Alpha Namibia Industries Renewable Power Limited
(Registration Number: 2018/0148)

Financial Statements for the year ended
29 February 2020

GENERAL INFORMATION AND INDEX

Date of incorporation	8 March 2018
Directors	I. Nangolo M. Hengari A. Myllärinen M. Demamu P. Hango S. Oosthuysen Amb. P. Kambala G. Nakazibwe-Sekandi H. Hamukoto A. Müseler
Nature of business	Facilitate the investment in long-term renewable industries incorporating artificial intelligence technology in Namibia and Sub-Sahara Africa.
Auditors	Ernst & Young
Bankers	Bank Windhoek
Company registration number	2018/0148
Country of registration and incorporation	Namibia
Registered address	47 Nelson Mandela Avenue Klein Windhoek Windhoek, Namibia
Postal address	P. O. Box 90680 Klein Windhoek Windhoek, Namibia
Company secretary	Dr Weder, Kauta & Hoveka Incorporated

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DIRECTORS' RESPONSIBILITIES AND APPROVAL

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

The 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 judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the Company 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 Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company 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 financial statements. However, any system of internal financial controls can provide only reasonable, and not absolute, assurance against material misstatements or loss.

The directors have reviewed the Company's cash flow forecast for the year to 28 February 2021 and, in light of this review and the current financial position, they are satisfied that the Company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Company's financial statements. The financial statements have been examined by the Company's external auditors and their report is presented on pages 3 and 4.

The financial statements set out on pages 5 to 34, which have been prepared on the going concern basis, were approved and authorised for issue by the board of directors and were signed on its behalf by:

Director	Director
28 May 2020	28 May 2020

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF ALPHA NAMIBIA INDUSTRIES RENEWABLE POWER LIMITED

Opinion

We have audited the annual financial statements of Alpha Namibia Industries Renewable Power Limited (the company) set out on pages 5 to 34 which comprise the directors' report, the statement of financial position as at 29 February 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Alpha Namibia Industries Renewable Power Limited as at 29 February 2020 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of Namibia.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the general information and index on page 1 and the directors' responsibilities and approval on page 2. The other information does not include the annual financial statements and our auditor's report thereon. Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for Annual financial statements

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

In preparing the annual financial statements, the directors are responsible for assessing 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 company or to cease operations, or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 annual 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 annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Ernst & Young

Ernst & Young
Partner - Jaco Coetzee
Registered Accountants and Auditors
Chartered Accountant (Namibia)
Windhoek

Date: 28 May 2020

DIRECTORS' REPORT

The directors present their report which forms part of the financial statements of the Company for the year ended 29 February 2020.

1. Nature of operations

To facilitate the investment of long-term capital in renewable industries incorporating artificial intelligence technology in Namibia and Sub-Sahara Africa, with an initial focus on the infrastructural renewable energy sector in generation, transmission and distribution. The infrastructural renewable energy sector includes biomass, geothermal, solar, hydro, wind and wave resources.

2. Financial results and dividends

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

Full details of the financial position, results of operations and cashflows of the Company are set out in these annual financial statements. During the financial year and prior to making the acquisitions as mentioned under section 6 below, ANIREP received net interest income from funds in escrow of N$ 4 249 074 (2019: N$2 852), and incurred operating expenses of N$ 5 074 550 (2019: nil), resulting in a net loss for the period of N$ 825 476 (2019: net profit of N$ 2 852). Basic and diluted loss per share amounted to N$11 cents (2019: Basic and diluted earnings per share of N$1 cents) for the annual financial year.
These expenses incurred were in line with the permissible and operating expenses per the Pre-listing Statement.

No dividend has been declared for the year under review.

3. Share capital

The Company was incorporated with an authorised share capital of 100 000 000 ordinary par value shares of N$ 0.01 each, of which 16 881 847 were issued to the shareholders.

4. Directors

The directors of the Company during the year and to date of this report are as follows:

Name	Nationality	Date appointed at incorporation
I. Nangolo	Namibian	8 March 2018
M. Hengari	Namibian	8 March 2018
A. Myllärinen	Finnish	8 March 2018
M. Demamu	Ethiopian	8 March 2018
P. Hango	Namibian	8 March 2018
S. Oosthuysen	Namibian	8 March 2018
Amb. P. Kambala	Namibian	8 March 2018
G. Nakazibwe-Sekandi	Ugandan	8 March 2018
H. Hamukoto	Namibian	8 March 2018
A. Müseler	Namibian	8 March 2018

5. Current and future developments

Alpha Namibia Industries Renewable Power Limited (ANIREP) successfully listed on the Namibian Stock Exchange Development Board on the 12th September 2019 as a Capital Pool Company (CPC) after raising about N$ 166 million. The CPC status is limited to a maximum of 24 months, within this timeline a CPC pursues and invests in viable asset targets as governed by its approved Memorandum of Private Placement also referred to as Pre–Listing Statement. The CPC will be permitted to progress on to the Main Board listing of the Namibian Stock Exchange only upon successfully acquiring the viable asset.

DIRECTORS' REPORT (continued)

6. Subsequent events

During the financial year under review, ANIREP, in keeping with its CPC status, embarked on acquiring viable assets as per the Circular released on 8th January 2020. The purpose of the Company is to facilitate long term investments into infrastructural renewable energy projects in Namibia and Sub–Saharan Africa, focusing on generation, transmission and distribution. Solar resources being the most abundant renewable energy in Namibia, ANIREP deemed it fit to have prioritised Solar Industry in order to leverage on Namibia solar radiation competitive edge. This philosophy was instructive throughout the acquisition process from winnowing, to screening, to engaging and eventual due diligence of the target viable assets.

The eventual viable assets as approved by ANIREP's shareholders for acquisition, HopSol Power Generation (Pty) Ltd and HopSol Africa (Pty) Ltd, have not been recorded as investments in this financial year and will only be reflected in the next financial year as assets. This is in accordance with the recognition criteria per IFRS 3 and IFRS 10 and the assessment of control. Control is identified when an investor is exposed, has the rights to variable returns and is able to affect power of the investee.

As at year end:

- Not all conditions precedent had been met per the Share Purchase Agreement thereby the transactions had not been closed.
- Cash had not transferred hands from ANIREP to the sellers/vendors.
- Voting rights had not been changed, as the relevant directorship and shareholder's forms had not yet been amended and lodged to BIPA.
- Governing body of the entities had not changed to ANIREP.
- ANIREP had no benefits to cash flows arising from the target entities.

Details of each investment are as follows:

HopSol Power Generation (Pty) Ltd

HopSol Power Generation (Pty) Ltd owns and operates two Solar utility PV (Photovoltaic) plants (each with 5MW capacity), which yield high quality assets over the PPA (Power Purchase Agreement) lifetime. Both plants are post COD (Commercial Operation Date) and are already in the cash generation stage. The investment forms part of the ANIREP's mandate and is in line with the Pre – Listing Statement, to acquire viable assets in the renewable energy sector. HopSol Power Generation's plants at Otjiwarongo and Grootfontein, are part of ANIREP strategic first round acquisition towards being an integrated renewable energy value chain player. In addition, ANIREP's Board believes the Proposed Transaction of HopSol Power Generation provides strategic alignment of interest between HopSol Power Generation and ANIREP. HopSol Power Generation with its two plants at Grootfontein and Otjiwarongo, will place ANIREP in a vantage position to take an early mover advantage to unlock opportunities in scaling up and installing new capacity in Namibia to supply to contested customers under MSBM (Modified Single Buyer's Market), further cementing ANIREP as first mover in the recently deregulated market.

The transaction has not been finalised as at year end and is still ongoing. The terms and conditions on which the Share Purchase Agreement that have been signed remain in place and in force. The Equity consideration for the transaction at an investment of N$ 88 million is considered a fair value for the acquisition of 70% of the HopSol Power Generation (Pty) Ltd.

HopSol Africa (Pty) Ltd

HopSol Africa (Pty) Ltd, represents a key two fold offering as both a leading EPC (Engineering, Procurement and Construction Contract) and leading O&M (Operation and Maintenance) contractor in Solar PV in Namibia, as stated in paragraph 2.3 and sub paragraph 2.4.1.1 of the Pre-Listing Statement and in conformity to ANIREP set Viable Asset criteria. This asset constitutes an investment into an operating Company in the renewable energy sector in sub-Saharan Africa with promising upside in the growing Solar PV market in Namibia and in Sub Saharan Africa. The acquisition will therefore equip ANIREP with capacity to undertake projects availed by the necessity to effectively unlock the abundance and strategic solar resources.

DIRECTORS' REPORT (continued)

6. Subsequent events (continued)

HopSol Africa (Pty) Ltd's knowhow is thus indispensable in an internationally competitive industry; with evolving quality, time, efficiency, and cost critical mission deliveries. As the market leader in Namibia within the solar industry, with market size of more than 60% of installed Solar PV projects to date; HopSol Africa (Pty) Ltd's ethos of services focused to its committed clients, should gain ANIREP shareholders long term gains as the industry grows to levels found in Middle East where similar conditions and abundance of solar resources exist.

The investment of HopSol Africa (Pty) Ltd was concluded on the 01st April 2020, which is the date that the shares transferred to ANIREP. An equity stake consideration of 80% for N$ 56 million was acquired and deemed by directors to be the fair value of the business.

Important element of the acquired business includes:
Approximately 60 O&M contracts with 27 clients. This attributes to a significant revenue base which is one of the most critical elements of the business.

Other assets and liabilities as at 31 March 2019 include but not limited to:

Cash balance:	N$ 12 million
Trade Receivables:	N$ 2 million
Trade Payables	N$ 4 million

Revenue for the financial year ended 31 March 2019 totalled N$ 90 million and net profit was N$ 8.8 million. (Please take note that the 2020-year-end figures have not yet been audited).

HopSol Africa (Pty) Ltd has no other long-term debts as at the date of acquisition and is in a strong net asset position.

Subsequent to closing both HopSol Africa (Pty) Ltd and HopSol Power Generation (Pty) Ltd transactions, as stated above, ANIREP will list on the main board of the Namibia Stock Exchange. HopSol Africa (Pty) Ltd will be recognised at an investment to the value of N$ 56 million and HopSol Power Generation (Pty) Ltd at an investment to the value of N$ 88 million, excluding any cost that will be capitalised. Only costs in line with IAS 32 and IFRS 9 will be capitalised that relate to the issue of debt or equity securities, all other cost is expensed in the period in which they have been incurred. These investments will be measured at fair value through profit and loss.

Except for the disclosure above, the directors are not aware of any other material event that have occurred after year-end up to the date of this report, including COVID-19, which did not have any impact on the balances as at year-end or the above mentioned subsequent investments. Please see Note 19 with regards to our COVID-19 and going concern assessment.

7. Auditors

Ernst & Young will continue in office in accordance with section 278(2) of the Companies Act of Namibia.

STATEMENT OF FINANCIAL POSITION

	Note(s)	2020 N$	2019 N$
ASSETS			
Current Assets		**164 187 437**	**1 173 466**
Prepaid Expenses	3	24 005	857 017
Trade and Other Receivables	4	524 828	4 603
Cash and Cash Equivalents	5	163 638 604	311 846
Non Current Assets		**269 520**	-
Right of use asset	16	269 520	-
Total Assets		**164 456 957**	**1 173 466**
EQUITY AND LIABILITIES			
Capital and Reserves		**163 418 239**	**924 952**
Share Capital	6	168 818	2 797
Share Premium	7	164 072 045	919 303
(Accumulated Loss)/ Retained Earnings		(822 624)	2 852
Current Liabilities		**916 404**	**248 514**
Related Party Loans	8	48 315	248 514
Trade and Other Payables	10	696 009	-
Lease Liability	16	172 080	-
Non Current Liabilities		**122 314**	-
Lease Liability	16	122 314	-
Total Equity and Liabilities		**164 456 957**	**1 173 466**

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	2020	2019
		N$	N$
Revenue		**-**	**-**
Admin and other expenses		(5 074 550)	-
(Loss) before interest and tax	**12**	**(5 074 550)**	**-**
Net interest income		**4 249 074**	**2 852**
Interest received	**13**	4 280 372	2 852
Finance charges		(31 298)	-
(Loss)/ profit before taxation		**(825 476)**	**2 852**
Taxation	**14**	-	-
(Loss)/ profit for the year		**(825 476)**	**2 852**
Other comprehensive income		-	-
Total comprehensive (loss)/ income for the year		**(825 476)**	**2 852**
Earnings Per Share (Basic/Diluted)	**20**	**(0.11)**	**0.01**

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	(Accumulated loss)/ Retained Earnings	Total
	N$	N$	N$	N$
Balance as at 1 March 2018	**-**	**-**	**-**	**-**
Profit for the year	-	-	2 852	2 852
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**2 852**	**2 852**
Issue of shares	2 797	919 303	-	922 100
Balance as at 1 March 2019	**2 797**	**919 303**	**2 852**	**924 952**
Loss for the year	-	-	(825 476)	(825 476)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year			**(825 476)**	**(825 476)**
Issue of share	166 021	165 855 349	-	166 021 370
Share issue cost	-	(2 702 607)	-	(2 702 607)
Balance as at 29 February 2020	**168 818**	**164 072 045**	**(822 624)**	**163 418 239**
Note(s)	**6**	**7**		

STATEMENT OF CASH FLOWS

	Note(s)	2020 N$	2019 N$
Cash flows from operating activities			
Receipts from customers		-	-
Payments to suppliers	15	(3 911 743)	(861 620)
Cash utilised in operations		**(3 911 743)**	**(861 620)**
Interest received		4 280 372	2 852
Net cash generated from/ (utilised in) operations		368 629	(858 768)
Cash flows from financing activities			
Issue of share capital		166 021	2 797
Issue of share premium		165 855349	919 303
Share issue cost		(2 702 607)	-
Related party loans incurred		48 315	248 514
Repayment of related party loans		(248 514)	-
Repayment on lease – capital portion		(129 137)	-
Repayment on lease – interest portion		(31 298)	-
Net cash flow from financing activities		**162 958 129**	**1 170 614**
Net change in cash and cash equivalents		163 326 758	311 846
Cash and cash equivalents at beginning of the year		311 846	-
Cash and cash equivalents at the end of the year	5	**163 638 604**	**311 846**

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on a historical cost basis in accordance with International Financial Reporting Standards (IFRS) and its interpretation as issued by International Accounting Standards Board (IASB) and in the manner required by the Companies Act of Namibia. The financial statements have been prepared on a going concern basis. The adoption of IFRS 16 has an impact on the entity's financial performance and position. Refer to note 16 for further disclosure on IFRS 16.

1.1 Investment entity

In term of IFRS 10 the Company is exempt from producing consolidated financial statements if it holds a majority shareholding in other entities, provided the investment in the related subsidiary is carried at fair value through profit or loss in the Company's stand-alone financial statements.

An investment entity is an entity that:

a) obtained funds from one or more investors for the purpose of providing those investor(s) with investment management services. The Company obtained funding from its shareholders and is providing investment management services to its shareholders;

b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The Company's income is derived from dividends received and capital appreciation; and

c) measures and evaluates the performance of substantially all of its investments on a fair value basis. All investments of the Company are carried at fair value through profit or loss.

1.2 Functional and presentation currency

The financial statements are presented in Namibia Dollars, which is the Company's functional currency. All amounts have been rounded to the nearest N$ 1.

1.3 New Standards and Interpretations

IFRS's and IFRIC interpretations effective and adopted for the annual period beginning on or after effective date.

Title	Effective Date
IFRS - 16 Leases	1 January 2019
IAS 19 – Amendment	1 January 2019
IAS 28 – Amendment – Investments in Associates and Joint Ventures	1 January 2019
AIP IFRS 3 – Business Combinations	1 January 2019
AIP IFRS 11 – Joint Arrangements	1 January 2019
AIP IAS 12 – Income Taxes	1 January 2019
AIP IAS 23 – Borrowing Costs	1 January 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

1.3 New Standards and Interpretations (continued)

IFRS's and IFRIC interpretations not yet effective nor have these been early adopted for the annual period beginning on 1 March 2019.

Title	**Effective Date**
IFRS 3 - Amendment	1 January 2020
IFRS 7 – Amendment	1 January 2020
IFRS 9 - Amendment	1 January 2020
IAS 1 - Amendment	1 January 2020
IAS 8 - Amendment	1 January 2020
IAS 39 – Amendment	1 January 2020
The Conceptual Framework for Financial Reporting	1 January 2020

1.4 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

a) Trade receivables and loans and receivables

The Company assesses its trade receivables and loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the profit or loss, the Company makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

b) Leases

The application of IFRS 16 requires ANIREP to make judgements and estimates that affect the measurement of right of use assets and liabilities. In determining the lease term, we must consider all facts and circumstances that create an economic incentive to exercise renewal option (or not exercise termination option). Assessing whether a contract includes a lease also requires judgement. Estimates require to determine the appropriate discount rate used to measure lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

1.4 Significant judgements and sources of estimation uncertainty (continued)

c) Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

d) Investment entity

Refer to basis of preparation in note 1 above where the significant judgements and assumptions applied to determine if the entity has met the definition of an investment entity is disclosed.

e) Interests in subsidiaries

Interests in subsidiaries are carried at fair value through profit or loss. The value of an investment in a subsidiary is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company. Subsequently, investments are carried at fair value through profit or loss. The fair value of investments is determined on a yearly basis.

f) Investments in unlisted equity

An investment in unlisted equity is carried at fair value and classified as fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES

2.1 Financial instruments

Classification

The Company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - designated
- Financial assets at amortised cost
- Financial liabilities at fair value through profit or loss - designated
- Financial liabilities at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the practical expedient has been applied. Financial assets are initially measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the practical expedient has not been applied for contracts that have a maturity of one year or less, are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as:

- Financial assets at amortised cost (debt instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant. Financial assets are measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

2.1 Financial instruments (continued)

- 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.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The financial assets at amortised cost include trade receivables, other receivables and receivables from joint arrangements.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that do not pass the SPPI test are required to be classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. A derivative embedded in a hybrid contract with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if; the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

As IFRS 9 now has the SPPI test for financial assets, the requirements relating to the separation of embedded derivatives is no longer needed for financial assets. An embedded derivative will often make a financial asset fail the SPPI test thereby requiring the instrument to be measured at fair value through profit or loss in its entirety. This is applicable to the trade receivables (subject to provisional pricing). These receivables relate to sales contracts where the selling price is determined after delivery to the customer, based on the market price at the relevant QP stipulated in the contract. This exposure to the commodity price causes such trade receivables to fail the SPPI test. As a result, these receivables are measured at fair value through profit or loss from the date of recognition of the corresponding sale, with subsequent movements being recognised in 'fair value gains/losses on provisionally priced trade receivables' in the statement of profit or loss and other comprehensive income. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

2.1 Financial instruments (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either; the entity has transferred substantially all the risks and rewards of the asset, or the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the entity continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

Impairment of financial assets

The entity recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses (ECL) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to be received, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the entity applies the simplified approach in calculating expected credit losses, as permitted by IFRS 9. Therefore, the entity does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime expected credit losses at each reporting date. The entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For any other financial assets carried at amortised cost (which are due in more than 12 months), the expected credit losses are based on the 12-month expected credit losses. The 12-month expected credit losses is the proportion of lifetime expected credit losses that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit losses. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the entity considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the entity's historical experience and informed credit assessment including forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

2.1 Financial instruments (continued)

The entity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the entity may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the entity assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The entity's financial liabilities include loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the entity that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

Loans and borrowings and trade and other payables

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss and other comprehensive income. This category generally applies to interest-bearing loans and borrowings and trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

2.1 Financial instruments (continued)

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

2.2 Loans to /from group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to group companies are held to collect contractual cash flows and classified as financial assets at amortised cost.

2.3 Prepaid expenses

Specific costs directly attributable to the proposed listing of share capital is deferred as “prepaid expenses” and will be capitalised to equity on listing. This will be in line with the treatment of IAS 32 on share issue cost being written off against Share Premium. Prepaid expenses of an aborted listing will be expensed at the date the listing is aborted or will be expensed if the listing does not happen in the next financial year.

2.4 Trade and other receivables

Trade and other receivables consists of dividends and other receivable balances from investments.

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Trade and other receivables are classified as financial assets at amortised cost.

2.5 Trade and other payables

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

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are recorded at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

2.7 Income tax

Current tax assets and liabilities

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

Current income tax liabilities (assets) for the current and prior years 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 to the extent that it is probable that future taxable profit will be available against which the unused tax losses 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.

Income tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from: a transaction or event which is recognised, in the same or a different year, 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 year, 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 year, directly in equity.

2.8 Share capital and equity

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

2.9 Dividend income

Dividend income comprises of dividend income received from investments in subsidiaries and unlisted equity. Dividend income is measured at fair value of the consideration received or receivable and is recorded in profit or loss when the right to the payment has been established.

2.10 Finance income and expenses

Finance income comprise of interest income on funds with financial institutions. Interest income is recognised as it accrues in finance income line item using the effective interest rate method.

Finance expenses comprise of interest expense on borrowings. Interest expense is recognised in profit or loss using the effective interest rate method.

2.11 Earnings per Share

Basic Earnings Per Share
Earnings per share was based on the weighted average number of ordinary shares issued during the year ANIREP currently only has one class of share to be considered in the calculation of Earnings per Share.

Diluted Earnings Per Share
Diluted Earnings per share was based on the adjustment to weighted average number of ordinary shares issued during the period. Refer to note 20.

2.12 Leases

Accounting policy for leases applicable prior to 1 January 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Operating leases

All lease payments are for operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term. Accounting policy for leases applicable from 1 January 2019.

The Company assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessor

All lease payments are for operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Accounting policy for leases applicable from 1 January 2019.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

2.12 Leases (continued)

i. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and buildings: 3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.1 for impairment of non-financial assets.

ii. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (and, in some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs in calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

IFRS 16 supersedes IAS 17 Leases, IFRIC 3 Determining whether an arrangement contains a lease, SIC-15 Operating Leases-incentives and SIC-27 Evaluating the Substance of Transactions involving the legal form of a lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of lease and required lessees to recognise most on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Company is lessor.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial applicable of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IRIC 4 at the date of initial application.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. PREPAID EXPENSES

	2020 N$	2019 N$
Accounting licence prepayment	24 005	-
Advertising and promotions	-	102 364
Audit fees	-	112 125
Legal fees	-	72 722
Namibian Stock Exchange fees	-	190 000
Printing and stationery	-	38 502
Travel and accommodation	-	271 991
Other	-	69 313
	24 005	**857 017**

The prepayments for 2019 related to cost that have been encountered in the process of listing and are classified as share issue cost deducted from the share premium.

4. TRADE & OTHER RECEIVABLES

	2020 N$	2019 N$
VAT	522 328	777
Deposits	2 500	-
Other	-	3 826
	524 828	**4 603**

The balance of trade receivables relates to VAT receivable. No credit losses are expected on this balance.

5. CASH AND CASH EQUIVALENTS

	2020 N$	2019 N$
Cash at bank	**163 638 604**	**311 846**

Cash at bank incurs interest at floating rates based on the prime rate. Cash and cash equivalents comprises cash and deposits held by the Company. The carrying amounts of these assets and liabilities approximate their fair value. The cash is held in an escrow account managed by lawyers separately.

6. SHARE CAPITAL

	2020 N$	2019 N$
Authorised		
100 000 000 Ordinary shares with a par value of N$0.01	**1 000 000**	**1 000 000**
Issued		
16 881 847 (2019: 279 710) Ordinary shares with a par value of N$0.01	**168 818**	**2 797**

All unissued ordinary shares are under the control of the directors.

7. SHARE PREMIUM

	2020 N$	2019 N$
250 000 Issued ordinary shares with a share premium of N$2.49 each	622 500	622 500
16 631 847 (2019: 297 710) Issued ordinary shares with a share premium of N$ 9.99 each	166 152 152	296 803
Share issue cost	(2 702 607)	-
	164 072 045	**919 303**

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2020 N$	2019 N$
8. RELATED PARTY LOANS		
ANISOL (Pty) Ltd	(176 802)	-
Jordaan Oosthuysen Nangolo Quantity Surveyors Incorporated (JONQS)	-	26 607
Tulive Private Equity (Proprietary) Limited (TPE)	225 117	221 909
	48 315	**248 514**

These loans are interest free, unsecured and not subject to any fixed repayment terms. These arrangements are reviewed from time to time. Directors on the Board of ANIREP with vested interests in the related parties do not receive any directors fees from ANIREP.

9. RELATED PARTIES

ANIREP owns 51% of ANISOL, a Company recently establish for purposes of operations and carrying out direct activities within the Solar PV sector. The entity is still new and as of the date of the financial statements has not been undergoing any activities. Due to our investment policy applied as per note 1.1 the asset is recognised at fair value, given its recent establishment, the entity's value is still nil. JONQS and TPE own their respective portion in ANIREP though Alternative Energy Consultants (AEC) 5.63% shareholding in ANIREP. AEC is the Company formed by RE Manager JV for purposes of shareholding in ANIREP by management. All the entities share similar management.

ANISOL (PTY) LTD	**51%**	**0%**

10. TRADE AND OTHER PAYABLES		
Trade payables	587 185	-
Accruals	108 824	-
	696 009	**-**

Directors consider that the carrying amounts of accounts payable approximate their fair values. The average credit period for trade creditors is 60 days after statement date. No interest is charged during this period. The Company has financial risk management policies in place to ensure that creditors are paid in time.

11. REMUNERATION OF DIRECTORS

No remuneration was paid to the Directors during the period prior to listing on the Namibian stock exchange development board on the 12th of September 2019. Subsequent to listing, board fees for the non-executive directors for the financial year was paid out of management fees paid to Alternative Electricity Consultants (AEC – refer to note 9 for more details).

Remuneration paid to Non - Executive Directors

Director		
Primus Hango (Chairperson)	9 750	-
Gida Nakazibwe - Sekandi	8 250	-
Mac Hengari	8 250	-
Amb. Phillemon Kambala	8 250	-
Stephanus Oosthuysen	-	-
Annegret Museler	-	
	34 500	-

No Remuneration was paid to the Executive Directors during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. REMUNERATION OF DIRECTORS (continued)

	2020 N$	2019 N$
Remuneration paid to Executive Directors		
Director		
Iyaloo Nangolo	-	-
Hans Hamukoto	-	-
Antii Myllärinen	-	-
Meklit Demamu	-	-

12. ADMINISTRATIVE EXPENSES

The operating loss has been determined after taking the following into account:

Accounting and secretarial fees	7 785	-
Acquisition cost	1 134 850	-
Advertising & promotions	11 179	-
Audit fees	129 208	-
Non audit fees	196 375	-
Bank charges	10 218	-
Committee and board fees	19 125	-
Depreciation	154 011	-
Due diligence expenditure	711 505	-
Legal fees	34 700	-
Listing advisory fee	1 652 720	-
Management fees	899 100	-
Printing & stationery	6 688	-
Travel and accommodation	41 572	-

13. INTEREST RECEIVED

Interest received from cash in bank at 4.5% effective interest rate (2019: 3% effective interest rate) per annum.	**4 280 372**	**2 852**

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. TAXATION

No taxable income has accrued to the Company during the year under review, mainly due to the fact that the entity did not trade during this year. For this reason, the Company has no tax liability.

	2020 N$	2019 N$
Net (loss)/profit per income statement	(825 476)	2 825
Adjust for:		
- Temporary difference	(24 005)	27
- Share issue cost	(1 845 590)	-
- Prepaid expenses	-	(857 017)
Loss for the year	**(2 670 196)**	**(854 165)**
Assessed loss from prior year	(854 165)	-
Total accumulated assessed loss for the year	**(3 524 361)**	**(854 165)**

Tax Rate Reconciliation

	2020	2019
Applicable tax rate	32 %	32 %
Permanent differences	71.55 %	0 %
Assessed loss not utilised	(103.55)%	(32)%
	0.00 %	**0.00 %**

Deferred Tax Reconciliation

	2020	2019
Opening		
Movement during the year		
- Timing differences	(278)	-
- Assessed loss	1 163 326	854 165
- Deferred tax not recognised	(1 163 048)	(854 165)
	-	-

	2020	2019
Assessed losses not recognised for the year	**(3 524 361)**	**(854 165)**

ANIREP has realised a loss over the past two years, and as such has accumulated an assessed loss balance. Despite this having future positive implication on tax payable for ANIREP, the deferred tax asset for this was not raised on the balance sheet, as the entity wishes to rather consider a prudent approach to raising such a balance.

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2020 N$	2019 N$
15. CASH UTILISED IN OPERATIONS		
Loss (profit) before tax	(825 476)	2 825
Adjusted for		
- Depreciation	154 011	-
- Finance charges	31 298	-
- Interest income	(4 280 372)	(2 852)
Changes in Working Capital	**1 008 796**	**(861 620)**
Decrease in receivables and prepaid expenses	312 787	(861 620)
Increase in accounts payable	696 009	-
	(3 911 743)	**(861 620)**

16. LEASES

ANIREP has signed a lease agreement for the purposes of renting an office for a period of 2 years with 1-year extension at an annual increase of 10% on the lease amount. This is currently the only lease that has been engaged in the current year.

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

Right of use asset recognised	423 531	-
Accumulated depreciation	(154 011)	-
Right of use asset at the end of the year	**269 520**	-

Lease liability recognised	(423 532)	-
Finance charges	129 137	-
Lease liability at the end of the year	**(294 394)**	-

Rent paid	(160 435)	-
Finance charges for the year	(31 298)	-
Depreciation for the year	(154 011)	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Note 2.1 to the financial statements.

17.1 Categories of financial instruments

	Note(s)	Fair value through profit and loss	Amortised cost	Fair value through other comprehensive income	Equity and non – financial instruments	Total
29 February 2020		**N$**	**N$**	**N$**	**N$**	**N$**
Financial assets						
Trade and other receivables	4	2 500	-	-	-	**2500**
Cash and cash equivalents	5	-	163 638 604	-	-	**163 638 604**
VAT Receivable		-	-	-	522 328	**522 328**
Pre – paid expenses		-	-	-	24 005	**24 005**
Right of use asset		-		-	269 520	**269 520**
Total financial assets		**2 500**	**163 638 604**	-	**815 853**	**164 456 957**
Financial liabilities						
Related party loans	8	-	48 315	-	-	**48 315**
Trade & other payables	9	-	696 009	-	-	**696 009**
Lease liability		-	294 394	-	-	**294 394**
Total financial liabilities		-	**1 038 718**	-	-	**1 038 718**

NOTES TO THE FINANCIAL STATEMENTS (continued)

17.1 Categories of financial instruments(continued)

	Note(s)	Fair value through profit and loss	Amortised cost	Fair value through other comprehensive income	Equity and non – financial instruments	Total
28 February 2019		**N$**	**N$**	**N$**	**N$**	**N$**
Financial assets						
Trade and other receivables	4	3 826	-	-	-	**3 826**
Cash and cash equivalents	5	-	311 846	-	-	**311 846**
VAT receivable		-	-	-	777	**777**
Prepaid expenses		-	-	-	857 017	**857 017**
Total financial assets		**3 826**	**311 846**	-	**857 794**	**1 173 466**
Financial liabilities						
Related party loans	8	-	248 514	-	-	**248 514**
Total financial liabilities		-	**248 514**	-	-	248 514

NOTES TO THE FINANCIAL STATEMENTS (continued)

17.2 Fair values

The fair values of all financial instruments are substantially the same to the carrying values reflected in the statement of financial position.

17.3 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments, which are measured at fair value by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: Techniques that uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.

During the current financial year end, the Company had no financial instruments that were subsequently measured at fair value and therefore there have been no transfers between fair value levels during the reporting year.

17.4 Capital commitments and contingencies

Future minimum rentals payable under non – cancellable operating leases are as follows:

	2020	**2019**
	N$	**N$**
Within one year	144 913	160 434
After one year	-	144 913

Material leases including escalation clauses have been taken into account in determining commitments done.

18. RISK MANAGEMENT

Capital risk management
The primary objective of the entity's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise investors' value. The entity manages equity and related party loans and borrowings as part of its capital management. The entity manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

Financial risk management
The entity's principal financial instruments comprise of cash and cash equivalents, related party loans, trade and other receivables and prepaid expenses. The main purpose of these financial instruments is to raise finance for the entity's operations. The main risks arising from the entity's financial instruments are liquidity risk and interest rate risk. There has been no significant change during the financial year, or since the end of the financial year, to the types of financial risks faced by the entity, the approach to measurement of these financial risks or the objectives, policies and processes for managing these financial risks. The Directors' review and agree on policies for managing each of these risks which are summarised below:

Liquidity risk
The Company's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities. The entity monitors its risk to a shortage of funds using monthly management accounts, general cash flow projections and adequate utilised borrowing facilities are monitored. The entity's objective is to maintain a balance between continuity of funding and flexibility through the use of related party loans.

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RISK MANAGEMENT (continued)

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Interest rate movements impact on the value of the Company's short-term cash investments and payables (where applicable). The exposure to interest rate risk is managed through monitoring cash flows, investing surplus cash at negotiated rates when appropriate, which enables the Company to maximise returns while minimising risks.

19. GOING CONCERN

It is the responsibility of the Directors of ANIREP to assess going concern of the entity for the foreseeable future. Amidst the global pandemic of Covid-19, most businesses worldwide are grappling with impacts measure to contain or mitigate the pandemic exposure. So far most countries have adopted such as lockdown and social distancing. These measures are undoubtedly negatively impacting on economic activities leading to a halt and reverse in growth with general global recession being the highly likely scenario. ANIREP, as an investment Company, weighs the economic impacts of the Covid-19 on its current assets as well as potential future assets.

The sector in which ANIREP operates, namely renewable energy, is considered to be a vital and essential utility to the modern civilisation. Energy is critical for daily essential and non- essential sectors of economy and especially during lockdown to maintain a functioning social goods and services from general governance services to health, to water, to traffic, to critical industries such as fast moving goods, agriculture and telecommunications. All these critical societal amenities indeed require energy.

The possible negative effect on the renewable sector would be a slowdown in the implementation of necessary legislative framework and procurement strategies required all over Africa within renewable sector, as Covid-19 draws attention away from energy to public health infrastructure.

Currently ANIREP is in the process of acquiring two assets, one Solar photovoltaic (PV) Engineering Procurement Construction (EPC) and Operations & Management (O&M) Company and another Independent Power Producers (IPP) Company with two Solar PV utility scale parks. With Namibia relying on imports for the bulk of its electricity supply, (i.e. about 70% from South Africa, Zambia and Zimbabwe), local production is expected to shield local power producers like ANIREP for the foreseeable future. This places ANIREP in a good stead to ensure cash flows received from the Solar Parks remain positive. Although most businesses and industries are under strict lockdown measure and operating below par or not at all, the most consumption is now taking placed at household level, which has seen a significant increase due to lockdown. In general, a modest decrease in overall consumption is projected.

Yet given the small percentage produced locally, circa 30%, the two Solar PV utility parks that ANIREP is currently acquiring, are expected to operate and generate at their normal capacity. With regards to the EPC and O&M Company, the current clients have term contracts to maintain their solar installations. These contracts are not affected for the same reason stated earlier and that new works and current order book are not expected to be impaired either due to lower percentage of locally generated power and affordable pricing contracted against the regulated higher tariff in Namibia.

It is worth noticing that the Namibian power market is underpinned by the state owned Nampower which has assets in the Generation, Transmission and Distribution space. Nampower, as a regulated utility, has a healthy balance sheet with Debt Servicing Ratio at more than 4 multiple. This strength allows Nampower to stabilize the Namibian power market by importing large sum of power of units at a discount and sell at regulated local price and at the same time serve as off - taker of last resort to local IPPs such as the one ANIREP is currently acquiring.

Future prospects for growth and expansion under Covid - 19 could prove to be challenging as capital raising becomes mired under the light of failing capital markets. On the contrary interest rate cuts provide an ideal environment for renewable energy projects debt funding and increase the rate of returns to long term equity investors. In addition, travel restrictions could hamper further and wide capital raise as access to regional and international capital investors becomes constraint by global rolling lockdowns.

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2020 N$	2019 N$

19. GOING CONCERN (continued)

Considering the above appraisal, ANIREP believes that it will be able to stay above water and strategically implement measures for overcoming the cited challenges by timing the execution of its expansion and growth pipeline. Detailed plans to overcome Covid-19 lockdown challenges will be implemented to enable long-term wealth creation for our shareholders in keeping with the long term nature of renewable power investment in an essential sector of the economy; power generation.

20. HEADLINE EARNINGS PER SHARE

	2020 N$	2019 N$
Number of shares in issue	16 881 847	279 710
Net asset value per share (cents per share)	968	331
Listed market price per share (cents per share)	1 000	331
Premium to net asset value	32	-
Capital commitments (including approved but not contracted)	Nil	Nil

Basic Headline Earnings Per Share

	2020 N$	2019 N$
Shares in issue		
Total number of shares in issue	16 881 847	279 710
Headline earnings (no adjustments required)	(825 476)	2 852
Basic earnings per share (cents)	(0.11)	0.01
Headline earnings per share (cents)	(0.11)	0.01
Dividends per share (cents)	Nil	Nil

The weighted average number of issued shares as at 29 February 2020 is 7 797 235 (28 February 2019: 219 355).

Weighted Earnings and Headline Earnings Per Share

	2020 N$	2019 N$
Weighted number of shares in issue	7 797 235	219 355
Weighted earnings ((loss)/profit for the year – no adjustments required)	(825 476)	2 852
Weighted earnings/loss per share (cents)	(0.05)	0.01

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. SUBSEQUENT EVENTS

During the financial year under review, ANIREP, in keeping with its CPC status, embarked on acquiring viable assets as per the Circular released on 8th January 2020. The purpose of the Company is to facilitate long term investments into infrastructural renewable energy projects in Namibia and Sub–Saharan Africa, focusing on generation, transmission and distribution. Solar resources being the most abundant renewable energy in Namibia, ANIREP deemed it fit to have prioritised Solar Industry in order to leverage on Namibia solar radiation competitive edge. This philosophy was instructive throughout the acquisition process from winnowing, to screening, to engaging and eventual due diligence of the target viable assets.

The eventual viable assets as approved by ANIREP's shareholders for acquisition, HopSol Power Generation (Pty) Ltd and HopSol Africa (Pty) Ltd, have not been recorded as investments in this financial year and will only be reflected in the next financial year as assets. This is in accordance with the recognition criteria per IFRS 3 and IFRS 10 and the assessment of control. Control is identified when an investor is exposed, has the rights to variable returns and is able to affect power of the investee.

As at year end:

- Not all conditions precedent had been met per the Share Purchase Agreement thereby the transactions had not been closed.
- Cash had not transferred hands from ANIREP to the sellers/vendors.
- Voting rights had not been changed, as the relevant directorship and shareholder's forms had not yet been amended and lodged to BIPA.
- Governing body of the entities had not changed to ANIREP.
- ANIREP had no benefits to cash flows arising from the target entities.

Details of each investment are as follows:

HopSol Power Generation (Pty) Ltd

HopSol Power Generation (Pty) Ltd owns and operates two Solar utility PV (Photovoltaic) plants (each with 5MW capacity), which yield high quality assets over the PPA (Power Purchase Agreement) lifetime. Both plants are post COD (Commercial Operation Date) and are already in the cash generation stage. The investment forms part of the ANIREP's mandate and is in line with the Pre – Listing Statement, to acquire viable assets in the renewable energy sector. HopSol Power Generation's plants at Otjiwarongo and Grootfontein, are part of ANIREP strategic first round acquisition towards being an integrated renewable energy value chain player. In addition, ANIREP's Board believes the Proposed Transaction of HopSol Power Generation provides strategic alignment of interest between HopSol Power Generation and ANIREP. HopSol Power Generation with its two plants at Grootfontein and Otjiwarongo, will place ANIREP in a vantage position to take an early mover advantage to unlock opportunities in scaling up and installing new capacity in Namibia to supply to contested customers under MSBM (Modified Single Buyer's Market), further cementing ANIREP as first mover in the recently deregulated market.

The transaction has not been finalised as at year end and is still ongoing. The terms and conditions on which the Share Purchase Agreement that have been signed remain in place and in force. The Equity consideration for the transaction at an investment of N$ 88 million is considered a fair value for the acquisition of 70% of the HopSol Power Generation (Pty) Ltd.

HopSol Africa (Pty) Ltd

HopSol Africa (Pty) Ltd, represents a key two fold offering as both a leading EPC (Engineering, Procurement and Construction Contract) and leading O&M (Operation and Maintenance) contractor in Solar PV in Namibia, as stated in paragraph 2.3 and sub paragraph 2.4.1.1 of the Pre-Listing Statement and in conformity to ANIREP set Viable Asset criteria. This asset constitutes an investment into an operating Company in the renewable energy sector in sub-Saharan Africa with promising upside in the growing Solar PV market in Namibia and in Sub Saharan Africa. The acquisition will therefore equip ANIREP with capacity to undertake projects availed by the necessity to effectively unlock the abundance and strategic solar resources. HopSol Africa (Pty) Ltd's knowhow is thus indispensable in an internationally competitive industry; with evolving quality, time, efficiency, and cost critical mission deliveries.

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. SUBSEQUENT EVENTS (continued)

As the market leader in Namibia within the solar industry, with market size of more than 60% of installed Solar PV projects to date; HopSol Africa (Pty) Ltd's ethos of services focused to its committed clients, should gain ANIREP shareholders long term gains as the industry grows to levels found in Middle East where similar conditions and abundance of solar resources exist.

The investment of HopSol Africa (Pty) Ltd was concluded on the 01st April 2020, which is the date that the shares transferred to ANIREP. An equity stake consideration of 80% for N$ 56 million was acquired and deemed by directors to be the fair value of the business.
Important element of the acquired business includes:
Approximately 60 O&M contracts with 27 clients. This attributes to a significant revenue base which is one of the most critical elements of the business.

Other assets and liabilities as at 31 March 2019 include but not limited to:

Cash balance:	N$ 12 million
Trade Receivables:	N$ 2 million
Trade Payables	N$ 4 million

Revenue for the financial year ended 31 March 2019 totalled N$ 90 million and net profit was N$ 8.8 million. (Please take note that the 2020-year-end figures have not yet been audited).

HopSol Africa (Pty) Ltd has no other long-term debts as at the date of acquisition and is in a strong net asset position.

Subsequent to closing both HopSol Africa (Pty) Ltd and HopSol Power Generation (Pty) Ltd transactions, as stated above, ANIREP will list on the main board of the Namibia Stock Exchange. HopSol Africa (Pty) Ltd will be recognised at an investment to the value of N$ 56 million and HopSol Power Generation (Pty) Ltd at an investment to the value of N$ 88 million, excluding any cost that will be capitalised. Only costs in line with IAS 32 and IFRS 9 will be capitalised that relate to the issue of debt or equity securities, all other cost is expensed in the period in which they have been incurred. These investments will be measured at fair value through profit and loss.

Except for the disclosure above, the directors are not aware of any other material event that have occurred after year-end up to the date of this report, including COVID-19, which did not have any impact on the balances as at year-end or the above mentioned subsequent investments. Please see Note 19 with regards to our COVID-19 and going concern assessment.