025	-	-
Rendering of services	34 748 151	1 504 635	-
	69 722 176	**1 504 635**	**-**

18. Cost of sales

Sale of goods and rendering of services	26 029 740	-	-

19. Other operating income

Insurance refund	112 963	-	-
NTA refund	29 870	-	-
Other income	35 161	30 681	-
	177 994	**30 681**	**-**

Notes to the Consolidated Annual Financial Statements

	Group	Company	
	2021 N$	2021 N$	2020 N$

20. Operating profit/(loss)

Operating profit/(loss) for the year is stated after charging the following, amongst others:

Auditor's remuneration - external			
Audit fees	1 234 656	1 046 910	129 208
Other consultation services	525 834	525 834	-
	1 760 490	**1 572 744**	**129 208**
Remuneration, other than to employees			
Administrative and managerial services	1 825 550	1 795 500	899 100
Consulting and professional services	4 379 511	549 818	1 695 205
Secretarial services	106 233	88 361	-
	6 311 294	**2 433 679**	**2 594 305**
Depreciation and amortisation			
Depreciation of property, plant and equipment	6 293 361	43 614	-
Depreciation of right-of-use assets	156 570	156 570	154 011
Total depreciation and amortisation	**6 449 931**	**200 184**	**154 011**

21. Finance income

Interest income			
Loans to group companies	1 369 705	-	-
Investments in financial assets:			
Bank and other cash	2 692 042	2 407 555	4 280 372
Trade and other receivables	448 140	-	-
Total interest income	**4 509 887**	**2 407 555**	**4 280 372**

22. Finance cost

Borrowings	10 547 243	-	-
Interest: lease liabilities	17 670	17 670	31 298
Settlement interest on group loans	1 368 385	-	-
Total finance costs	**11 933 298**	**17 670**	**31 298**

Notes to the Consolidated Annual Financial Statements

	Group	Company	
	2021 N$	2021 N$	2020 N$

23. Taxation

Major components of the tax expense

Current			
Local income tax - current period	2 384 340	-	-
Deferred			
Originating and reversing temporary differences	312 870	-	-
	2 697 210	**-**	**-**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	32.00 %	32.00 %	32.00 %
Assessed loss not utilised	24.57 %	(17.64)%	(103.55)%
Assessed loss recognised	(0.65)%	0.46 %	- %
Disallowable charges	23.77 %	(14.82)%	71.55 %
Effective tax rate	**79.69 %**	**- %**	**- %**

24. Cash generated from / (used in) operations

Profit/(loss) before taxation	3 384 485	(4 714 296)	(825 476)
Adjustments for:			
Depreciation and amortisation	6 449 931	200 184	154 011
Finance income	(4 509 887)	(2 407 555)	(4 280 372)
Finance cost	11 933 298	17 670	31 298
Movement in leave pay provision	151 979	-	-
Gain or loss on lease modification	(24 874)	(24 874)	-
Loans written off	214 076	214 076	-
Changes in working capital:			
Inventories	2 919 339	-	-
Trade and other receivables	1 954 661	14 866	312 787
Trade and other payables	186 786	237 092	696 009
	22 659 794	**(6 462 837)**	**(3 911 743)**

25. Tax paid

Balance at beginning of the year	-	-	-
Current tax for the year recognised in profit or loss	(2 384 340)	-	-
Adjustment in respect of businesses sold and acquired during the year	(303 452)	-	-
Balance at end of the year	1 260 927	-	-
	(1 426 865)	**-**	**-**

Notes to the Consolidated Annual Financial Statements

	Group	Company	
	2021 N$	**2021 N$**	**2020 N$**

26. Related parties

Relationships

Subsidiaries	HopSol Africa (Proprietary) Limited Anirep Solar (Proprietary) Limited ANISOL (Proprietary) Limited
Other related parties	Tulive Private Equity (Proprietary) Limited Alternative Energy Consultants (Proprietary) Limited Sinco Investments 178 (Proprietary) Limited

Related party balances

	Group 2021 N$	Company 2021 N$	Company 2020 N$
Loan accounts - Owing (to) by related parties			
ANISOL (Proprietary) Limited	-	-	176 802
Tulive Private Equity (Proprietary) Limited	(84 731 753)	-	(225 118)
Sinco Investments 178 (Proprietary) Limited	39 756 907	-	-

Related party transactions

	Group 2021 N$	Company 2021 N$	Company 2020 N$
Administration fees paid to (received from) related parties			
Anirep Solar (Proprietary) Limited	-	(1 020 000)	-
HopSol Africa (Proprietary) Limited	-	(484 635)	-
Alternative Energy Consultants (Proprietary) Limited	-	1 795 500	899 100
Investment identification fee			
Tulive Private Equity (Proprietary) Limited	-	1 124 109	-
Compensation to directors and other key management			
Short-term employee benefits	1 926 296	-	-

Notes to the Consolidated Annual Financial Statements

27. Directors' emoluments

Executive

2021

	Emoluments N$	Total N$
I. Nangolo	935 000	935 000
A. Myllärinen	-	-
H. Hamukoto	-	-
A. Müseler	715 000	715 000
	1 650 000	**1 650 000**

Non-executive

2021

	Directors' fees N$	Total N$
M. Hengari	85 500	85 500
M. Demamu	-	-
S. Oosthuysen	-	-
Amb. P. Kambala	31 500	31 500
G. Nakazibwe-Sekandi	82 500	82 500
S.D. Mayinga	51 000	51 000
F.G. Kisting	51 000	51 000
P. Hango	32 000	32 000
C.J. Scholtz	70 500	70 500
	404 000	**404 000**

2020

	Directors' fees N$	Total N$
M. Hengari	8 250	8 250
Amb. P. Kambala	8 250	8 250
G. Nakazibwe-Sekandi	8 250	8 250
P. Hango	9 750	9 750
	34 500	**34 500**

Notes to the Consolidated Annual Financial Statements

28. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2021

	Note(s)	Amortised cost N$	Total N$	Fair value N$
Loans to group companies	8	39 756 907	39 756 907	39 756 907
Trade and other receivables	11	3 425 531	3 425 531	3 425 531
Cash and cash equivalents	12	45 986 260	45 986 260	45 986 260
		89 168 698	**89 168 698**	**89 168 698**

Company - 2021

	Note(s)	Amortised cost N$	Total N$	Fair value N$
Trade and other receivables	11	247 687	247 687	247 687
Cash and cash equivalents	12	14 216 317	14 216 317	14 216 317
		14 464 004	**14 464 004**	**14 464 004**

Company - 2020

	Note(s)	Amortised cost N$	Total N$	Fair value N$
Loans to group companies	8	176 802	176 802	176 802
Trade and other receivables	11	2 500	2 500	2 500
Cash and cash equivalents	12	163 638 604	163 638 604	163 638 604
		163 817 906	**163 817 906**	**163 817 906**

Notes to the Consolidated Annual Financial Statements

28. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2021

	Note(s)	Amortised cost N$	Leases N$	Total N$	Fair value N$
Trade and other payables	16	5 365 205	-	5 365 205	5 365 205
Loans from group companies	14	84 731 752	-	84 731 752	84 731 753
Borrowings	15	119 813 436	-	119 813 436	119 813 436
Finance lease obligations	4	-	614 295	614 295	614 295
		209 910 393	**614 295**	**210 524 688**	**210 524 689**

Company - 2021

	Note(s)	Amortised cost N$	Leases N$	Total N$	Fair value N$
Trade and other payables	16	933 098	-	933 098	933 098
Finance lease obligations	4	-	614 295	614 295	614 295
		933 098	**614 295**	**1 547 393**	**1 547 393**

Company - 2020

	Note(s)	Amortised cost N$	Leases N$	Total N$	Fair value N$
Trade and other payables	16	696 009	-	696 009	695 857
Loans from group companies	14	225 118	-	225 118	225 270
Finance lease obligations	4	-	294 394	294 394	294 394
		921 127	**294 394**	**1 215 521**	**1 215 521**

		Group	Company	
		2021 N$	2021 N$	2020 N$

28. Financial instruments and risk management (continued)

Capital risk management

The group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the group may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The group monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

The group’s policy is to keep the gearing ratio at an acceptable level as determined by management based on the group's operating and investment requirements. The group does not have a target gearing ratio. The group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits, excluding discontinued operations.

No changes were made in the objectives, policies or processes for managing capital during the years ended 28 February 2021 and 29 February 2020.

The capital structure and gearing ratio of the group at the reporting date was as follows:

Loans from group companies	14	84 731 752	-	225 118
Borrowings	15	119 813 436	-	-
Lease liabilities		614 295	614 295	294 394
Trade and other payables	16	7 403 856	933 099	696 008
Total borrowings		**212 563 339**	**1 547 394**	**1 215 520**
Cash and cash equivalents	12	(45 982 795)	(14 216 317)	(163 638 604)
Net borrowings		**166 580 544**	**(12 668 923)**	**(162 423 084)**
Equity		168 475 697	158 703 941	163 418 239
Gearing ratio		99 %	(8)%	(99)%

Notes to the Consolidated Annual Financial Statements

28. Financial instruments and risk management (continued)

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The directors have overall responsibility for the establishment and oversight of the group's risk management framework.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group is exposed to credit risk on loans receivable, trade and other receivables, cash and cash equivalents, and loan commitments. Management monitors interest rate curves and disposes of borrowings when forecasts predict a potential significant decline in value of borrowings

The maximum exposure to credit risk is presented in the table below:

Group		2021		
		Gross carrying amount N$	**Credit loss allowance N$**	**Amortised cost / fair value N$**
Loans to group companies	8	39 756 907	-	39 756 907
Trade and other receivables	11	3 425 531	-	3 425 531
Cash and cash equivalents	12	45 986 260	-	45 986 260
		89 168 698	**-**	**89 168 698**

Company		2021			2020		
		Gross carrying amount N$	**Credit loss allowance N$**	**Amortised cost / fair value N$**	**Gross carrying amount N$**	**Credit loss allowance N$**	**Amortised cost / fair value N$**
Loans to group companies	8	-	-	-	176 802	-	176 802
Trade and other receivables	11	247 687	-	247 687	2 500	-	2 500
Cash and cash equivalents	12	14 216 317	-	14 216 317	163 638 604	-	163 638 604
		14 464 004	**-**	**14 464 004**	**163 817 906**	**-**	**163 817 906**

Notes to the Consolidated Annual Financial Statements

28. Financial instruments and risk management (continued)

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Group - 2021

		Carrying amount N$
Non-current liabilities		
Loans from group companies	14	80 252 142
Borrowings	15	111 455 101
Lease liabilities		429 539
Current liabilities		
Trade and other payables	16	5 365 205
Loans from group companies	14	4 479 610
Borrowings	15	8 358 335
Lease liabilities		184 756
		(210 524 688)

Company - 2021

	Carrying amount N$
Non-current liabilities	
Lease liabilities	429 539
Current liabilities	
Trade and other payables	933 098
Lease liabilities	184 756
	(1 547 393)

Notes to the Consolidated Annual Financial Statements

28. Financial instruments and risk management (continued)

Company - 2020

		Carrying amount N$
Non-current liabilities		
Lease liabilities		122 314
Current liabilities		
Trade and other payables	16	696 009
Loans from group companies	14	225 118
Lease liabilities		172 080
		(1 215 521)

Group - 2021

	1 year N$	2 to 4 years N$	5 years + N$	Total N$	Interest N$	Balance N$
Leases	192 000	528 000	-	720 000	(105 705)	614 295
Interest bearing borrowings	29 344 731	88 034 194	184 409 980	301 788 905	(97 243 717)	204 545 188
	29 536 731	**88 562 194**	**184 409 980**	**302 508 905**	**(97 349 422)**	**205 159 483**

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters. The foreign currencies in which the group deals primarily are Euros.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Foreign currency sensitivity analysis

The following information presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

28. Financial instruments and risk management (continued)

Group

At 28 February 2021, if the Namibia dollar exchange rate had been 1.000% higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N$ 3 751 higher and N$ 3 751 lower.

Company

The company did not deal in foreign currency during the financial period under review nor the prior financial period.

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group

At 28 February 2021, if the interest rate had been 1.000% per annum higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N$ 2 105 246 lower and N$ 2 105 246 higher.

Company

At 28 February 2021, if the interest rate had been 1.000% per annum (2020: 1.000%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N$ 15 473 (2020: N$ 12 155) higher and N$ 15 473 (2020: N$ 12 155) lower.

29. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2021 (N$)

	Opening balance	Business combinations	Lease modification	Accretion of interest: lease liability	Total non-cash movements	Cash flows	Closing balance
Interest-bearing borrowings	-	87 228 883	-	-	87 228 883	32 584 553	119 813 436
Lease liabilities	294 393	-	467 626	17 670	485 296	(165 394)	614 295
Loans from group companies	225 118	82 987 960	-	-	82 987 960	1 518 674	84 731 752
	519 511	**170 216 843**	**467 626**	**17 670**	**170 702 139**	**33 937 833**	**205 159 483**
Total liabilities from financing activities	**519 511**	**170 216 843**	**467 626**	**17 670**	**170 702 139**	**33 937 833**	**205 159 483**

Reconciliation of liabilities arising from financing activities - Company - 2021 (N$)

	Opening balance	Lease modification	Accretion of interest: lease liability	Total non-cash movements	Cash flows	Closing balance
Lease liabilities	294 393	467 626	17 670	485 296	(165 394)	614 295
Loans from group companies	225 118	-	-	-	(225 118)	-
	519 511	**467 626**	**17 670**	**485 296**	**(390 512)**	**614 295**
Total liabilities from financing activities	**519 511**	**467 626**	**17 670**	**485 296**	**(390 512)**	**614 295**

	Group	Company	
Figures in Namibia Dollar	**2021**	**2021**	**2020**

29. Changes in liabilities arising from financing activities (continued)

Reconciliation of liabilities arising from financing activities - Company - 2020 (N$)

	Opening balance	Lease liability recognised	Accretion of interest: lease liability	Total non-cash movements	Cash flows	Closing balance
Lease liabilities	-	423 531	31 297	454 828	(160 435)	294 393
Loans from group companies	248 514	-	-	-	(23 396)	225 118
	248 514	**423 531**	**31 297**	**454 828**	**(183 831)**	**519 511**
Total liabilities from financing activities	**248 514**	**423 531**	**31 297**	**454 828**	**(183 831)**	**519 511**

30. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic EPS calculations:

	Group 2021	Company 2021	Company 2020
Profit attributable to ordinary equity holders of the parent for basic earnings	687 275	(4 714 297)	(825 476)
Weighted average number of ordinary shares for basic EPS	16 881 947	16 881 947	16 881 847
Earnings per share	**0.04**	**(0.28)**	**(0.05)**

Notes to the Consolidated Annual Financial Statements

31. Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

32. Contingencies

In favour of Tulive Private Equity (Pty) Ltd

- The notarial bond to be registered in favour of ANIREP Solar (Pty) Ltd and/or GIPF, against the notarial lease endorsed on the title deed pertaining to the property identified as Portion of Otjiwarongo Townland West No. 408, measuring 12 (twelve) Hectares with commencement date 01 April 2015, for a duration of 33 (thirty three years);
- The general notarial collateral bond to be registered in favour of ANIREP Solar (Pty) Ltd and/or Government Institutions Pension Fund (“GIPF”), over the following movable property: all solar panels, trackers, gears and all sundry equipment on the property referred to in clause 2.8.1, to the value of N$112,000,000 (one hundred and twelve million Namibia Dollar) for the provision of solar power to Central North Regional Electricity Distributor (Proprietary) Limited (“CENORED”) in accordance with the Power Purchase Agreement concluded with CENORED;
- A first continuing covering mortgage bond to be registered in favour of ANIREP Solar (Pty) Ltd and/or GIPF, to the amount of N$113,000,000 (one hundred and thirteen million Namibia Dollar) over the property identified as Portion 2 or 3 Farm Ackerbau No. 3, Grootfontein;
- The general notarial Collateral Bond to be registered in favour of ANIREP Solar (Pty) Ltd and/or GIPF, over the following moveable property: all solar panels, trackers, gears and all sundry equipment pertaining to the property identified in clause 2.8.3, to the value of N$113,000,000 (one hundred and thirteen million Namibia Dollar) which are for the provision of solar power to the Namibia Power Corporation (Proprietary) Limited (“NamPower”) in accordance with the Power Purchase Agreement concluded with NamPower; and
- Cession of ANIREP Solar (Pty) Ltd's rights, title and interest, of any nature whatsoever, in and to the bank accounts into which proceeds under the PPA contracts are paid;

32. Contingencies (continued)

In favour of Bank Windhoek Limited

Otjiwarongo Plant

- Registered Cession of Comprehensive Insurance Policy;
- Registered Cession of the Power Purchase Agreement (PPA) and Transmission Connection Agreement (TCA) between Cenored and ANIREP Solar (Pty) Ltd;
- Registered Cession of all monies due to ANIREP Solar (Pty) Ltd in terms of PPA and TCA between Cenored and ANIREP Solar (Pty) Ltd;
- Registered Cession over the warranties and guarantees on the equipment (foundations, trackers, inventors and panels etc.), provided by the suppliers and subcontractors:
- Standard module power output warranty 25-year module power output warranty- Otjiwarongo Plant, effective 01 September 2015 and therefore 21 years remain;
- 5 year's warranty of inverters - SMA Solar Technology, effective 01 September 2015 and therefore 1 years remain;
- 10 year's product warranty (materials and workmanship), effective 01 September 2015 and therefore 6 years remain.
- Unlimited pledge over Movable assets held at Otjiwarongo plant;
- Negative undertaking of liabilities and encumbering assets; and
- A First Notarial Leasehold Bond for N$1 500 000 over Portion 12 of the Farm Otjiwarongo Townlands No. 18 Otjiwarongo, Namibia.

Otjozondjupa [Grootfontein] Plant

- Registered Cession of Comprehensive Insurance Policy;
- Registered Cession of the Power Purchase Agreement (PPA) and Transmission Connection Agreement (TCA) between NamPower and ANIREP Solar (Pty) Ltd;
- Registered Cession of all monies due to ANIREP Solar (Pty) Ltd in terms of PPA and TCA between NamPower and ANIREP Solar (Pty) Ltd;
- Registered Cession over the warranties and guarantees on the equipment (foundations, trackers, inventors and panels etc.), provided by the suppliers and subcontractors:
- 25 years' module power output warranty, effective 01 June 2016 and therefore 22 years remain;
- 5 years' warranty of inverters, effective 01 June 2016 and therefore 2 years remain;
- 10 years product warranty (materials and workmanship) - effective 01 June 2016 and therefore 7 years remain.
- Unlimited Pledge over Movable assets held at Otjozondjupa plant;
- Negative undertaking of liabilities and encumbering assets;
- 1st Covering Mortgage Bond for N$1,350,000 over Portion 2 or 3 of Farm Ackerbau Number 3, Grootfontein - zoning to be confirmed;
- Limited Suretyship for N$127,100,000 by Alpha Namibia Industries Renewable Power Ltd, Reg. No. 2018/0148, supported by securities in own name;
- Limited Suretyship for N$27,900,000 by Ouyelele Energy (Pty) Ltd, Reg. No. 2014/1159, supported by security in own name;
- Cession and subordination of all shareholder's loan held by Alpha Namibia Industries Renewable Power Ltd in ANIREP Solar (Pty) Ltd;
- Cession of shares held by Alpha Namibia Industries Renewable Power Ltd in ANIREP Solar (Pty) Ltd;
- A share buy-back agreement between Bank Windhoek Ltd held by Alpha Namibia Industries Renewable Power Ltd;
- Cession of shares held by Ouyelele Energy (Pty) Ltd in ANIREP Solar (Pty) Ltd;
- It is a specific condition that any collateral held and/or required must be in the Bank's possession and in legal order before the loan may be implemented.

Notes to the Consolidated Annual Financial Statements

32. Contingencies (continued)

Details of collateral of the parent

Cession and subordination of shareholders loan - Hopsol Africa (Pty) Ltd
Unlimited cession of shares - Hopsol Africa (Pty) Ltd

33. Analysis of Shareholding for the year end 28 February 2021

Range of shareholders	Number of shareholders	% of shareholders	Number of shares	% of shares
100-499	22	11%	42 650	0.25%
500-999	100	49%	51 482	0.30%
1000-1999	21	10%	22 300	0.13%
2000-2999	11	5%	21 300	0.13%
3000-3999	9	4%	25 600	0.15%
4000-4999	4	2%	15 000	0.09%
5000-9999	12	6%	62 618	0.37%
10000 and above	25	12%	16 640 897	98.57%
	204		**16 881 847**	
Public and non-public shareholders				
Public shareholders	190	93.14%	451 700	2.68%
Non-public shareholders	14	6.86%	16 430 147	97.32%
	204		**16 881 847**	
Largest shareholders - more than 5% of share capital				
ALTERNATIVE ELECTRICITY CONSULTANTS (PTY) LTD			950 000	5.63%
STANDARD BANK NAMIBIA NOMINEES (PTY) LTD			5 300 000	31.39%
FNB NOMINEES (NAMIBIA) (PTY) LTD			8 750 000	51.83%
			15 000 000	**88.85%**

Directors interest in share capital	Number of shares
HAMUKOTO, PEJAOMATI HANS	500
KAMBALA, PHILEMON KONDJA	500
HANGO, PRIMUS SHIGWEDHA	2 000
DEMAMU, MEKLIT SOLOMON	5 000
NANGOLO, IYALOO JEREMIAH	12 500
OOSTHUYSEN, STEPHANUS ADRIAAN	18 600

Detailed Income Statement

		Group	Company	
	Note(s)	2021 N$	2021 N$	2020 N$
Revenue				
Sale of goods		34 974 025	-	-
Rendering of services		34 748 151	1 504 635	-
	17	**69 722 176**	**1 504 635**	**-**
Cost of sales				
Purchases		(30 694 392)	-	-
Closing stock		4 664 652	-	-
	18	**(26 029 740)**	**-**	**-**
Gross profit		**43 692 436**	**1 504 635**	**-**
Other operating income				
Insurance refund		112 963	-	-
NTA refund		29 870	-	-
Gain on lease modification		35 161	30 681	-
	19	**177 994**	**30 681**	**-**
Other operating gains				
Foreign exchange gains		375 115	-	-
Expenses (Refer to page 75)		**(33 437 649)**	**(8 639 497)**	**(5 074 550)**
Operating profit/(loss)	20	**10 807 896**	**(7 104 181)**	**(5 074 550)**
Finance income	21	4 509 887	2 407 555	4 280 372
Finance cost	22	(11 933 298)	(17 670)	(31 298)
Profit/(loss) before taxation		**3 384 485**	**(4 714 296)**	**(825 476)**
Taxation	23	(2 697 210)	-	-
Profit/(loss) for the year		**687 275**	**(4 714 296)**	**(825 476)**

Detailed Income Statement

		Group	Company	
	Note(s)	2021 N$	2021 N$	2020 N$
Other operating expenses				
Accounting fees		100 786	-	7 785
Acquisition costs		2 917 416	1 420 025	1 134 850
Administration and management fees		1 825 550	1 795 500	899 100
Advertising		267 296	243 321	11 179
Auditors remuneration	20	1 760 490	1 572 744	129 208
Bad debts		214 076	214 076	-
Bank charges		134 009	11 394	10 218
Board fees		404 375	404 375	19 125
Cleaning		14 217	-	-
Computer expenses		75 933	18 450	-
Consulting and professional fees		4 163 875	549 818	1 652 720
Consulting fees		12 000	-	-
Consumables		32 153	18 981	-
Depreciation		6 449 931	200 184	154 011
Donations		330 000	-	-
Due diligence		-	-	711 505
Employee costs		11 743 669	1 829 277	-
Entertainment		27 851	21 633	-
Fines		2 000	-	-
Insurance		772 973	-	-
Lease rentals on operating lease		460 240	-	-
Legal fees		102 850	-	34 700
Levies		133 120	133 120	-
Medical expenses		20 755	-	-
Motor vehicle expenses		280 656	-	-
Municipal expenses		404 672	3 583	-
Non-audit fees		-	-	196 375
Placement fees		31 600	31 600	-
Printing and stationery		73 760	1 598	6 688
Protective clothing		42 279	-	-
Repairs and maintenance		106 755	-	-
Secretarial fees		106 233	88 361	-
Staff welfare		98 475	-	-
Subscriptions		76 823	37 830	35 939
Telephone and fax		165 410	14 600	-
Training		18 152	18 152	29 576
Travel and accommodation		56 394	-	41 571
Withholding tax		10 875	10 875	-
		33 437 649	**8 639 497**	**5 074 550**