CENORED
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15 September 2025

Dear Website Users

RE: NOTICE REGARDING PRIOR WEBSITE-PUBLISHED ANNUAL REPORT WHICH INCLUDED PWC AUDITED ANNUAL FINANCIAL STATEMENT (AFS).

For clarity and to avoid any potential confusion, please note the following:

1. *Publication of prior AFS*: Annual Financial Statements relating to the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023 were published on this website on 17 December 2021, 9 March 2023 and 21 June 2024 respectively.
2. *Audit report status:* Although those website-published documents included an audit report, that audit report had not been issued and signed by PricewaterhouseCoopers (PwC) as at the date(s) of the earlier publication.
3. *Reliance*: The versions of the AFS previously published on the website should therefore not be relied upon for any purpose.
4. *Publication of audited AFS*: The audited AFS, being the PwC-signed versions for the financial years ended 30 June 2021 to 30 June 2023, which differ from the earlier website-published versions, have now been published on this website as of 15 September 2025 and are the authoritative audited statements.

If you require copies of the PwC-signed audited AFS or have any questions, kindly download it on the website under **media**, then **annual report** or via the link https://cenored.com.na/annual-reports/. Alternatively, you may contact Mr. Chali Matengu, Corporate Communications and Marketing on +264 67 314100 or cmatengu@cenored.com.na

Yours Sincerely,

OFFICE OF THE CEO
CENORED (PTY) LTD
15 SEP 2025
P.O BOX 560, OTJIWARONGO
c/o Hank Williams Str & Frans Indongo Road
Tel: 067-304 700 | Fax: 067-304 781
info@cenored.com.na

Fessor Mbango
CHIEF EXECUTIVE OFFICER

Company Registration no: 2003/0153
Directors: K. P. Iyambo (Chairperson), A. Howoseb (Deputy Chairperson), F. Mbango (Chief Executive Officer)
A. Barlow, V. Gabriel, T. Lungameni, W Haulofu, F. K. Kamati, A. Tjitombo, G. U Hoko
B-O Mapoha (Legal Compliance Officer/Company Secretary)

Shareholders: Tsumeb Municipality, Grootfontein Municipality, Otjiwarongo Municipality, Outjo Municipality, Khorixas Town Council, Okakarara Town Council, Otavi Town Council, Kamanjab Village Council, Otjozondjupa Regional Council, Kunene Regional Council, Oshikoto Regional Council, NamPower, Okahandja Municipality

Central-North Electricity Distribution Company (Pty) Ltd
ANNUAL FINANCIAL STATEMENTS
for the year ended June 30, 2023

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	To establish a business and infrastructure to distribute electricity in the central north region of Namibia
Directors	A Barlow A Howoseb A Mweti BA Liebenberg (Alternate) F Kamati I Lungameni M E Shinyemba (Alternate) M Matyayi (Chairperson) P K Iyambo (Deputy Chairperson) V Gabriel
Registered office	344 Independence Avenue Windhoek Namibia
Business address	Erf 1523 Dr Frans Indongo Street Otjiwarongo Namibia
Postal address	P O Box 560 Otjiwarongo Namibia
Bankers	First National Bank Namibia Bank Windhoek Limited Standard Bank Namibia
Secretary	Ms Beatrix Mapoha
Auditor	PricewaterhouseCoopers Inc. Registered Accountants and Auditors Chartered Accountants (Namibia)
Shareholder with significant influence	Namibia Power Corporation Incorporated in Namibia
Ultimate Parent	Namibia Power Corporation Incorporated in Namibia

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

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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 annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Economic interest 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 International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with 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 economic interest and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of 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 economic interest and all employees are required to maintain the highest ethical standards in ensuring the economic interest's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the economic interest is on identifying, assessing, managing and monitoring all known forms of risk across the economic interest. While operating risk cannot be fully eliminated, the economic interest 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 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 economic interest's cash flow forecast for the year to June 30, 2024 and, in light of this review and the current financial position, they are satisfied that the economic interest has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the economic interest's annual financial statements. The annual financial statements have been examined by the economic interest's external auditor and their report is presented on page 4 to 6.

The annual financial statements set out on page 10 to 88, which have been prepared on the going concern basis, were authorised for issue by the board of directors and approved by the board of directors on 02 February 2024 and were signed on behalf of the board of directors by the following directors:

Signed on behalf of the Board of Directors By:

Director

Director

Independent auditor's report

To the Members of Central - North Electricity Distribution Company (Pty) Ltd

Our opinion

In our opinion, the economic interest and separate financial statements present fairly, in all material respects, the economic interest and separate financial position of Central - North Electricity Distribution Company (Pty) Ltd (the Company) and its Joint Venture (together the Economic Interest) as at 30 June 2023, and its economic interest and separate financial performance and its economic interest and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

What we have audited

Central - North Electricity Distribution Company (Pty) Ltd's economic interest and separate financial statements set out on pages 7 to 86 comprise:

- the directors' report for the year ended 30 June 2023;
- the economic interest and separate statements of financial position as at 30 June 2023;
- the economic interest and separate statements of profit or loss and other comprehensive income for the year then ended;
- the economic interest and separate statements of changes in equity for the year then ended;
- the economic interest and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the economic interest and separate financial statements section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standard) (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Central-North Electricity Distribution Company (Pty) Ltd annual financial statement for the year ended 30 June 2023”. The other information does not include the economic interest or the separate financial statements and our auditor’s report thereon.

Our opinion on the economic interest and separate 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 economic interest and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the economic interest and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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 economic interest and separate financial statements

The directors are responsible for the preparation and fair presentation of the economic interest and separate financial statements in accordance with IFRS 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 economic interest and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the economic interest and separate financial statements

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

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

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

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

PricewaterhouseCoopers

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Gerrit Esterhuyse
Partner
Windhoek, Namibia
Date: 12 June 2024

Directors' Report

1. Incorporation

The company was incorporated on 6 March 2003 and obtained its certificate to commence business on the same day.

2. Nature of business

The Company is engaged to establish a business and infrastructure to distribute electricity in the central north region of Namibia.

There have been no material changes to the nature of the economic interest's business from the prior year.

3. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with 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 are set out in these consolidated annual financial statements.

The directors have pleasure in submitting their report on the annual financial statements of Central-North Electricity Distribution Company (Pty) Ltd and the group for the year ended June 30, 2023.

4. Share capital

	2023	2022
Authorised	Number of shares	
Ordinary shares	60,000	60,000

	2023	2022	2023	2022
Issued	N$ '000	N$ '000	Number of shares	
Ordinary shares	53,686	53,686	53,686	53,686

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

5. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

The board of directors do not recommend the declaration of a dividend for the year ended June 30,2023..

6. Directorate

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

Directors	**Nationality**	**Changes**
A Barlow	Namibian	
A Howoseb	Namibian	Appointed,1 January 2023
A Mweti	Namibian	
BA Liebenberg (Alternate)	Namibian	
F Kamati	Namibian	
I Lungameni	Namibian	Appointed, 1 June 2023
J Hangara	Namibian	Resigned, 1 June 2023
JA /Urib	Namibian	Resigned, 1 January 2023
M Matyayi (Chairperson)	Namibian	
P K Iyambo (Deputy Chairperson)	Namibian	
V Gabriel	Namibian	

Directors' Report

7. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the economic interest had an interest and which significantly affected the business of the economic interest.

8. Interests in subsidiaries, associates and joint arrangements

Details of material interests in joint arrangements are presented in theannual financial statements in notes 6.

The interest of the economic interest in the profits and losses of its joint arrangements for the year ended June 30, 2023 are as follows:

	2023 N$ '000	2022 N$ '000
Joint Ventures		
Total profits before income tax	117,295	(4,143)

There were no significant acquisitions or divestitures during the year ended June 30, 2023.

9. Events after the reporting period

On Friday, June 16, 2023, the economic interest entered into a shareholder agreement with Cenored-Okahandja Electricity (Pty) and Okahandja Municipality to acquired the assets and assume liabilities of Cenored-Okahandja Electricity (Pty) Ltd in exchange of a Share Capital and Share premium of N$ 27 million or 9% shareholding effective 1 July 2023.

The transaction will be treated as an acquisition of a group of assets and liabilities and the provisions of IFRS 3(2)(b) will be applied. The cost of acquiring the assets and liabilities will be allocated to the net asset base on a ratio of each asset and liability individual fair value to the total fair value of the group. Therefore, neither goodwill nor gain on bargain purchase will arise as a result of this application.

The current board of directors shall remain as appointed by the respective shareholders and Okahandja Municipality shall appoint one director to CENORED Board of Directors.

This event is a non-adjusting subsequent event.

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

10. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors have made an assessment of ability of the Economic interest to continue as a going concern and the conclusion is that the Economic interest has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Economic interest 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 Economic interest. 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 Economic interest.

The directors have satisfied themselves that the Economic interest and company has adequate financial resources to continue in operational existence for the foreseeable future. The directors therefore believe there is no reason for the business to continue as a going concern in the financial year end.

11. Litigation statement

The Economic interest becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business.

Details regarding legal or arbitration proceedings that are pending have been disclosed in note 32 of the annual financial statements.

Directors' Report

12. Secretary

Ms Beatrix Mapoha held office as Company Secretary for the year under review.

13. Statement of disclosure to the company's auditor

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

14. Terms of appointment of the auditor

PricewaterhouseCoopers were appointed as the company's auditor at the general meeting held. Included in loss for the year is the agreed auditor's remuneration of N$ 1,852,000. Shareholder wishing to inspect a copy of the terms on which the company's auditor is appointed and remunerated may do so by contacting the Company Secretary.

15. Approval and authorisation for issue of financial statements

The consolidated annual financial statements have been approved and authorised for issue by the directors on Friday, December 15, 2023.

16. Acknowledgements

Thanks and appreciation are extended to all of our shareholders, staff, suppliers and consumers for their continued support of the economic interest.

Statement of Financial Position as at June 30, 2023

		Economic interest		Company	
	Note(s)	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000
Assets					
Non-Current Assets					
Property, plant and equipment	3	618,352	606,736	618,352	606,736
Right-of-use assets	4	9,549	1,399	9,549	1,399
Intangible assets	5	5,466	6,712	5,466	6,712
Investments in joint ventures	6	-	-	80	80
Loans to related parties	7	11,395	21,440	11,395	21,440
Trade and other receivables	9	-	17,816	-	17,816
		644,762	**654,103**	**644,842**	**654,183**
Current Assets					
Inventories	8	35,925	22,693	35,925	22,693
Trade and other receivables	9	54,069	61,569	54,069	61,569
Cash and cash equivalents	10	93,275	110,685	93,275	110,685
		183,269	**194,947**	**183,269**	**194,947**
Total Assets		**828,031**	**849,050**	**828,111**	**849,130**
Equity and Liabilities					
Equity					
Share capital	11	279,656	279,656	279,656	279,656
Retained income		164,230	180,293	164,311	180,373
		443,886	**459,949**	**443,967**	**460,029**
Liabilities					
Non-Current Liabilities					
Borrowings	12	25,306	33,055	25,306	33,055
Finance lease liabilities	4	7,747	419	7,747	419
Retirement benefit obligation	13	6,658	7,001	6,658	7,001
Deferred income	14	123,977	120,146	123,977	120,146
Deferred tax	15	63,919	61,011	63,919	61,011
Other financial liabilities	16	554	3,193	554	3,193
Severance pay obligation	17	918	1,334	918	1,334
		229,079	**226,159**	**229,079**	**226,159**
Current Liabilities					
Trade and other payables	18	78,337	69,889	78,336	69,889
Borrowings	12	10,542	10,351	10,542	10,351
Finance lease liabilities	4	2,543	223	2,543	223
Deferred income	14	6,690	23,736	6,690	23,736
Other financial liabilities	16	299	1,306	299	1,306
Bank overdraft	10	56,655	57,437	56,655	57,437
		155,066	**162,942**	**155,065**	**162,942**
Total Liabilities		**384,145**	**389,101**	**384,144**	**389,101**
Total Equity and Liabilities		**828,031**	**849,050**	**828,111**	**849,130**

Central-North Electricity Distribution Company (Pty) Ltd
Annual Financial Statements for the year ended June 30, 2023

Statement of Profit or Loss and Other Comprehensive Income

		Economic interest		Company	
	Note(s)	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000
Revenue	19	674,131	624,981	674,131	624,981
Cost of sales	20	(451,226)	(405,674)	(451,226)	(405,674)
Gross profit		**222,905**	**219,307**	**222,905**	**219,307**
Other operating income	21	14,586	13,335	14,586	13,335
Other operating gains (losses)	22	57	1,182	137	1,262
Other operating expenses	23	(219,433)	(207,354)	(219,433)	(207,354)
Impairment losses on financial assets	23	(33,532)	(16,246)	(33,532)	(16,246)
Operating (loss) profit	23	**(15,417)**	**10,224**	**(15,337)**	**10,304**
Investment income	24	9,083	8,924	9,083	8,924
Interest paid	25	(6,822)	(5,582)	(6,822)	(5,582)
(Loss) profit before taxation		**(13,156)**	**13,566**	**(13,076)**	**13,646**
Taxation	26	(2,933)	(8,153)	(2,933)	(8,153)
(Loss) profit for the year		**(16,089)**	**5,413**	**(16,009)**	**5,493**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements on net defined benefit liability/asset		(79)	(1,608)	(79)	(1,608)
Income tax relating to items that will not be reclassified		25	515	25	515
Total items that will not be reclassified to profit or loss		**(54)**	**(1,093)**	**(54)**	**(1,093)**
Other comprehensive income for the year net of taxation	34	**(54)**	**(1,093)**	**(54)**	**(1,093)**
Total comprehensive (loss) income for the year		**(16,143)**	**4,320**	**(16,063)**	**4,400**

Statement of Changes in Equity

	Share capital N$ '000	Share premium N$ '000	Total share capital N$ '000	Retained income N$ '000	Total equity N$ '000
Economic interest					
Balance at July 1, 2021	**54**	**279,602**	**279,656**	**175,973**	**455,629**
Profit for the year	-	-	-	5,413	5,413
Other comprehensive income	-	-	-	(1,093)	(1,093)
Total comprehensive income for the year	**-**	**-**	**-**	**4,320**	**4,320**
Balance at July 1, 2022	**54**	**279,602**	**279,656**	**180,293**	**459,949**
Loss for the year	-	-	-	(16,089)	(16,089)
Other comprehensive income	-	-	-	(54)	(54)
Total comprehensive Loss for the year	**-**	**-**	**-**	**(16,143)**	**(16,143)**
Balance at June 30, 2023	**54**	**279,602**	**279,656**	**164,150**	**443,806**
Note(s)	11	11	11	34	
Company					
Balance at July 1, 2021	**54**	**279,602**	**279,656**	**175,973**	**455,629**
Profit for the year	-	-	-	5,493	5,493
Other comprehensive income	-	-	-	(1,093)	(1,093)
Total comprehensive income for the year	**-**	**-**	**-**	**4,400**	**4,400**
Balance at July 1, 2022	**54**	**279,602**	**279,656**	**180,374**	**460,030**
Loss for the year	-	-	-	(16,009)	(16,009)
Other comprehensive income	-	-	-	(54)	(54)
Total comprehensive Loss for the year	**-**	**-**	**-**	**(16,063)**	**(16,063)**
Balance at June 30, 2023	**54**	**279,602**	**279,656**	**164,311**	**443,967**
Note(s)	11	11	11	34	

The accounting policies on pages 14 to 32 and the notes on pages 33 to 86 form an integral part of the annual financial statements.

Statement of Cash Flows

		Economic interest		Company	
	Note(s)	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000
Cash flows from operating activities					
Cash receipts from customers		702,198	673,569	699,254	673,569
Cash paid to suppliers and employees		(658,489)	(604,356)	(655,466)	(604,356)
Cash generated from operations	27	43,709	69,213	43,788	69,213
Interest received	24	9,083	8,924	9,083	8,924
Interest paid	25	(6,822)	(5,582)	(6,822)	(5,582)
Net cash from operating activities		**45,970**	**72,555**	**46,049**	**72,555**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(54,777)	(28,260)	(54,777)	(28,260)
Sale of property, plant and equipment	3	104	1,885	104	1,885
Purchase of other intangible assets	5	-	(337)	-	(337)
Loans to related parties repaid		4,329	3,610	4,329	3,610
Net cash from investing activities		**(50,344)**	**(23,102)**	**(50,344)**	**(23,102)**
Cash flows from financing activities					
Repayment of borrowings		(7,558)	(11,213)	(7,558)	(11,213)
Repayment of other financial liabilities		(3,646)	(3,600)	(3,646)	(3,600)
Payment on lease liabilities		(1,050)	(3,322)	(1,050)	(3,322)
Net cash from financing activities		**(12,254)**	**(18,135)**	**(12,254)**	**(18,135)**
Total cash movement for the year		**(16,628)**	**31,318**	**(16,628)**	**31,318**
Cash at the beginning of the year		53,248	21,930	53,248	21,930
Total cash at end of the year	10	**36,620**	**53,248**	**36,620**	**53,248**

Accounting Policies

Corporate information

Central-North Electricity Distribution Company (Pty) Ltd is a private limited company incorporated and domiciled in Namibia.

The financial statements for the year ended 30 June 2023 comprise of the Company and its joint venture, together referred to as the "Economic interest".

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 Economic interest's separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Accounting Standards Board (ISAB) and the Companies Act of Namibia. The financials comply with IFRS as issued by the International Accounting Standards Board (IASB).

The annual financial statements have been prepared on the historic cost convention. They are presented in Namibia Dollars, which is the economic interest and company's functional currency.

All financial information has been rounded to the nearest thousand Namibian Dollars unless stated otherwise.

These accounting policies are consistent with the previous period except for the application of new or revised standards and interpretations implemented during the year.

The annual financial statements provide comparative information in respect of the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the 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 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 joint ventures in the separate financial statements

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

1.3 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint ventures

An interest in a joint venture is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, interests in joint ventures are carried in the statement of financial position at cost adjusted for post acquisition changes in the company's share of net assets of the joint venture, less any impairment losses.

The economic interest's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in a joint venture in excess of the economic interest's interest in that joint venture, including any other unsecured receivables, are recognised only to the extent that the economic interest has incurred a legal or constructive obligation to make payments on behalf of the joint venture.

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

Profits or losses on transactions between the economic interest and a joint venture are eliminated to the extent of the economic interest's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the economic interest.

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

Investments in joint ventures in the separate financial statements

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

1.4 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS 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.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows - have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, there were no significant changes in lease terms.

Key sources of estimation uncertainty

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.

A general allowance for stock loss of 5% is made on the closing balance of inventory. Any stock item that is physically identified as damaged or obsolete is written off when discovered.

Impairment of non-financial assets

The Economic interest reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives and residual values of property, plant and equipment

Management assess the appropriateness of the useful lives and residual values 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 Economic interest's 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 assets are 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.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 15 & 18.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Taxation

Judgements is required in determining the provision for income taxes due to complexity of the legislation. There are many transactions and calculations which the ultimate tax determination is uncertain during the ordinary course of business. The Economic interest recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcomes of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred provisions in the period in which such determination is made.

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

Revenue recognition from prepaid electricity

Income from prepaid electricity is accounted for when the units are consumed.

The prepaid units sold but not used as at the end of the financial year are determined by considering the following:

- The total number of vending transaction per month, the total number of active meters per month and the total N$ value of electricity sold per month.
- The average number of transaction per meter per month for each tariff category and average for the year is computed.
- The average N$ value per transaction cycle.
- Half of the average N$ value per transaction cycle is taken as the value of unused units sold, assuming that consumption in most cases is reasonably linear overtime.

The calculation revealed that 7% (2022: 33.34%) of prepaid units at the end of 30 June 2023 have not yet been consumed.

Provision for post retirement medical aid benefits

Post retirement medical aid provision is based on actuarial data analysis done by independent actuaries (ZAQ) using the Project Unit Credit Method. Assumptions are reviewed at each reporting date. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. This includes, determination of a discount rate used based on the nominal and real zero curves as at 30 June 2023 supplied by JSE and mortality rates.

A provision is raised in the current year. All actuarial gains and losses are recognised in full.

Any changes in these assumptions will impact the carrying amount of the liability.

For further details about the post-retirement benefits are provided in note 13.

Determination of the appropriate rate to discount the lease payments

The Economic interest measures the lease liability at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate of 12%. The incremental borrowing rate is defined as the rate of the interest that the lessee would have to pay to borrow over a similar term and with a similar security in funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The borrowing rate is used, because the rate in the lease cannot be accurately and readily determined. Furthermore, the Economic interest has external borrowings at a reputable financial institution at this rate.

1.5 Property, plant and equipment

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

1.5 Property, plant and equipment (continued)

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.

Work in progress is measured at cost less 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
Land	Not depreciated	
Buildings	Straight line	50 years
Furniture and fixtures	Straight line	10-15 years
Motor vehicles	Straight line	10-15 years
Office equipment	Straight line	15 years
IT Equipment	Straight line	05 years
Network assets	Straight line	08-60 years
Photovoltaic Solar Plant	Straight line	05-50 years
Leasehold improvements	Straight line	20 years
Work in Progress	Not depreciated	

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.

1.6 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

Accounting Policies

1.6 Intangible assets (continued)

- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

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

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

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

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

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

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

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

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

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Amortisation method	Average useful life
Licences	Straight line	23 years
Computer software	Straight line	5-10 years

1.7 Financial instruments

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

Financial assets and liabilities are initially measured at fair value. Transactions costs that are attributable to the acquisition or issue of financial assets and liabilities are added to the fair value of financial assets or deducted from the fair value of financia liabilities as appropriate, on initial recognition.

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 market place.

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

Accounting Policies

1.7 Financial instruments (continued)

Financial assets

Classification of financial assets

Interest bearing loans and borrowings, loans and receivables, cash and cash equivalents and trade and other receivables that meet the following conditions are subsequently measured at amortised cost.

- The financial model is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal and interest repayment plus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount, adjust for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any allowance.

Interest income is recognised using the effective interest method. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. Interest income is recognised in profit or loss and is included in the 'investment income' line note 24.

Finance income comprises interest receivable on loans and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents are stated at cost which approximates fair value due to the short-term nature of these instruments.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash balances including call accounts.

Bank overdraft

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

Impairment of financial assets

The Economic interest 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 financial instrument.

The Economic interest measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (lifetime ECL). The expected credit losses on trade receivables are estimated using a loss rate approach. The loss rate approach uses historical credit loss experience over the past 3 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the economic interest's view of economic conditions over the expected lives of the receivable lifetime

Loans from related parties, the economic interest recognises lifetime ECL when there has been significant increase in credit risk since initial recognition. A general 3-stage impairment method is utilised to recognise the loss allowance. For all loans in stage 2 and 3, a lifetime ECL is recognised. However, if the risk on the financial instrument has not increased significantly since the initial recognition, the economic interest measures the loss allowance for that financial instrument at an amount equal to a lifetime ECL.

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

1.7 Financial instruments (continued)

Impairment loss is reversed to the extent that it does not exceed what the carrying amount of the financial asset would have been had the impairment not been recognised.

Reversal of impairment losses are recognised in profit or loss.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the Economic interest 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 Economic interest considers available and supportive forward looking information.

- Actual or expected significant adverse changes in the business, financial (cash flow projections) or economic conditions that are expected to cause significant changes to the entity' ability to meet its obligations.

Macroeconomic information is considered in the model:

- Growth rates

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 Economic interest 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.

Trade receivables subject to impairment are monitored to assess whether they have been subject to a significant increase in credit risk after initial recognition. Payments of more than 120 past due are considered to have a significant increase in credit risk and are therefore fully impaired.

Definition of default

For purposes of internal credit risk management purposes, the Economic interest 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 Economic interest considers that default has occurred when a receivable exceeds the prescription period unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The Economic interest writes off a loan when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings.

Loans written off may still be subject to enforcement activities under the economic interest recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, 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, for financial assets is represented by the asset's gross carrying amount of the loan at the reporting dates plus any interest earned up to the date of default for interest bearing debt instruments.

The exposure at default for trade receivables includes the economic interest's understanding of the specific financial needs of the debtors, and other relevant forward-looking information.

1.7 Financial instruments (continued)

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 in profit or loss as a movement in credit loss allowance (note 23).

Credit risk

Details of credit risk related to financial assets are included in the specific notes and the financial instruments and risk management (note 33).

Derecognition of financial assets

The economic interest 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 entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss (note 23).

Financial liabilities

Classification of financial liabilities

All financial liabilities are classified as subsequently measured at amortised cost.

Financial liabilities includes trade payables (note 18), borrowings (note 12) and other financial liabilities (note 16).

Recognition and measurement of financial liabilities

Financial liabilities are recognised when the Economic interest 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 interest paid (note 25)

Financial liabilities exposed the economic interest to liquidity risk and interest rate risk. Refer to note 33 for details of risk exposure and management thereof.

Derecognition of financial liabilities

The economic interest derecognises financial liabilities when, and only when, the economic interest 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.

Accounting Policies

1.7 Financial instruments (continued)

Reclassification

Financial assets

The economic interest 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.

1.8 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.

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 and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

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

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.

1.9 Leases

The Economic interest 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 Economic interest 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.

Economic interest 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 Economic interest is a lessee.

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).

Details of leasing arrangements where the Economic interest is a lessee are presented in note 4 Leases (Economic interest 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 Economic interest 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 Economic interest under residual value guarantees;
- the exercise price of purchase options, if the Economic interest is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Economic interest 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 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 interest paid (note 25).

The economic interest 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 economic interest 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;

1.9 Leases (continued)

- 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

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 economic interest 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 presented in the following table:

Item	Depreciation method	Average useful life
Buildings	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	3 years

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.

The economic interest applies IAS 36 to determine whether a right-use-asset is impaired and accounts for any identified impairment loss as described in the Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the remeasurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

Economic interest as lessor

Leases for which the economic interest 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 economic interest 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 economic interest applies the exemption described previously, then it classifies the sub-lease as an operating lease.

Accounting Policies

1.9 Leases (continued)

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 21).

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.

1.10 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.

Inventories includes a "right to returned goods asset" which represents the economic interest right to recover products from customers where customers exercise their right of return under the economic interest returns policy. The economic interest uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

1.11 Impairment of assets

The economic interest 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 economic interest estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the economic interest 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.

Accounting Policies

1.11 Impairment of assets (continued)

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.

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.

1.12 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 recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the Economic interest in which they are declared.

All issued shares are fully paid up.

1.13 Employee benefits

Short-term employee benefits provisions

The cost of all short term employee benefit provisions is recognised in profit and loss during the period in which the employee renders the related service.

The accruals for employee entitlements to annual leave and bonuses represent the amount which the economic interest has present obligation to pay as a result of the employee services provided to the reporting date. The accruals have been calculated at undiscounted amounts based on current wage and salary rates.

Defined contribution plans - retirement benefits

The economic interest contributes to a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in periods during which services are rendered by employees.

Accounting Policies

1.13 Employee benefits (continued)

Defined benefit plans

The Economic interest subsidies the contribution by retired employees to the medical aid fund. An obligation for the present value of post-retirement medical benefits.

The net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefits that employees have earned in return for their services in the current and prior periods that benefit is discounted to determine its present value. The calculation is done by qualified actuaries using the projected unit credit method. The discount rate is the yield of the South African zero coupon bonds as at 30 June 2023.

Remeasurements of the net defined benefits liability, which comprise actuarial gains and losses, the return on plan (excluding interest) are recognised immediately in other comprehensive income (OCI). The Economic interest determines the interest expense (income) on the net benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then - net defined liability (asset) during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the economic interest is demonstrably committed to curtailment or settlement.

Severance Pay Retirement Benefits

Additionally the Economic interest recognises an obligation for statutory severance benefits, in accordance with the Namibia Labour Act 2007. The liability is discounted to account for the present value of future benefits payable on resignation or retirement of employees on reaching the age of 65. The movement for the year is recognised in profit and loss in the year in which it occurs.

The assumptions are reviewed at each reporting date. These include the determination of the discount rates and annual increases in salary costs and withdrawal expectations.

1.14 Provisions and contingencies

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

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:
- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

1.14 Provisions and contingencies (continued)

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 32.

1.15 Government grants

Government grants are recognised when there is reasonable assurance that:

- the economic interest will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.16 Revenue from contracts with customers

The economic interest recognises revenue net of discount, third party levies, value-added tax and commission payable to third party vendors.

Interest is recognized in profit and loss using the effective interest rate method.

The Economic interest recognises revenue from the following major sources:

- Electricity sales - post-paid (Units sold)
- Basic, network and capacity charges
- Prepaid revenue
- Revenue from network contributions
- Revenue from new connections (Transfer of assets from customers)
- Construction of commercial properties

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

Electricity rates and service charges are agreed upfront with the customer; these are updated and published annually. Revenue is adjusted for the fair value of non-cash considerations for assets transferred from customers.

Electricity sales - post paid (Units sold)

Revenue is recognised overtime as electricity is consumed by the customer.

Accounting Policies

1.16 Revenue from contracts with customers (continued)

Revenue is earned from the sale of electricity to customers in advance. The performance obligation is settled overtime as electricity is provided to the customer. The customers pay for electricity after the consumption within 30 days after the invoice date.

The transaction price refers to the price per unit for electricity.

There is no significant finance component as payments of amounts due to the economic interest are payable within 12 months.

Revenue is recognised once the ownership of the goods or services is transferred and is measured at the transation price identified in the contract.

Basic, network and capacity charges

Revenue is recognised overtime as electricity is consumed by the customer.

Revenue is earned from the sale of electricity to customers in advance. The performance obligation is settled overtime as electricity is provided to the customer. The customers pay for electricity after the consumption within 30 days after the invoice date.

Network and services charges are fixed charges that has the purpose of covering administrative costs associated with power supply. Capacity charge is a fixed charge relating to the size of the power supply that is made available to the customer.

There is no significant finance component as payments are due to the economic interest are payable within 12 months.

Prepaid revenue

The economic interest received advance payments from customers for the sale of pre-paid electricity. Prepaid customers buys electricity in advance in the form of units. The units bought are loaded onto a metering system installed at the premises of the customer which monitors the consumption of the units.

Revenue is recognised at a point in time when electricity is consumed by the customer.

Revenue is generated from the sale of pre-paid electricity units. The performance obligation is settled at a point in time when the significant rewards of ownership of electricity passed to the customer at payment. The transaction price refers to the price per unit of electricity.

Revenue is recognised once the ownership of the goods or services is transferred and measured at the transaction price identified in the contract.

Revenue from network contributions

This relates to revenue from network contributions for customers that have been taken over from NamPower. These category of customers are know as Ex-NamPower customers.

The economic interest has contracts in place for the customers which states the rights and obligations that are enforceable against the parties. The contracts are for the supply of electricity for an initial period of 10 years but will continue to be in force unless the customer re-negotiate for another contract for the supply of electricity.

The performance obligation is settled overtime as the service is invoiced for monthly and paid within a period of 30 days after the invoice.

Revenue from network contributions is recognised based on the price stipulated in the contract.

There is no significant finance component as payments are due to the economic interest are payable within 12 months.

Transfers of assets from customers

The transfers of assets from customers comprise of assets constructed by customers as well as assets constructed by the economic interest on behalf of customers.

Accounting Policies

1.16 Revenue from contracts with customers (continued)

The economic interest recognises assets transferred by customers as an item of property, plant and equipment in accordance with IAS 16 at the fair value of the asset transferred on the date of transfer. The fair value of the asset transferred is recognised as deferred income in accordance with IFRS 15.

The credit is recognised in deferred income, once the construction of the asset is completed, the deferred revenue is subject to amortization to the income statement. The measurement of revenue from the transfer of assets from customers is the shorter of the contract duration and the useful life of the asset. The contracts for the supply of electricity are for an indefinite period, so the economic interest's policy is to amortise the deferred revenue for a period of 10 years. The period of 10 years is considered reasonable given the technological advancements of the network assets.

The connection services are combined with the supply of electricity resulting in a single performance obligation. The connection fees revenue will therefore follow the same pattern of revenue recognition as that of the supply of electricity.

The performance obligations in these arrangements are satisfied over time. Revenue is recognised over time as the company uses the assts to supply electricity to the end user. The transaction price is determined based on the fair value of the assets and recorded as deferred income.

Non-cash consideration

The economic interest does not allow non-cash consideration for the supply of electricity sales, and other associated services.

Variable consideration

The economic interest does not allow variable consideration for electricity sales, and other associated services.

Allocation of amounts to performance obligations

The economic interest considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

The electricity rates and service charges are agreed upfront with the customer; these are updated and published annually in a tariff booklet. The transaction price is fixed.

The economic interest has elected the practical expedient not to allocated transaction price to performance obligations that are unsatisfied where the duration of the underlying contract is one year or less.

Contract liabilities

IFRS 15 uses the term "contract liability" to describe what might be more commonly know as deferred revenue; however, the standard does not prohibit an entity from using alternative descriptions.

1.17 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 economic interest right to recover products from customers where customers exercise their right of return under the economic interest returns policy.

Accounting Policies

1.18 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

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

The capitalisation of borrowing costs commences when:

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

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

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

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

1.19 Deferred income other than government grants

Deferred income is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the company transfers the related services.

Deferred income other than government grants refers to payment received in advance for new connections.

Payments received in advance comprise mainly of upfront capital contributions for the construction of network assets. These payments are included in current liabilities as different income and are credited to profit or loss when the project is completed.

The performance obligation is satisfied over time. Revenue is recognised over time as the company use the assets to supply electricity to the end user.

Transfer of assets from customers

When the company receives from a customer a transfer of an item of property, plant and equipment (mainly network assets), the company assess whether the transferred item meets the definition of an asset. If the company concludes that the definition of an asset is met, it shall recognise the transferred asset as an item of property, plant and equipment in accordance with IAS 16.

The credit is recognised as deferred income and released to profit or loss over a period no longer than the useful life of the transferred asset. The economic interest's policy is to amortise deferred income to the income statement over a period of 10 years.

1.20 Dividend distribution

Dividends distribution to the shareholders in recognised as a liability in the annual financial statements in the period in which the dividends are approved by the board of directors.

Notes to the 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:

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1

A subsidiary that uses the cumulative translation differences exemption, may elect in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

The effective date of the group is for years beginning on or after January 1, 2022.

The group has adopted the amendment for the first time in the 2023 annual financial statements.

The impact of the amendment is not material.

Reference to the Conceptual Framework: Amendments to IFRS 3

The amendment makes reference to the Conceptual Framework for Financial Reporting issued in 2018 rather than to the IASC's Framework for the Preparation and Presentation of Financial Statements. The amendment specifically points to the treatment of liabilities and contingent liabilities acquired as part of a business combination, and which are in the scope of IAS 37 Provisions, Continent Liabilities and Contingent Assets or IFRIC 21 Levies. It clarifies that the requirements of IAS 37 or IFRIC 21 should be applied to provisions, contingent liabilities or levies to determine if a present obligation exists at the Acquisition date. The amendment further clarifies that contingent assets of acquirees share not be recognised as part of the business combination.

The effective date of the group is for years beginning on or after January 1, 2022.

The group has adopted the amendment for the first time in the 2023 annual financial statements.

The impact of the amendment is not material.

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date of the group is for years beginning on or after January 1, 2022.

The group has adopted the amendment for the first time in the 2023 annual financial statements.

The impact of the amendment is not material.

Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16

The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards. Disclosure of such amounts in now specifically required.

The effective date of the group is for years beginning on or after January 1, 2022.

The group has adopted the amendment for the first time in the 2023 annual financial statements.

The impact of the amendment is not material.

Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37

Notes to the Annual Financial Statements

2. New Standards and Interpretations (continued)

The amendment defined the costs that are included in the cost of fulfilling a contract when determining the amount recognised as an onerous contract. It specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These are both the incremental costs of fulfilling the contract as well as an allocation of other costs that relate directly to fulfilling contracts.

The effective date of the group is for years beginning on or after January 1, 2022.

The group has adopted the amendment for the first time in the 2023 annual financial statements.

The impact of the amendment is not material.

2.2 Standards and Interpretations early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have note been early adopted by the economic interest.

These standards are not expected to have a material impact on the entity in the current or future periods and on foreseeable future transactions.

2.3 Standards and interpretations not yet effective for the year ended 30 June 2023

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 July 1, 2023 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the economic interest's annual financial statements.

Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after January 1, 2024.

It is unlikely that the amendment will have a material impact on the economic interest's annual financial statements.

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after January 1, 2023.

It is unlikely that the amendment will have a material impact on the economic interest's annual financial statements.

Notes to the Annual Financial Statements

2. New Standards and Interpretations (continued)

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the annual financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after January 1, 2023.

It is unlikely that the amendment will have a material impact on the economic interest's annual financial statements.

3. Property, plant and equipment

Economic interest	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	71,237	(12,347)	58,890	71,237	(10,934)	60,303
Work in progress	21,188	-	21,188	6,252	-	6,252
Land	10,743	-	10,743	10,460	-	10,460
Photovoltaic Solar Plant	43,238	(19,850)	23,388	43,238	(16,506)	26,732
Furniture and fixtures	27,362	(14,172)	13,190	25,306	(12,583)	12,723
Motor vehicles	36,173	(22,530)	13,643	34,747	(20,088)	14,659
Office equipment	5,089	(3,152)	1,937	4,855	(2,809)	2,046
IT equipment	14,113	(9,590)	4,523	13,189	(8,867)	4,322
Network assets	702,311	(231,689)	470,622	679,979	(210,986)	468,993
Leasehold improvements	1,636	(1,408)	228	1,636	(1,390)	246
Total	**933,090**	**(314,738)**	**618,352**	**890,899**	**(284,163)**	**606,736**

Company	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	71,237	(12,347)	58,890	71,237	(10,934)	60,303
Work in progress	21,188	-	21,188	6,252	-	6,252
Land	10,743	-	10,743	10,460	-	10,460
Photovoltaic Solar Plant	43,238	(19,850)	23,388	43,238	(16,506)	26,732
Furniture and fixtures	27,362	(14,172)	13,190	25,306	(12,583)	12,723
Motor vehicles	36,173	(22,530)	13,643	34,747	(20,088)	14,659
Office equipment	5,089	(3,152)	1,937	4,855	(2,809)	2,046
IT equipment	14,113	(9,590)	4,523	13,189	(8,867)	4,322
Network assets	702,311	(231,689)	470,622	679,979	(210,986)	468,993
Leasehold improvements	1,636	(1,408)	228	1,636	(1,390)	246
Total	**933,090**	**(314,738)**	**618,352**	**890,899**	**(284,163)**	**606,736**

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - N$ '000 - Economic interest - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Buildings	60,303	-	-	-	(1,413)	58,890
Work in progress	6,252	35,074	-	(20,138)	-	21,188
Land	10,460	283	-	-	-	10,743
Photovoltaic Solar Plant	26,732	-	-	-	(3,344)	23,388
Furniture and fixtures	12,723	2,173	(53)	-	(1,653)	13,190
Motor vehicles	14,659	1,426	-	-	(2,442)	13,643
Office equipment	2,046	235	-	-	(344)	1,937
IT equipment	4,322	1,127	(51)	-	(875)	4,523
Network assets	468,993	22,331	-	-	(20,702)	470,622
Leasehold improvements	246	-	-	-	(18)	228
	606,736	**62,649**	**(104)**	**(20,138)**	**(30,791)**	**618,352**

Reconciliation of property, plant and equipment - N$ '000 Economic interest - 2022

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Buildings	61,459	251	-	-	(1,407)	60,303
Work in progress	17,827	26,189	-	(37,764)	-	6,252
Land	10,460	-	-	-	-	10,460
Photovoltaic Solar Plant	28,627	1,383	-	-	(3,278)	26,732
Furniture and fixtures	13,490	880	(45)	-	(1,602)	12,723
Motor vehicles	17,813	-	(521)	-	(2,633)	14,659
Office equipment	2,120	272	(31)	-	(315)	2,046
IT equipment	3,404	1,633	(26)	-	(689)	4,322
Network assets	443,196	7,365	-	37,764	(19,332)	468,993
Leasehold improvements	264	-	-	-	(18)	246
	598,660	**37,973**	**(623)**	**-**	**(29,274)**	**606,736**

Reconciliation of property, plant and equipment - Company - N$ ' 000 -2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Buildings	60,303	-	-	-	(1,413)	58,890
Work in progress	6,252	35,074	-	(20,138)	-	21,188
Land	10,460	283	-	-	-	10,743
Photovoltaic Solar Plant	26,732	-	-	-	(3,344)	23,388
Furniture and fixtures	12,723	2,161	(53)	-	(1,641)	13,190
Motor vehicles	14,659	1,426	-	-	(2,442)	13,643
Office equipment	2,046	235	-	-	(344)	1,937
IT equipment	4,322	1,127	(51)	-	(875)	4,523
Bearer plants	-	12	-	-	(12)	-
Network assets	468,993	22,331	-	-	(20,702)	470,622
Leasehold improvements	246	-	-	-	(18)	228
	606,736	**62,649**	**(104)**	**(20,138)**	**(30,791)**	**618,352**

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - N$ '000 - 2022

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	61,459	251	-	-	(1,407)	60,303
Work in progress	17,827	26,189	-	(37,764)	-	6,252
Land	10,460	-	-	-	-	10,460
Photovoltaic Solar Plant	28,627	1,383	-	-	(3,278)	26,732
Furniture and fixtures	13,490	880	(45)	-	(1,602)	12,723
Motor vehicles	17,813	-	(521)	-	(2,633)	14,659
Office equipment	2,120	272	(31)	-	(315)	2,046
IT equipment	3,404	1,633	(26)	-	(689)	4,322
Network assets	443,196	7,365	-	37,764	(19,332)	468,993
Leasehold improvements	264	-	-	-	(18)	246
	598,660	**37,973**	**(623)**	**-**	**(29,274)**	**606,736**

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings 12:

	Economic interest 2023	Economic interest 2022	Company 2023	Company 2022
Land and buildings	9,852	15,785	9,852	15,785
Motor Vehicles	-	215	-	215

Borrowing costs capitalised

The entity is having work in progress during the financial year under consideration, however, no funds where borrowed for the construction or acquisition of work in progress.

Impairment and reversal of impairment

No property, plant and equipment were impaired..

Other information

A register containing the information required by paragraph 22 (3) of Schedule 4 of Companies Act is available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

Refer to note 4 for details of right-of-use-assets which have been included in property, plant and equipment.

4. Right-of-use assets

Vehicles
- Vehicle Full maintenance lease from Avis Fleet Namibia for the letting of vehicles and for the provision of normal service and repairs and maintenance.
- The lease period is 5 years non-cancellable; there is no residual guarantee; there is no option to purchase the underlying asset at the end of the lease term;
- There is no option to purchase the underlying asset; There are no restrictions or covenants; there is a variable lease payment payable if agreed kilometers are exceeded by the lessee. There are no restrictions or covenants.

Buildings
- Office space leased from Namibia Industrial Development Agency (NIDA) formerly know as Namibia Development Corporation (NDC) situated at Khorixas SME Park.
- The lease period is 9 years. There is an option to renew the contract for a further period of 9 years.

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

4. Right-of-use assets (continued)

- Lease agreement may be terminated with 2 months prior written notice by either counterparty.
- There are no restrictions or covenants; there is no variable lease payments in respect of the use of the underlying asset.
- There is no residual guarantee; there is no option to purchase the underlying asset at the end of the lease term.

Office equipment

- Office equipment (photocopies with routine maintenance) are leased from Konica Minolta.
- The lease period is 3 years non-cancellable. There is an option to extent the lease by a further 12 months.
- There is no restrictions or covenants; there is no variable lease payments in respect of the use of the underlying asset.
- There is no residual guarantee; there is no option to purchase the underlying asset at the end of the lease term.

Details pertaining to leasing arrangements, where the economic interest is lessee are presented below:

Economic interest	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Buildings	774	(652)	122	774	(489)	285
Motor vehicles	11,701	(2,276)	9,425	2,673	(1,703)	970
Office equipment	89	(87)	2	1,303	(1,159)	144
Total	**12,564**	**(3,015)**	**9,549**	**4,750**	**(3,351)**	**1,399**

Company	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Buildings	774	(652)	122	774	(489)	285
Motor vehicles	11,701	(2,276)	9,425	2,673	(1,703)	970
Office equipment	89	(87)	2	1,303	(1,159)	144
Total	**12,564**	**(3,015)**	**9,549**	**4,750**	**(3,351)**	**1,399**

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Buildings	122	285	122	285
Motor vehicles	9,425	970	9,425	970
Office equipment	2	144	2	144
	9,549	**1,399**	**9,549**	**1,399**

Additions to right-of-use assets

Motor vehicles	9,784	-	9,784	-

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

4. Right-of-use assets (continued)

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 23), as well as depreciation which has been capitalised to the cost of other assets.

Right-of-use assets	1,634	1,832	1,634	1,832

Other disclosures

Interest expense on lease liabilities	520	328	520	328
Expenses on short-term leases included in operating expenses	1,796	1,462	1,796	1,462

Reconciliation - 2023	**Opening balance**	**Additions**	**Disposals**	**Depreciation**	**Total**
Buildings	285	-	-	(163)	122
Motor vehicles	970	9,784	-	(1,329)	9,425
Office equipment	145	-	-	(142)	3
	1,400	**9,784**	**-**	**(1,634)**	**9,550**

Reconciliation - 2022	**Opening balance**	**Additions**	**Disposals**	**Depreciation**	**Total**
Buildings	448	-	-	(163)	285
Motor vehicles	3,381	-	(1,110)	(1,301)	970
Office equipment	513	-	-	(369)	144
	4,342	**-**	**(1,110)**	**(1,833)**	**1,399**

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

4. Right-of-use assets (continued)

Finance lease liabilities

The maturity analysis of lease liabilities is as follows:

- within one year	2,543	368	2,543	368
- in second to fifth year inclusive	7,747	380	7,747	380
	10,685	748	10,685	748
Less: finance charges component	(395)	(106)	(395)	(106)
	10,290	**642**	**10,290**	**642**

Non-current liabilities	7,747	419	7,747	419
Current liabilities	2,543	223	2,543	223
	10,290	**642**	**10,290**	**642**

Exposure to liquidity risk

Refer to note 33 Financial instruments and risk management for the details of liquidity risk exposure and management.

Exposure to currency risk

The net carrying amounts, in Namibia Dollar, of lease liabilities are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Namibia Dollar amount				
Namibia Dollar	10,290	642	10,290	642

COVID-19 related rent concessions

The economic interest has not benefited from any COVID-19 related rent concessions during the current financial year.

A variable expense of N$ 2 197 886.83 is included in operating expenses,which is in respect of additional charges from Avis per kilometers when the agreed limit is exceeded.

5. Intangible assets

Economic interest	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Licenses	15,971	(12,520)	3,451	13,345	(11,884)	1,461
Computer software	17,480	(15,465)	2,015	20,607	(15,356)	5,251
Total	**33,451**	**(27,985)**	**5,466**	**33,952**	**(27,240)**	**6,712**

5. Intangible assets (continued)

Company	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Licenses	15,971	(12,520)	3,451	13,345	(11,884)	1,461
Computer software	17,480	(15,465)	2,015	20,607	(15,356)	5,251
Total	**33,451**	**(27,985)**	**5,466**	**33,952**	**(27,240)**	**6,712**

Reconciliation of intangible assets - N$ '000 - Economic interest- 2023

	Opening balance	Amortisation	Total
Licenses	4,087	(636)	3,451
Computer software	2,626	(611)	2,015
	6,713	**(1,247)**	**5,466**

Reconciliation of intangible assets - N$' 000 - Economic interest - 2022

	Opening balance	Additions	Amortisation	Total
Licenses	4,723	-	(636)	4,087
Computer software	3,044	337	(755)	2,626
	7,767	**337**	**(1,391)**	**6,713**

Reconciliation of intangible assets - N$' 000 - Company - 2023

	Opening balance	Amortisation	Total
Licenses	4,087	(636)	3,451
Computer software	2,626	(611)	2,015
	6,713	**(1,247)**	**5,466**

Reconciliation of intangible assets - N$' 000 - Company - 2022

	Opening balance	Additions	Amortisation	Total
Licenses	4,723	-	(636)	4,087
Computer software	3,044	337	(756)	2,626
	7,767	**337**	**(1,392)**	**6,713**

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

5. Intangible assets (continued)

Individually material intangible assets

Electricity Supply & Distribution licenses This licences are issued by the Electricity Control Board for supply and distribution of electricity to consumers within the area of operations. The remaining amortisation period is 7 years.	3,451	4,087	3,451	4,087
SAP Software This is an ERP used for effective business operations. The remaining amortisation period is 6 years.	317	440	317	440
SCADA Software This software is used to monitor the network and energy losses. The remaining amortisation period is 5 years.	439	510	439	510
	4,207	**5,037**	**4,207**	**5,037**

No intangible assets were impaired.

No intangible assets were acquired by way of government grant.

No intangible assets were internally generated.

Pledged as security

No intangible assets were pledged as securities for liabilities.

Borrowing costs capitalised

No borrowing costs have been capitalised in respect of intangible assets.

2023 N$ '000
2022 N$ '000

6. Joint arrangements

Joint ventures

The following table lists all of the joint ventures in the economic interest:

Company

Name of company	Held by	% ownership interest 2023	% ownership interest 2022	Carrying amount 2023	Carrying amount 2022
Cenored-Okahandja Electricity (Pty) Ltd		40.00 %	40.00 %	80	80

Material joint ventures

The following joint ventures are material to the economic interest :

	Country of incorporation	Method	% Ownership interest 2023	% Ownership interest 2022
Cenored-Okahandja Electricity (Pty) Ltd	Namibia	Equity	40 %	40 %

The country of incorporation is Namibia and it is the same as the principle place of business.

The joint venture is engaged in the supply and distribution of electricity in the town of Okahandja Municipality and its surroundings.

The joint venture is owned by CENORED (40%) and Okahandja Municipality (60%) and it has been in operation since the 30 June 2017 financial year.

Cenored-Okahandja Electricity (Pty) Ltd's assets exceeds liabilities by N$ 107,912,557 for the year ended 30 June 2023.

The financial statements of Cenored-Okahandja Electricity (Pty) Ltd has been prepare on a liquidation basis. The Board of Directors made this decision becasue the business is making losses and there are minimal prospects to turn it around. The directors are finding it hard to cope with the pressure of trading under the circumstances.

Summarised financial information of material joint ventures

Summarised Statement of Profit or Loss and Other Comprehensive Income	Cenored-Okahandja Electricity (Pty) Ltd 2023	Cenored-Okahandja Electricity (Pty) Ltd 2022
Revenue	109,173,293	102,400,221
Depreciation and amortisation	(4,044,931)	(3,383,258)
Interest income	292,066	338,919
Other income and expenses	15,054,271	(98,641,274)
Interest expense	(3,178,895)	(4,858,110)
Profit before tax	117,295,804	(4,143,502)
Profit (loss) from continuing operations	117,295,804	(4,143,502)
Total comprehensive income	117,295,804	(4,143,502)

2023 N$ '000
2022 N$ '000

6. Joint arrangements (continued)

Summarised Statement of Financial Position	Cenored-Okahandja Electricity (Pty) Ltd	
	2023	2022
Assets		
Non-current assets	25,812	28,453
Total non current assets	25,812	28,453
Current		
Other current assets	19,075	13,531
Total current assets	19,075	13,531
Liabilities		
Non-current		
Non-current financial liabilities	16,560	68,629
Total non-current liabilities	16,560	68,629
Current		
Other current liabilities	22,234	84,558
Total current liabilities	22,234	84,558
Total net assets	(19,719)	(139,656)

Nature and risk of joint venture

Through the shareholder agreement, CENORED has 3 seats on the board of Cenored-Okahandja Electricity (Pty) Ltd and participates in all significant financial and operating decisions. The decisions are made unanimously by the board directors. The economic interest has therefore determined that it has joint control over this entity, even though it only holds 40% of the voting rights. Given that Cenored-Okahandja Electricity (Pty) Ltd is a company (hence a separate vehicle), the joint arrangement is assessed as Joint venture.

Reporting period

The reporting period for the joint venture is the same as that of the Economic interest.

Unrecognised losses

The accumulated unrecognised losses to date amount to N$ - (2022: N$ 111 203 188).

The net losses from the joint venture are unrecognised.

Joint ventures pledged as security

The joint venture has not been pledged as security.

Commitments and Contingencies

Refer to note 31 Commitments and note 32 Contingencies for details of commitments and contingencies related to joint ventures.

Notes to the Annual Financial Statements

		Economic Interest		Company	
Figures in Namibia Dollar thousand		2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

7. Loans to group companies

Joint ventures	Basis of accounting				
Cenored-Okahandja Electricity (Pty) Ltd - On-lending loan This loan is repayable monthly at an interest rate of 2.5% per annum. The instalment is 269 869.99 per month. The loan is unsecured and attracts interest at prime lending rate. The loan is for a period of 10 years and the last repyament date being .	Amortised cost	5,671	10,196	5,671	10,196
Cenored-Okahandja Electricity (Pty) Ltd - NEF Loan This loan is repayable monthly at an interest rate of 2.5% per annum. The isntalment amount is N$ 277 920.29 per month.The loan is unsecured and attracts interest at prime lending rate. The loan is for a period of 10 years and the last repayment date being 30 September 2026.	Amortised cost	5,724	11,244	5,724	11,244
		11,395	**21,440**	**11,395**	**21,440**

Split between non-current and current portions

Non-current assets	11,395	21,440	11,395	21,440

Exposure to credit risk

Loans receivable inherently expose the economic interest to credit risk, being the risk that the economic interest will incur financial loss if counterparty fail to make payments as they fall due.

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

7. Loans to group companies (continued)

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for economic interest's loan receivable is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

In determining the amount of expected credit losses, the economic interest has taken into account any historic default experience, the financial positions of the counterpart as well as the future prospects in the industries in which the counterpart operate.

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

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below. The economic interest does not hold collateral or other credit enhancements against economic interest loans receivable.

	Economic Interest		Company	
Figures in Namibia Dollar thousand	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

7. Loans to group companies (continued)

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans receivable by credit rating grade:

Economic interest & Company- 2023

Instrument	Basis of loss allowance	Gross Allowance	Loss allowance	Amortised cost
Loans to joint ventures				
Cenored-Okahandja Electricity (Pty) Ltd - On-lending loan	12m ECL	9,451	(3,780)	5,671
Cenored-Okahandja Electricity - NEF Loan	12m ECL	9,540	(3,816)	5,724
Cenored-Okahandja Electricity - Irredeemable loan	12m ECL	13,920	(13,920)	-
		32,911	**(21,516)**	**11,395**

Total credit loss allowances

Loans to joint ventures	32,911	(21,516)	11,395
	32,911	**(21,516)**	**11,395**

Figures in Namibia Dollar thousand	Economic Interest 2023 N$ '000	Economic Interest 2022 N$ '000	Company 2023 N$ '000	Company 2022 N$ '000

7. Loans to group companies (continued)

Economic interest & Company - 2022

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans to joint ventures				
Cenored-Okahandja Electricity (Pty) Ltd - On-lending loan	12m ECL	11,574	(1,378)	10,196
Cenored-Okahandja Electricity (Pty) Ltd - NEF loan	12m ECL	11,746	(502)	11,244
Cenored-Okahandja Electricity Ltd - Irredeemable loan	12m ECL	13,920	(13,920)	-
		37,240	**(15,800)**	**21,440**

Total credit loss allowances

	Gross Carrying amount	Loss allowance	Amortised cost
Loans to joint ventures	37,240	(15,800)	21,440
	37,240	**(15,800)**	**21,440**

Reconciliation of loss allowances

Loans to related parties:: Loss allowance measured at 12 month ECL:

	Economic Interest 2023	Economic Interest 2022	Company 2023	Company 2022
Opening balance	15,800	16,069	15,800	16,069
Impairment loss/(reversal) for the year	5,716	(269)	5,716	(269)
Closing balance	**21,516**	**15,800**	**21,516**	**15,800**

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

7. Loans to group companies (continued)

Exposure to currency risk

Loans to related parties

The net carrying amounts, in Namibia Dollar, of loans to joint ventures, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Namibia Dollar amount				
Namibia Dollar	11,395	21,171	11,395	21,171

8. Inventories

Consumables	37,829	23,869	37,829	23,869
	37,829	23,869	37,829	23,869
Provision for obsolescence	(1,904)	(1,176)	(1,904)	(1,176)
	35,925	**22,693**	**35,925**	**22,693**
Amount of inventory recognised as costs of sales in profit and loss	16,837	12,147	16,837	12,147
Amount of inventories write-down recognised as expenses in profit and loss	39	1,958	39	1,958

There are no items of inventory that are state at net realisable value.

A general allowance of 0.1% has been made on the closing balance of the inventory at year end.

Inventory pledged as security

As at year end, the economic interest did not have inventory that has been pledged as security.

9. Trade and other receivables

Financial instruments:				
Trade receivables	73,102	84,023	73,102	84,023
Trade receivables - related parties	50,178	40,360	50,178	40,360
Trade receivables at amortised cost	123,280	124,383	123,280	124,383
Impairment of other receivable - Cenored-Okahandja Electricity (Pty) Ltd	(50,178)	(22,544)	(50,178)	(22,544)
Provision for doubtful debts	(24,150)	(26,869)	(24,150)	(26,869)
Other receivables	2,467	2,154	2,467	2,154
Non-financial instruments:				
VAT	2,563	2,174	2,563	2,174
Deposits	87	87	87	87
Total trade and other receivables	**54,069**	**79,385**	**54,069**	**79,385**

Split between non-current and current portions

Non-current assets	-	17,816	-	17,816
Current assets	54,069	61,569	54,069	61,569
	54,069	**79,385**	**54,069**	**79,385**

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

9. Trade and other receivables (continued)

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

At amortised cost	51,419	77,124	51,419	77,124
Non-financial instruments	2,650	2,261	2,650	2,261
	54,069	**79,385**	**54,069**	**79,385**

Trade and other receivables pledged as security

Refer to note 12 for details regarding trade and other receivables pledged as security.

Exposure to credit risk

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

The economic interest uses an allowance matrix to measure the ECLs of trade receivables from the customers, which comprise a very large number of small balances. The group measures the loss allowance for trade receivables by applying both the simplified and general approach.

The loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated on a global basis as the customers has common credit risk characteristics - geographical region, age of customer relationship and type of service offered.

The economic interest does not require collateral in respect of trade and other receivables. The company does not have trade receivables for which no loss allowance is recognised because of the collateral

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.

The estimation techniques explained have been applied for the first time in the current financial period, as a result of the adoption of IFRS 9. Trade receivables were previously impaired only when there was objective evidence that the asset was impaired.

Impairment losses on trade and other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Economic interest historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

The average credit period on trade receivables is 52 days (2022: 68 Days). No interest is charged on outstanding trade receivables.

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

Economic interest	2023	2023	2022	2022
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance	Estimated gross carrying amount at default	Loss allowance
Current past due: 4.84% (2022: 4.52%)	45,940	(2,222)	45,703	(2,064)

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000
9. Trade and other receivables (continued)				
<30 days past due: 20.98% (2022: 19.29%)	3,970	(833)	9,848	(1,900)
<60 days past due: 45.08% (2022: 37.33%)	3,132	(1,412)	7,351	(2,744)
<90 days past due: 66.35% (2022: 59.89%)	803	(533)	2,367	(1,418)
120 + days past due: 100% (2022: 100%)	16,835	(16,835)	18,743	(18,742)
Total	**70,680**	**(21,835)**	**84,012**	**(26,868)**

Company	2023	2023	2022	2022
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance	Estimated gross carrying amount at default	Loss allowance
Current past due: 4.84% (2022: 4.52%)	45,940	(2,222)	45,703	(2,064)
<30 days past due: 20.98% (2022:19.29%)	3,970	(833)	9,848	(1,900)
<60 days past due: 45.08% (2022: 37.33%)	3,132	(1,412)	7,351	(2,744)
<90 days past due: 66.35% (2022: 59.89%)	803	(533)	2,367	(1,418)
120 + days past due: 100% (2022: 100%)	16,835	(16,835)	18,743	(18,742)
Total	**70,680**	**(21,835)**	**84,012**	**(26,868)**

The loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between the economic conditions during the period over which the historical data has been collected, current conditions and the economic interest's view of the economic conditions over the expected useful lives of the receivables.

The scalar factors are based on the actual and forecast Gross Domestic Product, nominal, Local Currency Unit rates of 3.0%.

Reconciliation of loss allowances

The following table shows the movement in the loss allowance for lease receivables:

Opening Balance	26,868	25,354	26,868	25,354
Provision raised in the current financial year	(2,719)	1,514	(2,719)	1,514
Closing balance	**24,149**	**26,868**	**24,149**	**26,868**

Exposure to currency risk

The net carrying amounts, in Namibia Dollar, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Namibia Dollar Amount				
Namibia Dollar	51,419	77,124	51,419	77,124

Fair value of trade and other receivables

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

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

10. Cash and cash equivalents

Cash and cash equivalents consist of:

	2023	2022	2023	2022
Cash on hand	47	37	47	37
Bank balances	42,694	57,275	42,694	57,275
Short-term deposits	50,531	53,370	50,531	53,370
Bank overdraft	(56,652)	(57,434)	(56,652)	(57,434)
	36,620	**53,248**	**36,620**	**53,248**
Current assets	93,275	110,685	93,275	110,685
Current liabilities	(56,655)	(57,437)	(56,655)	(57,437)
	36,620	**53,248**	**36,620**	**53,248**

The economic interest has a bank account with First National Bank in collaboration with the Ministry of Mines and Energy (MME) with a balance of N$ 2 227 773.06 - (2022: N$ 6931). This account require both CENORED and MME signatories to authorise any spending grant funded projects.

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating				
Bank Windhoek Limited-A1+	5,540	14,616	5,540	14,616
Standard Bank Limited-A1+	33,451	51,308	33,451	51,308
First National Bank Limited-A1+	(51,957)	(18,334)	(51,957)	(18,334)
Namibia Post Savings Bank (Refer to below)	3,634	5,672	3,634	5,672
	(9,332)	**53,262**	**(9,332)**	**53,262**

The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Even though Namibia Post Savings Bank (NamPost) is not rated, it has no history of default and the deposits made with NamPost are guaranteed by the Government of the Republic of Namibia.

Facilities available:

First National Bank of Namibia:

Details of total facilities and the date for review thereof are as follows:

Direct Short-Term Overdraft Facility – N$ 59 000 000.00

Long-Term Loan facility – N$ 1,825,059

Long-Term Loan facility – N$ 5,623,234

Direct Long-term Loan facility - N$ 3,000,000

Direct First Card facility – N$ 710,000

Wesbank facility N$ 2,5000,000

Date of review: 08/09/2023

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

10. Cash and cash equivalents (continued)

Cash and cash equivalents pledged as security

Total cash and cash equivalents pledged as security for [Standard Bank Medium term loan]	-	1,637	-	1,637

This loan was fully settled in the current financial year.

Exposure to currency risk

Namibia Dollar	48,289	53,302	48,289	53,302

11. Share capital

Authorised				
60,000 Ordinary shares of N$ 1 each	60,000	60,000	60,000	60,000

Reconciliation of number of shares issued:				
Reported as at July 1, 2022	53,686	53,686	53,686	53,686

6,134 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Issued				
Ordinary	54	54	54	54
Share premium	279,602	279,602	279,602	279,602
	279,656	**279,656**	**279,656**	**279,656**

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000
12. Borrowings				
Held at amortised cost				
Secured				
First National Bank Limited Loans	6,128	7,709	6,128	7,709
This loan is repayable on a monthly basis at an interest rate of 9.5% (2022:7%), installment amount is N$ 183,672.06 (2022: N$ 179,250.33). The last payment date will be on 1 June 2025. The loan is secured by the CENORED office buildings in Okakarara, Otavi and Tsumeb.				
National Energy Fund	19,820	27,432	19,820	27,432
This loan is repayable monthly at an interest rate of 2.5% per annum (2022:2.5%),the installment is N$ 667,545.03 (2022: N$ 684,640.00).with a grace period of 2 years and its repayable over a period of 10 years with a last repayment date 1 May 2025.				
Local authorities' loan compensation and transitional surcharges	-	40	-	40
Standard Bank Namibia Limited loan	-	150	-	150
The loan is repayable on a monthly basis at an interest rate of 6.5% per annum (2022: 6.5%). The installment amount in N$ 58,273.97 (2022: N$ 58,273.97) with the last payment date being 30 September 2022.				
Bank Windhoek Limited Loan	9,900	8,075	9,900	8,075
This loan is repayable on a monthly basis at an interest rate 12.50% (2022: 9.5%), installment amount is N$ 153,218.11 (2022: N$ 143,216.22). The last payment date will be on 1 August 2028. The loan is secured by CENORED office buildings in Okahandja.				
Unsecured				
	35,848	**43,406**	**35,848**	**43,406**
Split between non-current and current portions				
Non-current liabilities	25,306	33,055	25,306	33,055
Current liabilities	10,542	10,351	10,542	10,351
	35,848	**43,406**	**35,848**	**43,406**

The above loans are secured as follows:

Bank Windhoek Limited Loans

Registered First Commercial Mortgage Bond for N$ 5,100,000 over Erf 2614, Otjiwarongo.

Registered First Commercial Mortgage Bond for N$ 11,000,000 over Erf 64, Okahandja.

First Bank Namibia Limited

- 1st Bond N$850,000 over Erf 1145 (a portion of Erf 31) Okakarara, measuring 1815 sqm - Held
- 1st Bond N$10,950,000 over Erf 582 (a portion of Erf 540) Extension No. 4 Tsumeb measuring 2001 square metres and over Erf 583 (a portion of Erf 540) Extension No. 4 Tsumeb measuring 2000 square metres – Held
- 1st Bond N$3,550,000 over Erf 563 (a portion of Erf 235), Otavi measuring 1530 sqm – Held

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

12. Borrowings (continued)

- Cession of debts dated 31/07/2017 - Held. Balance dated 31 July 2022 N$ 65,675,444 extend @ 50%
- 1st Bond N$ 16,000,000 over Erf 2525 (1960+1961+1962) Otjiwarongo measuring 4583 sqm - proposed
- General indemnity dated 19/03/2012 - Held
- Loan Agreement N$ 10,949,277 dated 28/07/2016 - Held
- Loan Agreement N$ 3,523,723 dated 28/07/2016 - Held
- Loan Agreement N$ 3,000,000 - Proposed

Refer to note 28 Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period and note 33 Financial instruments and financial risk management for the fair value of borrowings.

Exposure to liquidity risk

Refer to note 33 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to currency risk

Namibia Dollar	35,848	43,406	35,848	43,406

Exposure to interest rate risk

Refer to note 33 for details of interest rate risk management for borrowings.

Lease liabilities

Refer to note 4 Right-of-use assets for details of leasing activities.

13. Retirement benefits

Defined benefit plan

Employees and pensioners of the organization participates in a defined benefit plan that provides medical benefits. The benefits plans are provided by Namibia Medical Care (NMC), which is administered by Methealth Namibia Administrators. The post-retirement medical aid benefits is an arrangement where the Company subsidies either a portion or a full amount of the medical aid scheme contributions. Such individuals are referred to as medical scheme continuation members and include members who have continued membership after retirement.

The post-employment medical aid subsidy policy valued can be summarised as follows:

- Only members that choose to retire between 55 and 59 years are eligible to receive post-employment medical aids benefits. All in-service members will be eligible to take up this benefit once they reach the age of 55.
- The benefit is equal to 100% of the principle members' contribution for the first 10 years post early retirement. Subsidies of dependents will not paid during retirement. There is one pensioner who will receive subsidies for a period of 15 years.
- Should the pensioner die prior to the 10 years being completed, the benefit payments will terminate.

The are no asset - liability matching strategies for the defined benefit plan.

13. Retirement benefits (continued)

Actuarial assumptions

The actuarial valuation was performed by ZAQ Consultants and Actuaries Namibia.

The defined benefit obligation was calculated using the projected unit credit method at the valuation date and the projected annual expense in the year following the valuation date.

The expected value of each employee and their spouse' future medical aid subsidies is projected by allowing for future medical inflation. The calculated values are than discounted at the assumed interest rate to the present date of valuation. Mortalities, retirement and withdraws from the service have been considered in the calculation.

The accrued liability is determined on the basis that each employee's medical aid benefit accrues uniformly over the working life of an employee up until retirement. The current policy for awarding medical aid subsidies is expected to remain unchanged in the future. Its assumed that 100% of all active members on medical aid will remain on medical aid once they retire. It is also assumed that all active members will remain on the same medical aid option at retirement.

All active members on the medical aid will remain on the medical aid once they retire. All active members will remain on the same medical aid option upon retirement.

As at valuation date, the medical aid liability of the organization was unfunded. No dedicated assets had been set aside to meet this liability.

The normal retirement age for all active employees was assumed to be 60 years.

Mortality before retirement has been based on the SA 85-90 mortality tables. Mortality post-retirement has been based on the PA (90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs due to AIDS.

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

13. Retirement benefits (continued)

Financial variables

The two most important financial variables used in the valuation are discount and medical inflation rates.

Discount rates

The nominal and real zero curves used as 30 June 2023 were supplied by JSE to determine the discount rate and consumer price inflation. This yield curve was used because there is no deep market in government bonds in Namibia. This was done by calculating the implied duration of the liability and then finding the points on the yield curve matching this duration. The implied duration of the medical aid liability was 5.43 years.

Medical aid inflation

The medical aid inflation rate was set with reference to the past relationship between CPI and medical aid contribution rate inflation. The derived underlying future rate of consumer price index inflation (CPI) from the relationship between current conventional bond yields and current index-linked bond yields.

Namibia has experienced high healthcare cost inflation in recent years. The annualised compound rates of increase for the past ten years show that registered medical schemes contribution inflation outstripped general CPI by almost 3% on year. These increases are not sustainable and we have assumed that the medical aid contribution inflation would out-strip general inflation by 1.75% per annum over the foreseeable future.

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(6,658)	(7,001)	(6,658)	(7,001)

Expected maturity analysis for retirement benefit obligation				
Within one year	1,224	1,224	1,224	1,224
1 - 2 years	1,298	1,298	1,298	1,298
2 - 5 years	4,018	4,018	4,018	4,018
> 5 years	461	461	461	461
	7,001	**7,001**	**7,001**	**7,001**

Accrued contractual liability				
Current (in service) members	1,259	1,220	1,259	1,220
Continuation members (pensioners)	5,399	5,781	5,399	5,781
	6,658	**7,001**	**6,658**	**7,001**

Movements for the year

Opening balance	(7,001)	(5,760)	(7,001)	(5,760)
Benefits paid	1,215	934	1,215	934
Actuarial Loss	(79)	(1,608)	(79)	(1,608)
Net expense recognised in profit or loss	(793)	(567)	(793)	(567)
	(6,658)	**(7,001)**	**(6,658)**	**(7,001)**

Net expense recognised in profit or loss

Current service cost	(113)	(118)	(113)	(118)
Interest cost	(680)	(449)	(680)	(449)
	(793)	**(567)**	**(793)**	**(567)**

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

13. Retirement benefits (continued)

Liability for defined benefit obligations

The following were the principal actuarial assumptions at the reporting date

Discount rates used	10.42 %	10.33 %	10.42 %	10.33 %
Expected rate of return on assets	5.98 %	7.43 %	5.98 %	7.43 %
Expected rate of return on reimbursement rights	7.73 %	9.18 %	7.73 %	9.18 %
Expected increase in salaries	2.50 %	1.05 %	2.50 %	1.05 %

Risks

It is the policy of the group to provide retirement benefits to all its employees [or specify number of employees covered. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

Risks related to post-retirement benefits include:
- Risks from adverse discount rate movements;
- Risks related to future changes in the regulation of the benefit;
- Inflation risk;
- Risks from changes in mortality rates.

Sensitivity analysis - mortality rate

Deviation from the assumed level of mortality experience of the current employees and the continuation members (pensioners) will have an impact on the actual cost to the organisation. An effect of a 20% increase or decrease in assumed level of mortality is as follows:

Mortality rate	**2023 - 20% Increase**	**2023 - 20% Decrease**	**2022 - 20% Increase**	**2022 - 20% Decrease**
Total accrued liability	6,561	6,755	6,894	7,110
Interest cost	624	645	668	691
Service cost	110	116	110	117

Sensitivity analysis - medical aid inflation

The cost of the subsidy after retirement is dependent on the increase in contributions to the medical aid scheme before and after retirement. An effect of a 1% per annum increase or decrease is as follows:

Medical aid inflation	**2023 - 1% Increase**	**2023 - 1% Decrease**	**2022 - 1% Increase**	**2022 - 1% Decrease**
Total accrued liability	7,001	6,348	7,383	6,656
Interest cost	671	602	720	643
Service cost	131	97	133	97

Membership data

The table below provides a summary of details for the members:

Current (in service) employees				
Number of active employees	177	165	177	165
Average age	42	42	42	42
Average past service	10	10	10	10
Average monthly subsidy payables during retirement	6,210	5,370	6,210	5,370

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

13. Retirement benefits (continued)

Continuation members (pensioners)				
Number of continuation members	16	17	16	17
Average age	63	62	63	62
Average monthly subsidy	6,330	5,530	6,330	5,530

Comparison with preceding valuation

Membership changes

The tables below compares the figures between the valuation dates and summarises the primary reasons for the changes in the liabilities since the last valuation.

Changes to in service membership as at valuation dates:	**30-06-2023 Valuation**	**30-06-2022 Valuation**	**% Change**
Number of active employees	177	165	7.3%
Proportion male	69.49%	66.67%	4.23%
Average age	41.8	41.5	0.7%
Average past service	10.31	10.17	1.4%
Average monthly subsidy	6,210	5,370	15.6%

Changes to continuation membership (pensioners' membership) as at the valuation dates:	**30-06-2023 Valuation**	**30-06-2022 Valuation**	**% Change**
Number of principal members	16	17	-5.9%
Proportion male	93.75%	94.12%	-0.39%
Average age	62.53	61.77	1.2%
Average monthly subsidy	6,330	5,530	14.5%

Changes in valuation assumptions as at the valuation date	**30-06-2023 Valuation**	**30-06-2022 Valuation**	**% Change**
Discount rate	10.42%	10.33%	0.9%
Consumer price inflation	5.98%	7.43%	-19.5%
Medical aid inflation	7.73%	9.18%	-15.8%
Net effective discount rate	2.50%	1.05%	137.6%

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

14. Deferred income

Non-current liabilities	123,977	120,146	123,977	120,146
Current liabilities	6,690	23,736	6,690	23,736
	130,667	**143,882**	**130,667**	**143,882**

Included in deferred income is government grants received from Ministry of Mines and Energy.

Government grants have been received as funding of urban and rural area bulk upgrades for the following upgrades:
- Sargberg substation and a 20 km dedicated supply from Sargberg station to Otavi. The completion date for this project was during year ended 30 June 2016.

The entity has not benefited from other Government grants.

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

Prepaid electricity represents the value of electricity units that have been purchased by customers but not yet consumed at year end 30 June 2023.

New connections is income from customer connections which is treated as deferred income and amortized over a period of 10 years.

Consist of the following:				
Prepaid electricity	1,438	4,384	1,438	4,384
New connections	72,061	72,460	72,061	72,460
Otavi upgrade - government grant	5,456	6,365	5,456	6,365
Donated network assets	51,712	60,673	51,712	60,673
	130,667	**143,882**	**130,667**	**143,882**

Reconciliation - 2023	**Prepaid electricity**	**New connections**	**Otavi upgrade - Government Grant**	**Donated network assets**	**Total**
Opening balance	4,384	72,460	6,365	60,673	143,882
Release to income statement	(4,384)	(7,005)	(909)	(10,581)	(22,879)
Additions	1,438	6,606	-	1,620	9,664
	1,438	**72,061**	**5,456**	**51,712**	**130,667**

Reconciliation - 2022	**Prepaid electricity**	**New connections**	**Otavi upgrade - Government Grant**	**Donated network assets**	**Total**
Opening balance	3,411	46,071	7,274	60,570	117,326
Releases to the income statement	(3,411)	5,000	(909)	(9,610)	(8,930)
Additions	4,384	21,389	-	9,713	35,486
	4,384	**72,460**	**6,365**	**60,673**	**143,882**

15. Deferred tax

Deferred tax liability

Accelerated capital allowances for tax purposes	(139,139)	(139,542)	(139,139)	(139,542)
Licence intangible assets	(1,713)	(1,999)	(1,713)	(1,999)
Right-of-use assets	(3,056)	(448)	(3,056)	(448)
Total deferred tax liability	**(143,908)**	**(141,989)**	**(143,908)**	**(141,989)**

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

15. Deferred tax (continued)

Deferred tax asset

Provisions	12,514	13,180	12,514	13,180
Provision for doubtful debts	3,335	224	3,335	224
Deferred tax relating to assessed losses	43,909	46,053	43,909	46,053
Deferred tax balance from temporary differences other than unused tax losses	59,758	59,457	59,758	59,457
Local authorities asset compensation	-	13	-	13
	59,758	59,470	59,758	59,470
Income received in advance	20,231	21,508	20,231	21,508
Total deferred tax asset, net of valuation allowance recognised	**79,989**	**80,978**	**79,989**	**80,978**

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:

Deferred tax liability	(143,908)	(141,989)	(143,908)	(141,989)
Deferred tax asset	79,989	80,978	79,989	80,978
Total net deferred tax liability	**(63,919)**	**(61,011)**	**(63,919)**	**(61,011)**

Reconciliation of deferred tax asset / (liability)

At beginning of year	(61,011)	(53,374)	(61,011)	(53,374)
Increases (decrease) in tax loss available for set off against future taxable income - gross of valuation allowance	(2,908)	(7,637)	(2,908)	(7,637)
	(63,919)	**(61,011)**	**(63,919)**	**(61,011)**

The above deferred tax liability and asset as disclosed above will be recovered after more than 12 months.

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

16. Other financial liabilities

Minimum lease payments				
-within one year	617	1,700	617	1,700
-in second to fifth year inclusive	308	3,827	308	3,827
	925	5,527	925	5,527
Less: future finance charges	(72)	(1,028)	(72)	(1,028)
	853	**4,499**	**853**	**4,499**
Present value of minimum lease payments				
-within one year	554	1,306	554	1,306
-in second to fifth year inclusive	299	3,193	299	3,193
	853	**4,499**	**853**	**4,499**
Non-current liabilities	(554)	(3,193)	(554)	(3,193)
Current liabilities	(299)	(1,306)	(299)	(1,306)
	(853)	**(4,499)**	**(853)**	**(4,499)**

It is in the economic interest's policy to purchase assets using financial institutions.

The average lease term was 5-10 years and the average effective borrowing rate was 7.75% (2022: 7.75%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The economic interest's obligation are secured by the asset acquired. Refer to note 3.

Market risk

This is the risk that changes in market prices such as interest rates will affect the economic interest or the value of its holding of financial instruments.

The carrying amounts of other financial liabilities are denominated in the following currencies.

Namibia Dollar	853	4,499	853	4,499

For details of sensitivity of exposures to market risk related to other financial liabilities, as well as liquidity risk, refer to note 33

17. Severance pay obligation

Severance pay obligation is recognised for employees retiring on reaching the age of 65.

Severance pay is defined as follows in accordance with the Namibian Labour Act:

The employer must pay severance pay to an employee which has completed 12 months of continuous service, if the employee is retrenched, dies while in employment or resign on reaching the retirement age.

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

17. Severance pay obligation (continued)

Reconciliation

Opening balance	1,334	1,351	1,334	1,351
Movement for the year	(416)	(17)	(416)	(17)
Closing balance	**918**	**1,334**	**918**	**1,334**

Key assumptions

The key assumptions in determining the severance pay obligation are:

- A discount rate of 7.20% per annum; and
- A salary inflation rate of 4.3% per annum.

The severance pay is unfunded; therefore there are no funding arrangements as well as expected contributions in the next annual reporting period.

Cash outflows occur when employees die while in employment or retires on reaching the retirement age of 65 years.

The timing and the amount of the outflow is uncertain.

The average age of employees is 44 years and the withdrawal expectation is estimated to be 17.84%.

18. Trade and other payables

Financial instruments:				
Trade payables	61,249	52,541	61,249	52,541
Local Authority surcharges payables	564	1,049	563	1,049
Accrued leave pay	11,954	12,158	11,954	12,158
Accrued bonus	4,267	4,292	4,267	4,292
Other payables	303	(169)	303	(169)
Non-financial instruments:				
Amounts received in advance	-	18	-	18
	78,337	**69,889**	**78,336**	**69,889**

The terms and conditions for trade and other payables are set out below:

- Trade payables are non-interest bearing and are normally settled on a 30 days term; and
- Deposits from customers are non-interest bearing.

Local authority surcharges are levies collected with electricity purchases and paid over to Local Authorities based on agreed upon rates. Refer to related party disclosures in note 29.

The Economic interest accrues for leave pay and bonuses for all permanent employees. Leave pay accrual were determined by reference to leave days accrued. The bonuses are equivalent to one month's basic salary for all employees and they are normally paid out in November every year. The bonus accrual is expected to be utilised within the following year.

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

At amortised cost	78,342	69,872	78,342	69,872
Non-financial instruments	-	18	-	18
	78,342	**69,890**	**78,342**	**69,890**

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

18. Trade and other payables (continued)

Reconciliations

Trade payables				
Opening balance	52,541	53,725	52,541	53,725
Movement for the year	5,963	(1,184)	5,963	(1,184)
Closing balance	**58,504**	**52,541**	**58,504**	**52,541**

Accrued leave pay				
Opening balance	12,158	11,811	12,158	11,811
Movement for the year	5,526	347	5,526	347
Additions made in the period and increase to existing provision	(1,837)	-	(1,837)	-
Amounts used or charged against the provision	(3,892)	-	(3,892)	-
Closing balance	**11,955**	**12,158**	**11,955**	**12,158**

Accrued bonus				
Opening balance	4,292	3,102	4,292	3,102
Movement for the year	-	1,190	-	1,190
Additions made in the period and increase to existing provision	4,020	-	4,020	-
Amounts used or charged against the provision	(4,045)	-	(4,045)	-
Closing balance	**4,267**	**4,292**	**4,267**	**4,292**

Exposure to currency risk

The net carrying amounts, in Namibia Dollar, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Namibia Dollar Amount				
Namibia Dollar	78,342	69,872	78,342	69,872

Exposure to liquidity risk

Refer to note 33 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to interest rate risk

Refer to note 33 Financial instruments and financial risk management for details of interest rate risk management for trade and other payables.

Fair value of trade and other payables

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

19. Revenue

Revenue from contracts with customers				
Units sold	660,261	613,823	660,261	613,823
Rendering of services	13,870	11,158	13,870	11,158
	674,131	**624,981**	**674,131**	**624,981**

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

19. Revenue (continued)

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000
Sale of electricity				
Units sold	355,099	326,274	355,099	326,274
Basic network and capacity charges	129,186	126,102	129,186	126,102
Prepaid units sold	175,976	161,447	175,976	161,447
	660,261	**613,823**	**660,261**	**613,823**
Rendering of services				
Revenue from network contributions	5,956	6,158	5,956	6,158
New connections	7,914	5,000	7,914	5,000
	13,870	**11,158**	**13,870**	**11,158**
Total revenue from contracts with customers	**674,131**	**624,981**	**674,131**	**624,981**

Timing of revenue recognition

	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000
Over time				
Units sold	355,099	326,274	355,099	326,274
Basic,network and capacity charges	129,186	126,102	129,186	126,102
Prepaid Revenue	175,976	161,447	175,976	161,447
Revenue from network contributions	5,956	6,158	5,956	6,158
New Connections	7,914	5,000	7,914	5,000
	674,131	**624,981**	**674,131**	**624,981**

Transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the reporting date

There are no unsatisfied or partially unsatisfied performance obligations at the end of the reporting date.

20. Cost of sales

	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000
Units sold	427,958	384,126	427,958	384,126
Reticulation	24,729	18,802	24,729	18,802
Other items	(1,461)	2,746	(1,461)	2,746
	451,226	**405,674**	**451,226**	**405,674**

Notes to the Annual Financial Statements

		Economic interest		Company	
		2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000
21. Other operating income					
Administration and management fees received		(159)	1,658	(159)	1,658
Fees earned		2	69	2	69
Other rental income		509	539	509	539
Bad debts recovered		2,669	-	2,669	-
Other recoveries		(1,643)	1,120	(1,643)	1,120
Bad debts recovered		449	-	449	-
Income from insurance		1,574	154	1,574	154
NTA levy rebate		40	-	40	-
Other income		1,234	907	1,234	907
Income from donated assets		10,581	8,425	10,581	8,425
Re-connections fees		58	148	58	148
Income from auction		-	331	-	331
Provision for inventory write down		(728)	(16)	(728)	(16)
		14,586	**13,335**	**14,586**	**13,335**
22. Other operating gains (losses)					
Gains (losses) on disposals, scrappings and settlements					
Property, plant and equipment	3	137	1,262	137	1,262
Fair value gains (losses)					
Investments in joint ventures	6	(80)	(80)	-	-
Total other operating gains (losses)		**57**	**1,182**	**137**	**1,262**

23. Operating profit (loss)

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

	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000
Auditor's remuneration - external				
Audit fees	1,484	927	1,484	927
Tax and secretarial services	368	184	368	184
	1,852	**1,111**	**1,852**	**1,111**
Remuneration, other than to employees				
Consulting and professional services	6,120	3,922	6,120	3,922
Employee costs				
Salaries, wages, bonuses and other benefits	94,129	90,614	94,129	90,614
Pension fund contributions	11,993	9,798	11,993	9,798
Overtime	7,138	6,352	7,138	6,352
Termination benefits	-	3,572	-	3,572
Total employee costs	**113,260**	**110,336**	**113,260**	**110,336**
Leases				
Short-term leases	1,796	1,462	1,796	1,462
Total lease expenses	**1,796**	**1,462**	**1,796**	**1,462**

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

23. Operating profit (loss) (continued)

Depreciation and amortisation

Depreciation of property, plant and equipment	30,791	29,274	30,791	29,274
Depreciation of right-of-use assets	1,634	1,832	1,634	1,832
Amortisation of intangible assets	1,247	1,391	1,247	1,391
Total depreciation and amortisation	**33,672**	**32,497**	**33,672**	**32,497**

Expenses by nature

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Cost of sales	451,226	405,674	451,226	405,674
Employee costs	113,260	110,336	113,260	110,336
Lease expenses	1,796	1,462	1,796	1,462
Depreciation, amortisation and impairment	33,672	32,497	33,672	32,497
Other expenses	7,655	8,208	7,655	8,208
Impairment losses on financial assets	33,532	14,731	33,532	14,731
Commission paid	7,542	7,148	7,542	7,148
Computer licences	5,038	5,209	5,038	5,209
Consulting and professional fees	5,775	3,755	5,775	3,755
Meals and accommodation	3,438	2,648	3,438	2,648
Insurance	3,084	2,903	3,084	2,903
Municipal expenses	2,215	2,348	2,215	2,348
Protective clothing	2,576	1,046	2,576	1,046
Security	3,762	4,080	3,762	4,080
Telephone and fax	3,787	4,828	3,787	4,828
Transport and freight	3,093	2,714	3,093	2,714
Travel - local	6,457	6,124	6,457	6,124
Bad debts	-	1,515	-	1,515
Motor vehicle expenses	7,208	4,739	7,208	4,739
Auditor's remuneration - external audit	1,852	1,111	1,852	1,111
Repairs and maintenance	7,224	6,197	7,224	6,197
	704,192	**629,273**	**704,192**	**629,273**

24. Investment income

Interest income
Investments in financial assets:

Bank	2,708	1,637	2,708	1,637
Trade and other receivables	4,061	4,073	4,061	4,073
Loans to related parties	2,314	3,214	2,314	3,214
Total interest income	**9,083**	**8,924**	**9,083**	**8,924**

25. Interest paid

Non-current borrowings	2,492	2,661	2,492	2,661
Trade and other payables	88	10	88	10
Lease liabilities	520	328	520	328
Current borrowings	3,722	2,583	3,722	2,583
Total finance costs	**6,822**	**5,582**	**6,822**	**5,582**

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

26. Taxation

Major components of the tax expense

Deferred				
Originating and reversing temporary differences	2,933	8,153	2,933	8,153

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit (loss)	(13,156)	13,566	(13,076)	13,646
Tax at the applicable tax rate of 32% (2022: 32%)	(3,985)	4,341	(4,184)	4,341
Tax effect of adjustments on taxable income				
Deferred tax-prior period	443	1,472	443	1,472
Permanent differences	7,302	2,339	7,302	2,339
	3,760	**8,152**	**3,561**	**8,152**

27. Cash generated from operations

(Loss) profit before taxation	(13,156)	13,566	(13,076)	13,646
Adjustments for:				
Depreciation and amortisation	33,672	32,497	33,672	32,497
Gains on disposals, scrapings and settlements of assets and liabilities	(137)	(1,262)	(137)	(1,262)
Interest income	(9,083)	(8,924)	(9,083)	(8,924)
Interest paid	6,822	5,582	6,822	5,582
Movements in provision for doubtful debts	(2,719)	1,514	(2,719)	1,514
Impairments of loans from related parties	-	269	-	269
Movements in retirement benefit assets and liabilities	422	367	422	367
Non- Cash Movement in Assets	7,872	-	7,872	-
Other non-cash items	3,827	1,861	3,826	1,780
Movement in provision for severance pay obligations	416	(17)	416	(17)
Impairment of related party trade receivables	33,350	15,000	33,350	15,000
Loss on inventory write down	728	(1,974)	728	(1,974)
Trade and other receivables	400	(4,923)	400	(4,922)
Movement in right-of-use assets	(9,784)	-	(9,784)	-
Trade and other payables	8,448	(1,318)	8,448	(1,318)
Deferred income	(14,835)	16,843	(14,835)	16,843
Movement in inventories	(13,232)	132	(13,232)	132
Movement in finance lease liabilities	10,698	-	10,698	-
	43,709	**69,213**	**43,788**	**69,213**

Notes to the Annual Financial Statements

28. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Economic interest & Company - 2023

	Opening balance	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Borrowings	43,406	2,773	2,773	(10,331)	35,848
Other financial liabilities	4,499	(2,773)	(2,773)	(873)	853
Severance pay obligations	1,334	-	-	(416)	918
Other payables	(169)	472	472	-	303
Finance lease liabilities	642	(483)	(483)	10,131	10,290
	49,712	**(11)**	**(11)**	**(1,489)**	**48,212**
Total liabilities from financing activities	**49,712**	**(11)**	**(11)**	**(1,489)**	**48,212**

Reconciliation of liabilities arising from financing activities - Economic interest & Company - 2022

	Opening balance	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Borrowings	54,619	-	-	(11,213)	43,406
Other financial liabilities	8,099	-	-	(3,600)	4,499
Severance pay obligations	1,351	-	-	(17)	1,334
Other payables	2,144	(2,313)	(2,313)	-	(169)
Finance lease liabilities	3,964	-	-	(3,322)	642
	70,177	**(2,313)**	**(2,313)**	**(18,152)**	**49,712**
Total liabilities from financing activities	**70,177**	**(2,313)**	**(2,313)**	**(18,152)**	**49,712**

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

29. Related parties

Identity of related parties

The economic interest has related party relationships with its joint venture company (see note 6), shareholders and key management personnel. Key management personnel comprise of directors and executive management.

Ultimate parent or shareholder with significant influence

NamPower holds a 45% equity in CENORED but has less than 45% of the voting rights. NamPower has the right to appoint 3 of the 8 directors. The Economic interest has performed an assessment and determined that NamPower does not have control over the relevant activities but exhibits significant influence over the economic interest.

Relationships

Shareholder with significant influence	Namibia Power Corporation - incorporated in Namibia
Joint ventures	Cenored-Okahandja Electricity (Pty) Ltd Refer to note 6
Shareholders	Otjiwarongo Municipality Grootfontein Municipality Outjo Municipality Khorixas Town Council Tsumeb Municipality Okakarara Town Council Kamanjab Village Council Oshikoto Regional Council Otavi Town Council Otjozondjupa Regional Council Kunene Regional Council
Members of key management	M Kahimise (Executive: Finance and Commercial Services) M Kaura (Executive: Human Capital & Corporate Services) J Iyambo (Executive: Network Engineering & Expansion) G Awaseb (Executive: Network Operations) F Mbango (Chief Executive Officer)

During the year the Company, in the ordinary course of business entered into various sale and purchase transactions with its Shareholders and joint venture company.

Shareholding structure

Namibia Power Corporation			45.00%	45.00%
Otjiwarongo Municipality			15.40%	15.40%
Tsumeb Municipality			12.60%	12.60%
Grootfontein Municipality			10.30%	10.30%
Otjozondjupa Regional Council			5.20%	5.20%
Outjo Municipality			4.00%	4.00%
Okakarara Town Council			2.20%	2.20%
Otavi Town Council			1.90%	1.90%
Khorixas Town Council			1.70%	1.70%
Kunene Regional Council			1.00%	1.00%
Kamanjab Village Council			0.50%	0.50%
Oshikoto Regional Council			0.20%	0.20%
			100%	**100%**

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

29. Related parties (continued)

There were no changes in the shareholding structure during the current year under review.

Related party balances

Loans receivables from related parties - Cenored-Okahandja Electricity (Pty) Ltd				
Gross loan receivable from joint venture	32,911	37,240	32,911	37,240
Loss allowance	(21,516)	(15,800)	(21,516)	(15,800)
Net loan receivable from joint venture	**11,395**	**21,440**	**11,395**	**21,440**

Further details on the loans receivable from related parties are disclosed in note 7.

Amounts included in Trade receivable regarding related parties				
Cenored-Okahandja Electricity (Pty) Ltd	50,361	40,360	50,361	40,360
Tsumeb Municipality	228	439	228	439
Outjo Municipality	2,445	2,723	2,445	2,723
Otavi Town Council	80	230	80	230
Okakarara Town Council	145	98	145	98
Otjozondjupa Regional Council	252	2,325	252	2,325
Oshikoto Regional Council	12	-	12	-
Khorixas Town Council	43	-	43	-
Grootfontein Municipality	415	711	415	711
Otjiwarongo Municipality	723	1,254	723	1,254
Kunene Regional Council	29	32	29	32
Kamanjab Village Council	-	9	-	9
	54,733	**48,181**	**54,733**	**48,181**

Related party trade receivables terms are 30 days. Interest is charged at 15% per annum on all outstanding trade receivables that are more than 30 days past due except for Cenored-Okahandja Electricity were no interest is not levied.

No specific provision has been made regarding related party trade receivables. However, related parties trade receivables are included in the entity's provision for doubtful debts as calculated. Refer to note 9.

During the year under review there were no write offs against the bad debt provisions for the related parties.

Amounts included in Trade payables regarding related parties				
Otjiwarongo Municipality	(1,229)	(10)	(1,229)	(10)
Namibia Power Corporation	(38,254)	(36,996)	(38,254)	(36,996)
Tsumeb Municipality	(409)	(454)	(409)	(454)
Grootfontein Municipality	(580)	(613)	(580)	(613)
Khorixas Town Council	(93)	(91)	(93)	(91)
Otavi Town Council	(66)	(128)	(66)	(128)
Outjo Municipality	(8)	(2)	(8)	(2)
Okakarara Town Council	(3)	-	(3)	-
Kunene Regional Council	(24)	(24)	(24)	(24)
Oshikoto Regional Council	(4)	(3)	(4)	(3)
Otjozondjupa Regional Council	(97)	(88)	(97)	(88)
Kamanjab Village Council	(29)	(26)	(29)	(26)
Cenored - Okahandja Electricity (Pty) Ltd	(347)	(19)	(347)	(19)
	(41,143)	**(38,454)**	**(41,143)**	**(38,454)**

Related party trade payables are normally settled on a 30 days term.

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

29. Related parties (continued)

Related party transactions

Electricity purchases from related parties				
Namibia Power Corporation	404,675	359,409	404,675	359,409
Electricity sales to related parties				
Tsumeb Municipality	(7,284)	(7,800)	(7,284)	(7,800)
Outjo Municipality	(2,639)	(2,522)	(2,639)	(2,522)
Grootfontein Municipality	(4,947)	(2,907)	(4,947)	(2,907)
Otjiwarongo Municipality	(2,478)	(2,353)	(2,478)	(2,353)
Otavi Town Council	(1,052)	(945)	(1,052)	(945)
Okakarara Town Council	(652)	(582)	(652)	(582)
Oshikoto Regional Council	(137)	-	(137)	-
Khorixas Town Council	(220)	(254)	(220)	(254)
Kamanjab Village Council	(27)	-	(27)	-
Kunene Regional Council	(421)	(409)	(421)	(409)
Otjozondjupa Regional Council	(2,930)	(1,703)	(2,930)	(1,703)
	(22,787)	**(19,475)**	**(22,787)**	**(19,475)**
Interest paid to related parties				
Namibia Power Corporation	117	154	117	154
Local authority surcharges paid to related parties				
Tsumeb Municipality	5,293	5,444	5,293	5,444
Outjo Municipality	1,457	1,456	1,457	1,456
Grootfontein Municipality	7,242	7,255	7,242	7,255
Kamanjab Village Council	177	164	177	164
Otjiwarongo Municipality	7,515	7,343	7,515	7,343
Otavi Town Council	811	799	811	799
Okakarara Town Council	479	477	479	477
Khorixas Town Council	584	559	584	559
Otjozondjupa Regional Council	611	532	611	532
Kunene Regional Council	147	145	147	145
Oshikoto Regional Council	45	47	45	47
	24,361	**24,221**	**24,361**	**24,221**
Interest received from related parties				
Cenored-Okahandja Electricity (Pty) Ltd	(2,314)	(3,213)	(2,314)	(3,213)
Management fees received from related parties				
Cenored-Okahandja Electricity (Pty) Ltd	-	(1,658)	-	(1,658)
Compensation to directors and other key management				
Employee costs - key management personnel	5,958	7,941	5,958	7,941
Employee costs - directors	1,814	1,257	1,814	1,257
	7,772	**9,198**	**7,772**	**9,198**

For disclosures of transactions with directors, refer to note 30, were transactions are disclosed per director.

The Company does not have any significant commitments with its related parties. The are no other outstanding balances with regards to related parties, other than those disclosed.

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

30. Directors' emoluments

Non-executive

2023

Directors' emoluments	Fees for services as director	Total
Services as director		
A Barlow	230	230
A Howoseb	171	171
E Katjiku	244	244
I Lungameni	98	98
K Sinvula	233	233
M Matyayi (Chairperson)	192	192
M Mbakera (Alternate)	265	265
S Hangara	258	258
A Howoseb	110	110
I Lungameni	12	12
	1,813	**1,813**

2022

Directors' emoluments	Director's Fees	Total
Services as director or prescribed officer		
A Barlow	165	165
A Haimene	55	55
C Kariko (Alternate)	116	116
E Katjiku	101	101
I David	7	7
I Lungameni	152	152
JA /Urib	165	165
K Sinvula	125	125
M Matyayi (Chairperson)	137	137
M Mbakera (Alternate)	234	234
	1,257	**1,257**

Notes to the Annual Financial Statements

	Economic interest		Company	
	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

31. Commitments

Authorised capital expenditure

Projects for capital expenditure				
• Approved by board of directors	83,463	-	83,463	-
• Less: Expenditure to 30 June 2023	(27,353)	-	(27,353)	-
• Less: Commitments to 30 June 2023	(19,726)	-	(19,726)	-
Amounts still to be expended	36,384	79,250	36,384	79,250

The capital expenditure will be financed from internally generated funds and non-refundable capital contributions by customers. The contractual commitments relate to property, plant and equipment.

Operation leases-as lessee (expense)
Minimum lease payments due

Within 1 year	737	-	737	-
In second to fifth year inclusive	1,314	-	1,314	-
Total Amounts	**2,051**	**-**	**2,051**	**-**

Notes to the Annual Financial Statements

32. Contingencies

The economic interest is having the following pending cases as at 30 June 2023 .

Litigation is in the process against a previous landlord in Gobabis as a result of the premature termination of the lease agreement. The economic interest's lawyers and the landlord's lawyers' had a meeting and no conclusion was reached. Matte is still pending and the estimated value and the present value of the claim cannot be determined as at year end.

Contingencies relating to interests in joint ventures

There are no contingencies that relates to interests in joint ventures.

Building rental contract

Owner of the previous rent in Gobabis has taken Cenored to court, claiming damages as a result of the premature termination of the lease agreement.

Matter is still pending and the estimated value and the present value of the claim cannot be determined as at year end.

Unfair dismissal

An arbitration case at the Ministry of Labour, Industrial Relations and Employment Creation, in respect of a claim for unfair dismissal of an employee.

The case is not finalized as at year end and the outcome of the case is not in the control of the entity.

The estimated value and the present value of the claim cannot be determined as at year end.

There is no possibility of claiming from a third party resulting in reimbursement.

Complete change in job description

An arbitration case at the Ministry of Labour, Industrial Relations and Employment Creation, in respect of a claim for unfair structural alignment of an employee, which is as a result of implementation of CENORED's strategic plan effective on 1 July 2021, undertaken by the Chief Executive Officer.

The case is not finalized as at year end and the outcome of the case is not in the control of the entity.

The estimated value and the present value of the claim cannot be determined as at year end.

There is no possibility of claiming from a third party resulting in reimbursement.

Notes to the Annual Financial Statements

33. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Economic interest & Company - 2023

	Note(s)	Amortised cost	Total	Fair value
Loans to related parties	7	11,395	11,395	-
Trade and other receivables	9	54,069	54,069	-
Cash and cash equivalents	10	93,275	93,275	-
		158,739	**158,739**	**-**

Economic interest & Company - 2022

	Note(s)	Amortised cost	Total	Fair value
Loans to related parties	7	21,440	21,440	-
Trade and other receivables	9	79,385	79,385	-
Cash and cash equivalents	10	110,685	110,685	-
		211,510	**211,510**	**-**

Categories of financial liabilities

Economic interest & Company - 2023

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	18	78,300	-	78,300	-
Borrowings	12	35,848	-	35,848	-
Finance lease liabilities	4	-	10,290	10,290	-
Bank overdraft	10	56,655	-	56,655	-
		-	-	-	-
		170,803	**10,290**	**181,093**	**-**

Economic interest & Company - 2022

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	18	69,872	-	69,872	-
Borrowings	12	43,406	-	43,406	-
Finance lease liabilities	4	-	642	642	-
Bank overdraft	10	57,437	-	57,437	-
		170,715	**642**	**171,357**	**-**

Financial instruments at amortised cost approximate fair value as the terms short-term or market related. As such the related fair value has not been disclosed in accordance with IFRS 7.29(a) exemption.

33. Financial instruments and risk management (continued)

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

Economic interest & Company - 2023

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	24	9,083	9,083

Economic interest & Company - 2022

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	24	8,924	8,924

Gains and losses on financial liabilities

Economic interest & Company - 2023

	Note(s)	Amortised cost	Leases	Total
Recognised in profit or loss:				
Interest Paid	25	(6,302)	(562)	(6,864)

Economic interest & Company - 2022

	Note(s)	Amortised cost	Leases	Total
Recognised in profit or loss:				
Finance costs	25	(5,254)	(328)	(5,582)

Notes to the Annual Financial Statements

		Economic interest		Company	
		2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000

33. Financial instruments and risk management (continued)

Capital risk management

The economic interest'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 economic interest's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The economic interest 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 economic interest may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, 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 economic interest monitors capital by 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. Although the gearing ratio is presented below, the economic interest's target is unknown as at the reporting date.

The board of directors is responsible to ensure that the economic interest is adequately capitalised through debt and equity management.

There are no externally imposed capital requirements.

The capital structure and gearing ratio of the economic interest at the reporting date is presented below:

Borrowings	12	35,848	43,406	35,848	43,406
Finance lease liabilities	4	10,290	642	10,290	642
Trade and other payables	18	78,342	69,890	78,342	69,890
Other Financial liabilities	16	853	4,499	853	4,499
Total borrowings		**125,333**	**118,437**	**125,333**	**118,437**
Cash and cash equivalents	10	(36,620)	(53,247)	(36,620)	(53,247)
Net borrowings		**88,713**	**65,190**	**88,713**	**65,190**
Equity		443,883	459,949	443,963	460,029
Gearing ratio		20 %	14 %	20 %	14 %

33. Financial instruments and risk management (continued)

Financial risk management

Overview

The economic interest is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the economic interest's exposure to each of the above risks, the economic interest's objectives, policies and processes for measuring and managing risk, and the economic interest's management of capital. Further quantitative disclosures are included through the economic interest's financial statements.

The board of directors has overall responsibility for the establishment and oversight of the economic interest's risk management framework. The board has established the audit and risk committee, which is responsible for developing and monitoring the economic interest's risk management policies. The committee reports regularly to the board of directors on its activities.

The economic interest's risk management policies are established to identify and analyse the risks faced by the economic interest, 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 economic interest's activities. The economic interest aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The economic interest's audit and risk committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the economic interest. The audit and risk committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Credit risk

Credit risk is the risk of financial loss to the economic interest if a customer or counterparty to a financial instrument fails to meet its contractual obligations, arise principally from the economic interest's receivables from customers.

Counterparty risk is the risk that a counterparty is unable to meet its financial and or contractual obligations during the period of a transaction. Delivery or settlement risk is the risk that a counterparty does not deliver on its contractual commitment on a maturity date.

The recoverability of a financial asset which is neither past due nor impaired is assessed, taking into account its financial position, past experience and other factors. The economic interest believes that the amounts of financial assets held at 30 June 2023 is still recoverable.

The carrying amount of financial assets represents the maximum credit exposure. The potential concentration of credit risk consists mainly loans from related parties and trade and other receivables.

Loans to related parties

Management applied the 3-stage general impairment model to calculate the impairment loss. The probability of default (PD) is multiplied by the loss given default (LGD) than by the exposure at default (EAD) to determine the expected credit loss allowance (ECL). The following assumptions were applied in determining the loss given default:

- The assessment of the loss given default is based on historical data adjusted by forward-looking information. Management has considered historical payment, current conditions and forecast of future business growth as well as economic conditions.

- In terms of the cash flow projection over the remaining lifespan of the JV, management is confident that the JV will be in position to meets its financial obligations in terms of the three loans. Hence, a weighting of 60% was estimated as a reasonable base.

33. Financial instruments and risk management (continued)

- A conservative 5% weighting was allocated towards the upside. This is attributable to the fact that given the current low economic conditions in the country, the growth in consumption is expected to remain constant. In addition, Okahandja JV has defaulted historically on the loan repayments.

  There has been no change to the estimation inputs (probability of default and loss given default) and the estimation techniques or significant assumptions during the current reporting period in assessing the loss allowance of the financial asset.

Management of credit risk

Financial instruments are managed by the finance department. Processes are in place to identify, measure, monitor, control and report credit risk. The objective of the economic interest is to protect through dealing with well-established financial institutions with high credit ratings.

Trade and receivables

Credit risk in respect of trade receivables is high due to the large number of customers of the entity. The key customers are large power users government institutions.

The economic interest is having a credit policy in place which has been established by the audit and risk committee.

A security deposit is required in respect of all new customers before they are energised and the electricity is supplied.

Electricity supply contracts are entered into with all customers and interest is charged at a market related (15% per annum) on balances in arrears.

The economic interest has well established credit control procedures that monitor activity on customer accounts and allow for remedial action should the customer not comply with payment terms. These procedures include an internal collection process, follow up with the customer either telephonically or in person, negotiations of mutually acceptable payment arrangements, the issue of letters of demand notice for disconnection of power supply and handing over to a debt collector.

The economic interest writes off trade receivables when there is no reasonable expectations of recovering the contractual cashflows on a financial asset in its entirety or a portion thereof. Progress on collection process is reviewed on a regular basis and if it is evident that the amount will not be recovered derived, it is recommended for write-off in terms of the economic interest's delegation of authority policy. The process of recovery continues unless it is confirmed that there is no prospect of recovery or the costs of such recovery will exceed the benefits to be derived.

The total cumulative expected credit losses for electricity receivables at 30 June 2023 was N$ 26,868 (N$ 26 868).

The economic interest uses the loss rate approach to determine the expected credit losses for trade receivables.

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

Notes to the Annual Financial Statements

33. Financial instruments and risk management (continued)

Economic interest		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to related parties	7	32,911	(21,516)	11,395	37,240	(15,800)	21,440
Trade and other receivables	9	128,580	(74,511)	54,069	128,798	(49,413)	79,385
Cash and cash equivalents	10	93,275	-	93,275	110,685	-	110,685
		254,766	**(96,027)**	**158,739**	**276,723**	**(65,213)**	**211,510**

Notes to the Annual Financial Statements

33. Financial instruments and risk management (continued)

Company		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to related parties	7	32,911	(21,516)	11,395	37,240	(15,800)	21,440
Trade and other receivables	9	128,580	(74,511)	54,069	128,798	(49,413)	79,385
Cash and cash equivalents	10	93,275	-	93,275	110,685	-	110,685
		254,766	**(96,027)**	**158,739**	**276,723**	**(65,213)**	**211,510**

The financial instruments are not rated either internally or externally except for cash and cash equivalents, refer to cash and cash equivalent note 10 for the ratings.

Liquidity risk

Liquidity risk is the risk that the economic interest will not be able to meet its financial obligations as they fall due. The economic interest's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the economic interest's reputation.

The economic interest ensures that it has sufficient cash on demand to meet expected operational expenses, including servicing financial obligations.

The management of liquidity and funding is vested with the finance department in accordance with practices and limits set by Exco and the board. The economic interest's liquidity and funding management process includes:

- Projected cash flows and considering short-term liquidity;
- Monitoring financial liquidity ratios;
- Maintaining a diverse range of funding sources with adequate back-up facilities.

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

Economic interest & Company - 2023

		Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Borrowings	12	-	25,306	25,306	25,306
Finance lease liabilities	4	-	1,928	1,928	7,747
Other financial liabilities	16	-	554	554	-
Current liabilities					
Trade and other payables	18	78,305	-	78,305	78,342
Borrowings	12	10,542	-	10,542	10,542
Finance lease liabilities	4	7,258	-	7,258	2,543
Bank overdraft	10	56,652	-	56,652	56,652
Other financial liabilities	16	299	-	299	-
		(153,056)	**(27,788)**	**(180,844)**	**(181,132)**

33. Financial instruments and risk management (continued)

Economic interest & Company - 2022

		Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Borrowings	12	-	36,055	439	36,494	33,055
Finance lease liabilities	4	-	419	-	419	419
Other financial liabilities	16	-	3,193	-	3,193	3,193
Current liabilities						
Trade and other payables		70,648	-	-	70,648	69,872
Borrowings	12	12,295	-	-	12,295	10,351
Finance lease liabilities		223	-	-	223	223
Bank overdraft	10	57,438	-	-	57,438	57,438
Other Financial liabilities	16	1,306	-	-	1,306	1,306
		(141,910)	**(39,667)**	**(439)**	**(182,016)**	**(175,857)**

The maturity profile of contractual cash flows of derivative financial liabilities are as follows:

Market risk

Market risk is the risk that changes in the market prices, such as interest rates will affect the economic interest's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

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

The debt of the economic interest is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed, by incurring either variable rate bank loans or fixed rate bonds as necessary.

The economic interest policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

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

Notes to the Annual Financial Statements

33. Financial instruments and risk management (continued)

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

	Note	Average effective interest rate		Carrying amount	
Economic interest		2023	2022	2023	2022
Assets					
Loans to related parties	7	7.75 %	7.75 %	-	21,171
Trade and other receivables	9	- %	- %	54,069	79,385
				54,069	**100,556**
Liabilities					
Borrowings	12	7.75 %	7.75 %	35,848	43,406
Other financial liabilities	16	7.75 %	7.75 %	853	4,499
Finance lease liabilities	4	12.00 %	12.00 %	9,186	642
Trade and other payables	18	- %	- %	78,300	70,663
				124,187	**119,210**

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.

Notes to the Annual Financial Statements

33. Financial instruments and risk management (continued)

Economic interest	2023	2023	2022	2022
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Cash and cash equivalents	933	(933)	1,107	(1,107)
Borrowings	(358)	358	(434)	434
Other financial liabilities	(9)	9	(45)	45
Bank Overdraft	(567)	567	(574)	574
Finance lease liabilities	(92)	92	(6)	6
	(93)	**93**	**48**	**(48)**

33. Financial instruments and risk management (continued)

Company	2023	2023	2022	2022
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Cash and cash equivalents	933	(933)	1,107	(1,107)
Borrowings	(358)	358	(434)	434
Other financial liabilities	(9)	9	(45)	45
Bank overdraft	(567)	567	(574)	574
Finance lease liabilities	(92)	92	(6)	6
	(93)	**93**	**48**	**(48)**

Price risk

The economic interest does not have any investments in equity securities and is this not exposed to price risk.

34. Other comprehensive income

Components of other comprehensive income - Economic interest and Company - 2023

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/asset	(79)	25	(54)

Components of other comprehensive income - Economic Interest and Company - 2022

	Gross	Tax	Net
Items that will not be reclassified to profit (loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/asset	(1,608)	515	(1,093)

35. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company 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 company. 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 company.

Detailed Income Statement

	Note(s)	Economic interest 2023 N$ '000	Economic interest 2022 N$ '000	Company 2023 N$ '000	Company 2022 N$ '000
Revenue					
Sale of goods		660,261	613,823	660,261	613,823
Rendering of services		13,870	11,158	13,870	11,158
	19	**674,131**	**624,981**	**674,131**	**624,981**
Cost of sales					
Opening stock		(23,869)	(25,711)	(23,869)	(25,711)
Purchases		(465,186)	(403,832)	(465,186)	(403,832)
Closing stock		37,829	23,869	37,829	23,869
	20	**(451,226)**	**(405,674)**	**(451,226)**	**(405,674)**
Gross profit		**222,905**	**219,307**	**222,905**	**219,307**
Other operating income					
Administration and management fees received		(159)	1,658	(159)	1,658
Fees earned		2	69	2	69
Other rental income		509	539	509	539
Bad debts recovered		2,669	-	2,669	-
Other recoveries		(1,643)	1,120	(1,643)	1,120
Bad debts recovered		449	-	449	-
Income from insurance		1,574	154	1,574	154
NTA levy rebate		40	-	40	-
Other income		1,234	907	1,234	907
Deferred income amortised - donated assets		10,581	8,425	10,581	8,425
Re-connection income		58	148	58	148
Income from auctioned items		-	331	-	331
Gain on inventory provision		(728)	(16)	(728)	(16)
	21	**14,586**	**13,335**	**14,586**	**13,335**
Other operating gains (losses)					
Gains on disposal of assets or settlement of liabilities		137	1,262	137	1,262
Impairment losses		(80)	(80)	-	-
	22	**57**	**1,182**	**137**	**1,262**
Expenses (Refer to page 88)		**(252,966)**	**(223,599)**	**(252,966)**	**(223,599)**
Operating (loss) profit	23	**(15,418)**	**10,225**	**(15,338)**	**10,305**
Investment income	24	9,083	8,924	9,083	8,924
Interest paid	25	(6,822)	(5,582)	(6,822)	(5,582)
(Loss) profit before taxation		**(13,157)**	**13,567**	**(13,077)**	**13,647**
Taxation	26	(2,933)	(8,153)	(2,933)	(8,153)
(Loss) profit for the year		**(16,090)**	**5,414**	**(16,010)**	**5,494**

Detailed Income Statement

		Economic interest		Company	
	Note(s)	2023 N$ '000	2022 N$ '000	2023 N$ '000	2022 N$ '000
Other operating expenses					
Advertising		(419)	(786)	(419)	(786)
Amortisation		(1,247)	(1,391)	(1,247)	(1,391)
Auditor's remuneration - external audit	23	(1,852)	(1,111)	(1,852)	(1,111)
Bad debts		-	(1,515)	-	(1,515)
Bank charges		(1,153)	(962)	(1,153)	(962)
Cleaning		(512)	(440)	(512)	(440)
Commission paid		(7,542)	(7,148)	(7,542)	(7,148)
Computer licences		(5,038)	(5,209)	(5,038)	(5,209)
Consulting and professional fees		(5,775)	(3,755)	(5,775)	(3,755)
Legal fees		(345)	(167)	(345)	(167)
Consumables		(15)	(24)	(15)	(24)
Debt collection		66	(128)	66	(128)
Delivery expenses		(251)	(264)	(251)	(264)
Depreciation		(32,425)	(31,106)	(32,425)	(31,106)
Employee costs		(113,260)	(110,336)	(113,260)	(110,336)
Entertainment		(506)	(588)	(506)	(588)
Loss on inventory write down/provision		(28)	(11)	(28)	(11)
Impairment of related party loan receivables		(33,350)	(14,731)	(33,350)	(14,731)
Meals and accommodation		(3,438)	(2,648)	(3,438)	(2,648)
Recruitment and bursary related costs		(543)	(762)	(543)	(762)
Upgrade expense - Feeder		-	(11)	-	(11)
Motor Vehicle Licenses		-	(582)	-	(582)
Covid-19 related expense		(53)	(123)	(53)	(123)
Insurance		(3,084)	(2,903)	(3,084)	(2,903)
Leases rentals on operating lease		(1,796)	(1,462)	(1,796)	(1,462)
Levies		-	(189)	-	(189)
Medical expenses		(29)	(42)	(29)	(42)
Motor vehicle expenses		(7,232)	(4,739)	(7,232)	(4,739)
Municipal expenses		(2,215)	(2,348)	(2,215)	(2,348)
Other expenses		(1,166)	(1,182)	(1,166)	(1,182)
Postage		(121)	(82)	(121)	(82)
Printing and stationery		(617)	(617)	(617)	(617)
Promotions		(260)	(223)	(260)	(223)
Protective clothing		(2,576)	(1,046)	(2,576)	(1,046)
Repairs and maintenance		(7,149)	(6,197)	(7,149)	(6,197)
Security		(3,762)	(4,080)	(3,762)	(4,080)
Staff welfare		(382)	(27)	(382)	(27)
Subscriptions		(286)	(65)	(286)	(65)
Telephone and fax		(3,787)	(4,828)	(3,787)	(4,828)
Training		(896)	(617)	(896)	(617)
Transport and freight		(3,093)	(2,714)	(3,093)	(2,714)
Travel - local		(6,457)	(6,124)	(6,457)	(6,124)
Travel - overseas		(372)	(316)	(372)	(316)
		(252,966)	**(223,599)**	**(252,966)**	**(223,599)**

The supplementary information presented does not form part of the annual financial statements and is unaudited