NAMIBIA WILDLIFE RESORTS LIMITED

Annual Report 2020

NWR
namibia wildlife resorts

CONTENTS

The reports and statements set out below comprise the
Annual Report presented to the shareholder:

1. Introduction

1.1. Approach

We are pleased to present our annual report for the financial year ended 31 October 2020 to our stakeholders. This report provides a review of our financial, economic, social and environmental performance during the past financial year, ended 31 October 2020, on matters material to our strategy and our ability to create and sustain value into the future.

The financial information has been prepared in accordance with the requirements of International Financial Reporting Standards ('IFRS'), the Namibian Companies Act, and the Namibia Wildlife Resorts Act, and the other information contained herein, and is presented in accordance with good corporate governance. Assurance for elements of this annual report has been provided through internal sources.

1.2. Scope

The content of this document relates to Namibia Wildlife Resort Ltd, for the year ended 31 October 2020.

The full set of financial statements, including the independent auditor's opinion, is attached as appendix A to this report, and is available online at nwr.com.

1.3. Board approval

The board is responsible for overseeing the preparation, presentation and integrity of the annual report. The directors confirm that they have collectively reviewed the output of the reporting process and the content of the annual report. The directors believe that this annual report addresses the material issues, that it is a fair presentation of the integrated performance of the company and offers a balanced view of the company's strategy and how it relates to its ability to create value in the short, medium and long term. We welcome any feedback at PRO@nwr.com.na.

Ambassador LN Iipumbu
Chairman of the Board

Rudie Putter
Finance, Risk and Audit Committee Chairman

26 April 2021

Date

2. Business Overview

2.1. Our vision

To be the destination of choice for tourism in Africa

2.2. Our mission

We create memorable experiences in a sustainable way

2.3. About NWR

COMPANY PROFILE

Namibia Wildlife Resorts Limited (NWR) is a legal entity established through an Act of Parliament, the Namibia Wildlife Resorts Ltd Company Act, (Act 3 of 1998). Strategically poised as a commercial State-Owned Enterprise that provides tourism and hospitality management services in national parks, Namibia Wildlife Resorts (NWR) is one of the largest providers of accommodation facilities in the country.

Other legislation pertinent to the operations of NWR include the Namibian Companies Act (Act 28 of 2004), the Public Enterprise Governance Act 1 of 2019 and the Public Procurement Act (Act 1 of 2019, as amended). NWR's sole mandate is to provide tourism-related services in the protected areas (national parks) of Namibia.

In June 2016 NWR was informally classified as a commercial Public Enterprise. It was formally classified as a commercial enterprise in terms of the Public Enterprise Act 1 2019 in December 2019.

According to its establishing Act, the Namibia Wildlife Resorts Company Act, (Act 3 of 1998), the objectives of the company are to conduct a wildlife resorts service, through inter alia:

- Managing, controlling, maintaining, utilising and promoting, in the national interest, the wildlife resort service according to general business principles.
- Promoting and encouraging training and research with a view to increase productivity of the wildlife resorts service.
- Developing, with or without the participation of the private sector, commercially viable enterprises or projects concerning the wildlife resorts service or the tourism industry in general.
- Promoting the development of environmentally sustainable tourism with a view to preserving the assets and attractions on which the tourist industry depends, and in particular safeguard and maintain ecological processes, biodiversity, aesthetic and cultural qualities for the long-term benefit of the tourism industry and the Namibian people.

The Act directs the Company to exercise its powers with a view to enhancing corporate profit and shareholder return on equity (ROE). This is to be achieved by considering the promotion of an economically prosperous and efficient wildlife resorts service conducted on sound business, conservation and environmental principles.

In addition, the Act further states that the Company may, amongst others:

- Finance or otherwise participate in the development of natural resources.
- Establish subsidiary companies or acquire an interest in any other company, co-operative society or enter into a partnership or joint venture with any person.
- Effect the transfer or assignment of any assets, liabilities, rights or obligations of the Company to any of its subsidiaries.
- Determine the rates and charges to be levied for services rendered by the Company.

OUR PRODUCTS

The NWR resorts and camps are divided into three categories to suit individual taste, comfort and preference.

Eco Collection: NWR has introduced exclusive products that offer "ultimate relaxation, superior service and comfort", which are all within the confines of the most pristine wilderness areas of Namibia. Eco Collection refers to those facilities with a strong focus on environmental sustainability and compliance. Sossus Dune Lodge, inside Namib Naukluft Park, and Onkoshi, inside Etosha National Park as well as Dolomite and Popa Falls are the Eco Resorts. Popa Falls is also an Eco resort introduced in December 2013.

Services and activities offered at the various Eco Collection facilities:

Camp / Resort / Lodge	Dolomite	Onkoshi	Popa Falls	Sossus Dune Lodge
Accommodation	●	●	●	●
Camping	●		●	
Restaurant	●	●	●	●
Bar	●	●	●	●
Kiosk / tourist shop			●	
Filling station				
Activities / Services				
Birdlife and birdwatching	●	●	●	
Bush dining experiences or picnics				●
Conferencing / seminar facilities			●	
Game drives / nature drives	●	●	●	●
Hiking trails / nature walks (guided or self-guided)				●
Jacuzzi (outdoor) / private splash pool	●			
River rafting / canoeing / kayaking / cruises			●	
Spa / wellness centre / massages				
Stargazing		●		●
Swimming pool		●		
Waterholes / floodlit waterholes / hides	●			

Classic Collection: The Classic Collection includes all other popular establishments inside the parks, among them /Ai-/Ais Hot Springs Spa at the southern end of the Fish River Canyon, the Waterberg, Hardap as well as Halali, Namutoni and Okaukuejo inside Etosha National Park. Gross Barmen was relaunched in December 2014.

Services and activities offered at the various Classic Collection facilities:

Camp / Resort / Lodge	/Ai-/Ais Hot Springs Spa	Gross Barmen	Halali	Hardap	Namutoni	Okaukuejo	Waterberg
Accommodation	●	●	●	●	●	●	●
Camping	●	●	●	●	●	●	●
Restaurant	●	●	●	●	●	●	●
Bar	●	●	●	●	●	●	●
Kiosk / tourist shop	●	●	●		●	●	●
Filling station	●	●	●		●	●	●
Activities / Services							
Angling / fly-fishing / watersport				●			
Birdlife and birdwatching	●		●	●	●	●	●
Bush dining experiences or picnics	●	●	●		●		
Caves / rock climbing	●	●					
Conferencing / seminar facilities				●	●	●	●
Fossils		●	●				●
Game drives / nature drives	●		●	●	●	●	●
Hiking trails / nature walks (guided or self-guided)	●	●	●	●	●		●
Historic / heritage / archaeological sites					●		●
Jacuzzi (outdoor) / private splash pool	●		●				
Natural hot springs	●						●
Research focus / game breeding							●
River rafting / canoeing / kayaking / cruises				●			
Rock art	●						
Spa / wellness centre / massages	●	●					
Swimming pool		●	●	●	●		●
Waterholes / floodlit waterholes / hides			●		●	●	

Adventure Collection: Adventure Collection has a strong focus on leisure activities. There is a variety to choose from at each of the resorts. The Adventure Collection consists of Khorixas Camp, Terrace Bay, Torra Bay, Sesriem Campsite, Shark Island, Naukluft, Hobas, Olifantsrus and Duwisib Castle.

Services and activities offered at the various Adventure-Collection facilities:

Camp / Resort / Lodge	Duwisib Castle	Hobas	Khorixas	Naukluft	Olifantsrus	Sesriem	Shark Island	Terrace Bay	Torra Bay
Accommodation	●	●	●	●			●	●	
Camping	●	●	●	●	●	●	●	●	●
Restaurant	●	●	●	●		●		●	●
Bar	●	●	●			●		●	
Kiosk / tourist shop		●			●			●	●
Filling station		●				●		●	
Activities / Services									
4x4 trails / quad biking / off-road biking				●				●	
Angling / fly-fishing / watersport								●	●
Beach-related activities							●	●	●
Birdlife and birdwatching				●					
Conferencing / seminar facilities			●						
Fly-ins / helicopter rides / soaring								●	
Game drives / nature drives		●		●	●			●	
Hiking trails / nature walks (guided or self-guided)		●		●		●			
Historic / heritage / archaeological sites	●				●		●		
Mountain biking		●							
Swimming pool		●	●			●			
Waterholes / floodlit waterholes / hides					●				

Seasonal campsites at the coast: Mile 108, Jakkalsputz and Mile 72.

In addition, NWR's three office centres are in:
- Windhoek (Head Office and Reservation Office)
- Swakopmund (Reservation Office)
- Cape Town (Reservation Office)

2.4. Performance highlights

N$m	2020	2019
Net (loss)/profit	(174)	22
Total assets	750	817
Trade creditors & financing obligations	356	193
Audit result	Completed within 6 months	Completed within 6 months

2.5. How we create long-term sustainable value for our stakeholders

Who are our stakeholders, and how do we demonstrate sustainable value to them?

Our shareholder (the Government of the Republic of Namibia)

While we are not able to distribute a dividend to our shareholder, certainly not since COVID struck our shores, we were the first service provider to volunteer our resorts to the shareholder at the start of the pandemic. In return, the market-related fees the shareholder paid for such services, supported us financially during the pandemic.

We continue to work together with the Ministry of Environment, Forestry and Tourism, where we jointly utilise many spaces, and we welcome the governance support of the Ministry of Public Enterprises, who played a pivotal role in assisting us with the protocols in obtaining financial support to the value of N$40 from our shareholder.

The youth of Namibia

Namibia's National Development Plan 5 (NDP 5) identifies the tourism industry as an important sector contributing to the country's economic growth. To have a competitive tourism sector requires continuous human resource training and development, with a special focus on reversing current organisational cultures, improving customer service as well as institutional capacity.

During the period under review, the Namibia Wildlife Resorts Hospitality Institute (NWR Hi) was successfully established. In collaboration with the National Training Authority (NTA), in one of the most significant collaborative efforts between public enterprises, NWR's training arm, NWR Hi, became operational in 2020. Apprenticeship scholarships were awarded to 80 apprentices recruited from all of Namibia's 14 regions for the period 2020 - 2023. NWR Hi is an important institution that will be used as a skill-enhancing and mind-set-changing mechanism to capacitate the company by improving service delivery standards throughout the company.

At the same time, we are pursuing our vision of our own school that will benefit the youth, and we are happy to report that our formal registration and accreditation with NTA as a Technical Vocational Education and Training Provider (TVETP) is progressing well.

The Ministry of Labour, Industrial Relations and Employment Creation (MoLIREC) has granted NWR Hi its vocational education and training occupational health and safety certificate for both the Gross Barmen and Khorixas campuses to operate as TVETP, after the MoLIREC's satisfactory compliance audit. All NWR Hi staff are subject to the NTA mentorship requirements, technical vocational education and training registration compliance and Namibia Qualifications Authority (NQA) accreditation.

We expect the final approvals to be ready by June /July 2021.

That has not prevented us from rolling out a number of internal staff development iniatives.
In-house training provided to NWR staff includes:

- All NWR Hi mentors and trainers completed a two-day leadership retreat capacity building in January 2021 facilitated by NWR Hi.
- A total of 10 NWR Hi personnel received three days of training for assessment certification facilitated by Dr. Rowan van Dyk of DNL in February 2021.
- Conversational German language lessons for a selection of resort-based staff.

Looking to the immediate future, the NWR Hi, National Vocational and short course bridging Certificate in Hospitality, Tourism, Tour Guiding, Retail and Wholesale for first intakes in 2021, have received a combined enrolment of 87 students (45 at Khorixas Campus and 42 at Gross Barmen Campus).

Now that we are open for business, and operating, we will be focussing on a growth and revenue strategy for NWR Hi. Not only have we prioritised the NWR Hi TVET website for 2021, but we will also drive growth through its social media campaign, open day career awareness, short courses, local collaboration for events, wellness and spa programs for Gross Barmen Resort, bridging courses, its student experiential learning shop and expansion of its vegetable garden in Khorixas.

The nation

Our compatriots are also our guests, and while we are mandated to take care of the national assets in the form of the resorts within the national parks in the interest of our nation, we welcome our domestic travel market with open arms. As soon as the internal travel restrictions were lifted, we celebrated with our friends, colleagues and compatriots, with a limited special offer of N$600 per room per night.

We also welcome all the constructive feedback we have received from our nation, now that more Namibians are travelling to our resorts. We take this opportunity to assure you that we take your concerns to heart. We may not have the resources to do all that we want, or that you suggest, but rest assured, something is being done somewhere, all the time.

Our employees

We rallied our staff during these tough times, providing them with information, support, personal protective clothing etc, throughout the pandemic.

We managed to retain our staff complement despite the growing pressure and adverse trends in our industry and we managed to do this with the support of the union by reaching an agreement on regard to the suspension of overtime, Sunday time, discretionary allowances and salary increments. Our staff profile as at January 2021 is as follows:

Job category	Racially disadvantaged		Racially advantaged		Persons with disability		Non-Namibian(s)		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Executive Directors (F) Five Year Contract	1	0	0	0	0	0	0	0	**1**	**0**
Senior Management; Permanent (E1 - E5)	1	0	0	0	0	0	0	0	**1**	**0**
Senior Management (E1 - E5) Five Year Contract	2	1	0	1	0	0	0	0	**3**	**2**
Middle Management Permanent (D1 - D5)	6	3	1	0	0	0	0	0	**7**	**3**
Middle Management One - Five Year(s) Contract (D1 - D5)	7	13	0	1	0	0	1	0	**8**	**14**
Specialized/Skilled/Senior Supervisor (C4 - C5)	7	11	0	0	0	0	0	0	**7**	**11**
Skilled (C1 - C3)	54	41	0	0	0	0	0	0	**54**	**41**
Semi-skilled (B1 – B5)	202	183	0	0	0	0	1	0	**203**	**183**
Semi-skilled (B1 - B5) on Contract	1	0	0	0	0	0	0	0	**1**	**0**
Unskilled (A Band)	108	197	0	0	0	0	0	0	**108**	**197**
Total Permanent	**378**	**435**	**1**	**0**	**0**	**0**	**1**	**0**	**379**	**435**
Total on Contract	12	14	0	2	0	0	1	0	**13**	**16**
Total Workforce	**390**	**449**	**1**	**2**	**0**	**0**	**2**	**0**	**393**	**451**

Our competitors

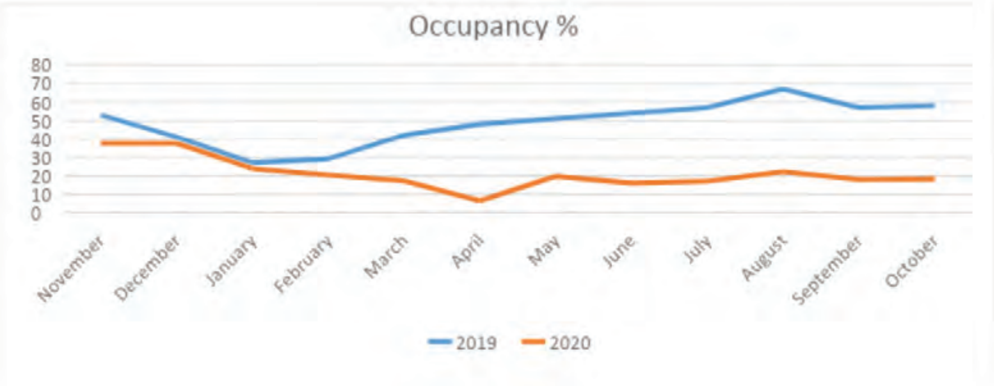
These difficult times have seen our industry pull together, and we were supported in a number of country-wide initiatives, such as the workshops hosted by the Ministry of Environment, Forestry and Tourism; or consultations with our peers, such as Gondwana.

There are very few operators in our direct Namibian environment who provide more than 1,300 beds per night. And yes, we do have privileged access to some of Namibia's prime destinations. But we do not see ourselves as the sole supplier of services to all of Namibia's travellers. We cannot be all things to all travellers, and we are part of an industry that is important to Namibia. Through participation in industry forums, and our membership of HAN (Hospitality Association of Namibia), we keep in touch with our local competitors, sharing challenges and supporting industry initiatives.

Our customers

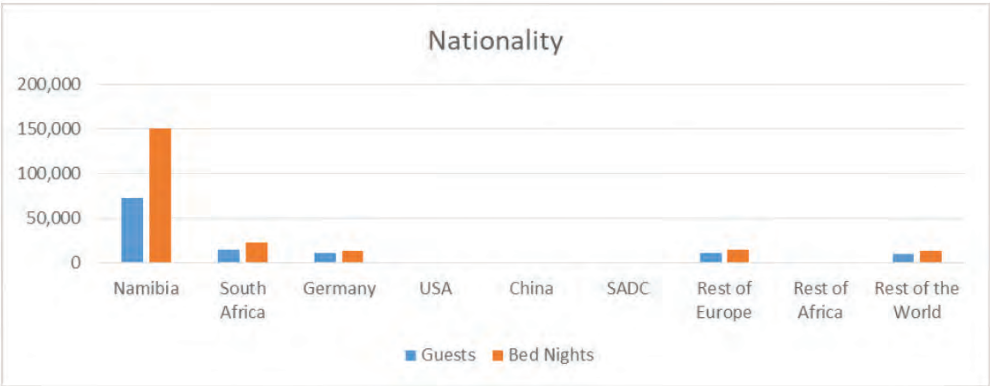
OCCUPANCY
Tourism in Namibia, as is the case in the global economy, has been thrown into crisis by the COVID-19 pandemic, putting thousands of businesses and jobs at risk. FY20 has been characterized by state of emergencies, travel restrictions and the closure of borders, which completely halted tourism sectors all over the world. Namibia in general and NWR in particular was no exception and we have experienced a drastic decline in our business as a result of the raging COVID-19 pandemic.

The chart below depicts the declining occupancy for the FY20 compared to FY19.



Note: The occupancy for FY20 ended at 21% compared to 49% in FY19

NATIONALITY OF GUESTS
General tourist movement was heavily constrained and as a resultthe declining occupancy above is a mirror image. The majority of tourism activity was mainly generated by the domestic market. The below graph is depict the origins of the guests of NWR thorughout the FY20.



Evidently the majority of the guests that stayed with NWR in FY20 where Namibians as a result of inernational travel restrictions due to COVID-19. The number of international guest remained extremely low in comparison to the previous year (FY19).

In sharp contrast to the previous year, the number of guests who visited NWR in FY20 dropped from 366 374 in FY19 to 123 183 in FY20, which is a decrease of about 66% in the number of guests. Similarly, bed night dropped from 52 815 in FY19 to 218 131 bed nights in FY20, which is a decrease of about 58%.

SPECIALS & PROMOTIONS IN FY20

Owing to border closure and international travel restrictions, the best available response was to adopt a local / domestic focus for NWR to entice local travellers and earn revenue from the domestic market. NWR ran various promotions and marketing campaigns to tap into the domestic market. Below is a list of some of the activities/campaigns:

- My friends are cooler than yours – a specially designed travel package to cater for local groups who would prefer to be driven around in NWR-branded vehicles to various NWR facilities at discounted rates
- Valentines special
- March independence special
- Family special (N$ 600.00 per room)
- Black Friday special
- Domestic special rates
- Special rates for both locals and internationals
- Collaboration of Air Namibia and NWR collaboration (holiday package to Popa Falls)
- Namleisure promotions (20% off)
- Offering NWR facilities for quarantine purposes to the Ministry of Health & Social Services

SOME HIGHLIGHTS:

"My friends are cooler than yours" package

Namibians uninhibitedly responded well to the initiative to offer tour packages. This initiative will continue and become part of the overall NWR offerings going forward.

Black Friday sales

NWR introduced a 'Black Friday' special for th first time and sold more than 10 000 vouchers in six days, generating revenue amounting to approximately N$ 9m. This campaign was a big success and it shows how much Namibians love their country and want to travel provided that the price is set for the local market.

Queues were the order of the day during the six-day voucher campaign.

Namleisure Promotion

A special promotion was held from November 2020 to January 2021 for Namleisure, primarily to target the local market. During the promotion approximately 1200 membership cards were issued and generated about N$ 340 000 in Namleisure card revenue.

Although the primary target was the Namibian market, 14 cards were sold to non-Namibians in the SADC region (South Africa, Malawi & Zimbabwe)

TRADE FAIRS & EXPOS

Trade and consumer shows are one of the most effective ways NWR can use to promote its products and services to a large number of people in a short period of time. Unfortunately, due to the COVID-19 pandemic, NWR could not participate in all the activities planned. We postponed participation in most of the events to either 2021 or 2022. Some of the planned events are listed below:

- Vakantiebeurs - platform to promote tourism in the Benelux countries (Netherlands, Belgium, and Luxembourg).
- ITB, the biggest travel fair in Germany, was cancelled
- Africa Showcase Nordics - covers the Nordic countries (Finland, Sweden and Norway)
- WTM Africa - Cape Town, RSA
- Indaba - Durban, RSA
- Africa Showcase Roadshow - UK
- Ongwediva Annual Trade Fair
- Namibia Tourism Expo - Windhoek

DOMESTIC TOURISM

COVID-19 came unexpectedly and the only destination available for Namibians was their home country. In the absence of local Trade Fairs, social media and other online platforms played a big role in making locals aware of NWR and its offerings. In a desperate effort to promote local tourism, NWR joined forces with other industry platforms such as Local tourism is Lekker, Namibia in my Blood, Namibia Travel & Tourism, Hospitality and Tourism Namibia and Camping in Namibia to incentivise domestic travel.

INBOUND AND OUTBOUND BUSINESS PARTNER AGREEMENTS

The relationship between NWR as a supplier of tourism services and tourists is facilitated by intermediaries such as tour operators and the retail travel agencies with whom NWR has signed a Business Partners Agreement. In the 2019/2020 financial year NWR had 866 active Business Partners in the system. These Partners received commissions between 10 and 30% and as per NWR booking protocols. Due to the COVID-19 outbreak most of the partners didn't sell any tours at all as they rely mainly on international source market.

NWR VIRTUAL TOURS

A virtual tour is a simulation of an existing location, usually composed of a sequence of videos or still images. Virtual tours will be used to aid the promotion of NWR products and services using electronic and online platforms.

FAMILIARISATION TRIPS

Familiarisation or educational trips are key ways to introduce new and existing trade partners to NWR's products & services. It is difficult for tour operators and travel agents to sell products that they haven't experienced themselves, hence the importance of educational trips or site inspections. NWR spends approximately N$ 26 000 to host tour operators on trips in low season at our resorts and lodges.

From left to right: Jack Enright and Managing Director, Dr Matthias Ngwangwama, next to Hardus Maritz and Chief Operations Officer Sebulon Chicalou.

2.6. Stakeholder engagement

Stakeholder group	Why is it important that we engage	How we engage	Stakeholder's key interest
Funding institutions	Funding institutions (both present and future) are the providers of capital necessary for our growth. We need transparent communication and to understand potential concerns.	One-on-one meetings Sharing of monthly operational results	Liquidity and gearing
Government	As our sole shareholder, and the holder of our mandate, we risk failing to meet their expectation if we do not know what it is.	Participation in key SOE and GRN strategic events, trade shows and workshops. AGM Annual reporting Budget submission Communication with line Ministry, being MPE, and, as a commercial enterprise, with MoPE	Self-sustaining business model Return on equity, and dividend yield Reduction in water & energy consumption Job protection
Customers	Without our guests, we do not have a reason to exist	Newsletters Social media Customer satisfaction surveys Namibia's annual independence celebration specials (75% off)	High standard of facilities Good customer service Special deals for Namibians Value offerings
Communities	Engagement assists us to focus our efforts on empowering local communities, which contributes to our long-term viability	Events & sponsorships	Job creation
Employees and Unions	Our employees are core to delivering our customer experiences and we need to understand their needs, challenges and aspirations and for them to be aligned with our strategy	Quarterly staff bulletins Resort manager conferences Email Union meetings	Job security Salary increment
Suppliers and business partners	Our suppliers and business partners enable us to deliver consistent customer experiences	One-on-one meetings Procurement processes & legislation	Reliable ordering and payment process Fair treatment

2.7. Our Business Model

INPUT - The Six Capitals

What do we have to put into the mix?

FINANCIAL

Debt Funding
& Internal
Resources

SOCIAL

Customers
Suppliers
Joint Venture
Partners
Community
MEFT

MANUFACTURED

Infrastructure (25
sites in Prime Tourist
Attraction Areas, 23
Self-Managed)

INTELLECTUAL

Brand
Privileged Access to
Parks

HUMAN

844 Engaged Staff
NWR Hi School
Employee
Engagement/
Communication

NATURAL

Mandate to Protect
Energy Consumption
Water Consumption

THROUGHPUTS

What happens in the mix - how do we interact?

RESORTS

Core business:
Own the facilities
used to provide
accommodation,
meals & activities

Key market
differentiator:
Privileged access

Memorable
experiences for our
guests

Close cooperation
with MEFT who co-
habituate with us

OUTPUTS

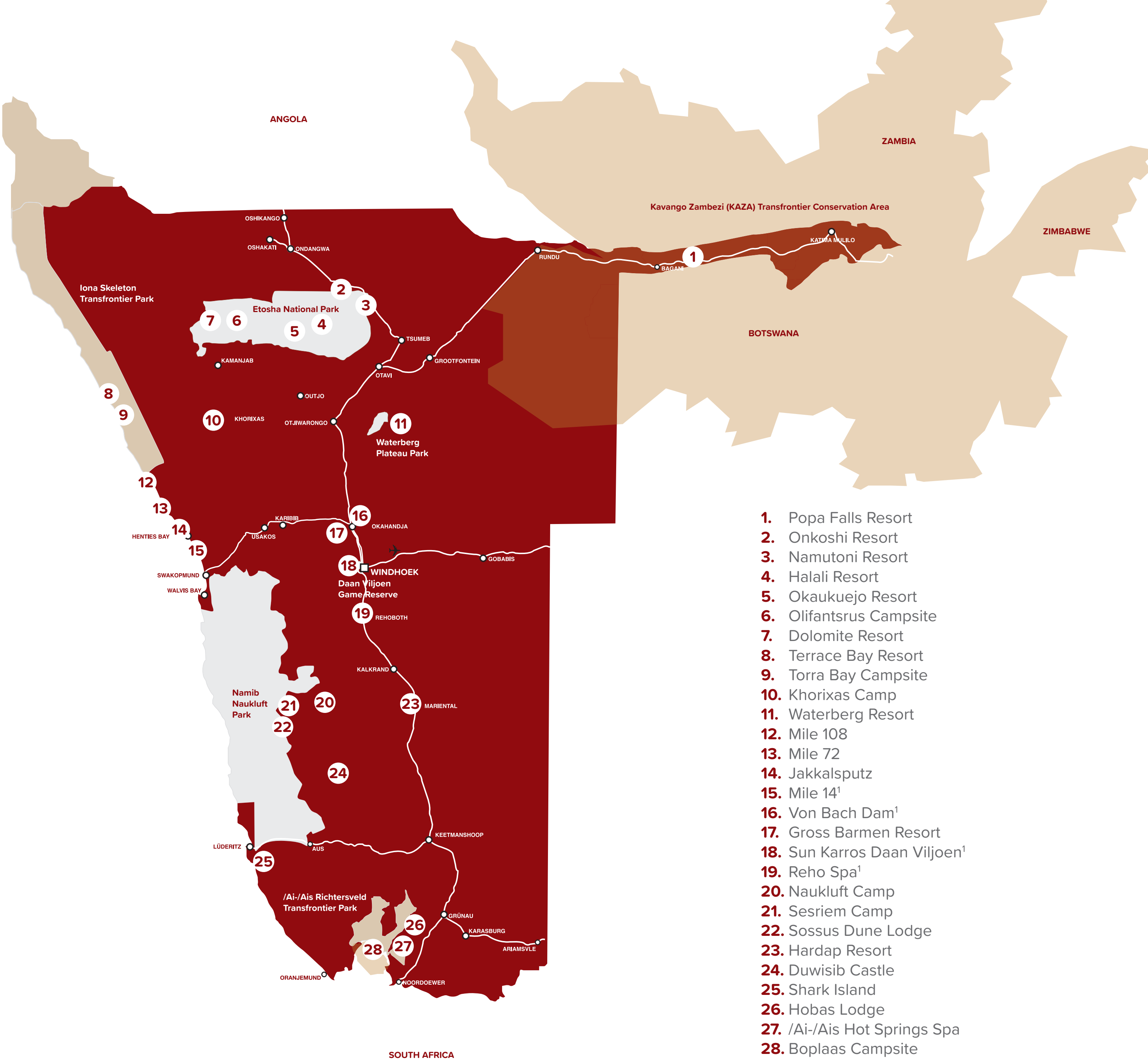
3 CATEGORIES RESORTS

Eco Collection
Classic Collection
Adventure Collection

SOCIETAL / ENVIRONMENTAL IMPACT

Conservation
Waste
Water & electrical consumption

2.8. Our footprint



1. Popa Falls Resort
2. Onkoshi Resort
3. Namutoni Resort
4. Halali Resort
5. Okaukuejo Resort
6. Olifantsrus Campsite
7. Dolomite Resort
8. Terrace Bay Resort
9. Torra Bay Campsite
10. Khorixas Camp
11. Waterberg Resort
12. Mile 108
13. Mile 72
14. Jakkalsputz
15. Mile 14[1]
16. Von Bach Dam[1]
17. Gross Barmen Resort
18. Sun Karros Daan Viljoen[1]
19. Reho Spa[1]
20. Naukluft Camp
21. Sesriem Camp
22. Sossus Dune Lodge
23. Hardap Resort
24. Duwisib Castle
25. Shark Island
26. Hobas Lodge
27. /Ai-/Ais Hot Springs Spa
28. Boplaas Campsite

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1 Public Private Partnership

2.9. Our capitals

We have identified our most important capitals below, which links our reporting and business model, to provide more insight into our performance and outlook, as well as how our capitals are deployed in our strategy and business model to generate and sustain value in the long term.

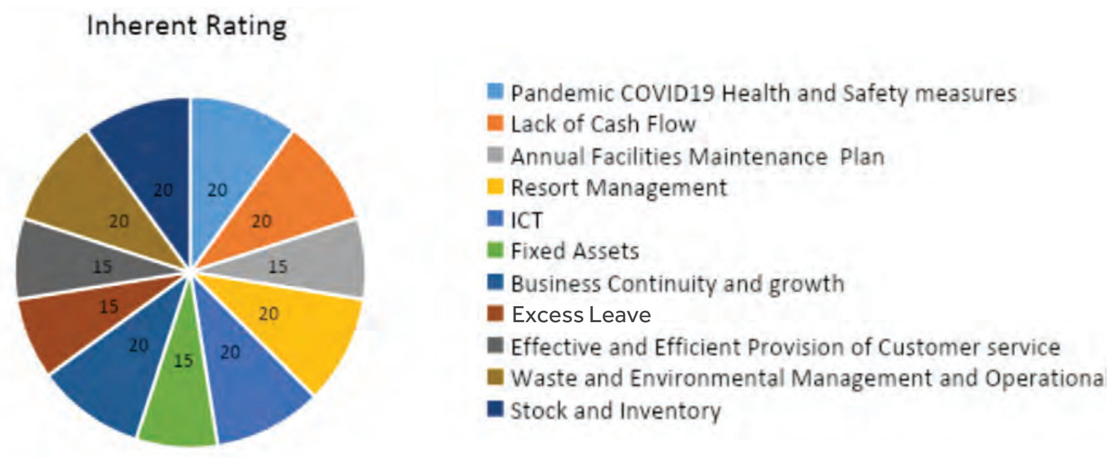
Our capitals	Utilisation of our capitals	Reference
Financial	Our ability to repay our debt out of operational cash flows determines the access we have to funding for our refurbishment programs and product development.	Balance sheet Cash flow statement
Social	Quality relationships with our key stakeholders are vital to the long-term sustainability of NWR. Popular misconceptions about the responsibilities of NWR vs MEFT regarding the condition of the roads and park fencing, and the self-sustaining nature of NWR can significantly affect the company's reputation and value generation ability. Building trust and credibility with our key stakeholders is vital to retaining our social licence to operate.	Chairman's report
Manufactured	On formation of the company, we were given 25 ageing resorts, some of which have undergone extensive modernisation, while others are in dire need of refurbishment. Being able to replace old and ageing infrastructure will determine our market presence.	Key features section
Intellectual	The ability to raise the profile of our brand, as well as that of Namibia as a prime tourist destination, in conjunction with NTB and other tourism industry players, will benefit not only the company, but also contribute to tourism as one of the more significant contributors to Namibia's GDP. We cannot be seen to be irresponsible with the task we have been given, i.e. to protect the national assets while running a self-sustaining tourism business.	Our long-term sustainability
Human	We remain committed to the principles of an effective workforce. Not only do we remain committed to safeguarding Namibian jobs in spite of the current economic situation, but we have also launched the NWR school which is our investment in our people and we constantly strive to raise the standard of performance. We have also embarked on a strategy of transparent information sharing with our employees who, after all, are the heart and soul of this company, and we appreciate their role in the bigger picture.	Our employees as stakeholders

Our capitals	Utilisation of our capitals	Reference
Natural	We have been given the mandate to contribute to conservation, and maintain the asset, and we do not only do that because is it in our enabling act, we protect our environment because it is the right thing to do.	Namibia Wildlife Resorts Limited continues to safeguard the environment by ensuring that our resorts have environmental plans. With the abundance of sunlight in the country, there is a strong emphasis on utilising green energies at our eco-lodges. During the year under review, Hobas and Duwisib were the latest of our resorts to become solar-powered and go off-grid. With the continuation of the solar plant roll-out, NWR achieved its goal of connecting Sesriem Campsite and Sossus Dune Lodge to solar energy by 2020. To further ensure optimal use of smart technologies and use the abundant solar radiation, NWR partnered with EIF / SUNREF to develop a renewable energy master for all its resorts. Though the introduction of a solar plant roll-out was a remarkable achievement for the period under review, efficient/optimal use of this energy remains to be enhanced. In our efforts to reduce the amount of waste entering our landfills and waterways, NWR discontinued the use of plastic straws and introduced recycled paper straws. Styrofoam lunch packs and disposable cutlery were replaced with eco-friendly lunch packs and a biodegradable cutlery range. The pilot scheme to replace plastic butter portions and use glass containers instead was a success at Gross Barmen and will be launched at the other resorts in the near future. We acknowledge that there is a need to enhance good environmental practices. Our aim to have fully functioning wastewater treatment plants, manage the waste types generated at our resorts and sustain the supply of fresh vegetables by growing our own food among others, need to be improved. The cooperation with the Ministry of Environment, Forestry and Tourism and other stakeholders in advancing environmental stewardship is appreciated.

2.10. Risks and opportunities

Our risk methodology requires us to identify risks, evaluate them in terms of likelihood and probability, and utilise our available resources to implement mitigating controls or actions, on a resort / department level, and on a companywide level.

The following is a graph of our top 10 risks, which the board, through the audit committee, monitors on an on-going basis.



3. Performance and outlook

3.1. Chairperson's report for the financial year

During the financial year 2019/20, we faced our greatest challenges as an organization. The significant financial gains that we made in 2018/2019 were wiped out due to Covid-19.

However, as the board and as an organization we were still able to make important strides during the 2019/20 financial year. On 1 April 2020, we appointed our substantive Managing Director, Dr Matthias Ngwangwama. In him we placed our trust as a board to continue growing the organization and helping it attain its objectives. During the same challenging period, we withered the pandemic storm by making key decisions.

When the pandemic emerged we were the first organization to offer our establishments to the government as isolation facilities, which we must say was an arrangement few tourism companies were looking at during that period. Additionally, we paid special attention to the domestic market, which resulted in us offering a discounted rate of N$ 600 per room from May up until September 2020. That was a significant discount on our normal rack rates. Through this effort we were able to keep the business going and provide a much-needed service to the nation. We also launched a new tour package that we envision will be a cornerstone of our future.

From a cost-cutting perspective, we signed a Memorandum of Understanding with NAPWU that resolved amongst others to suspend salary increments for the financial period 2019/20, suspend normal overtime, Sunday and public holiday payments with effect from 27 March 2020, as well as placing a moratorium on external recruitments to ensure that the company's wage bill remains manageable. We also introduced the voluntary separation initiative, which was taken up by a number of our staff. These efforts were aimed at helping us reduce our employee costs.

The Sun Karros Dead Valley matter, which involves a facility built by Sun Karros at Sesriem in Namib Naukluft National Park, remains unresolved. There were several round table discussions to find a solution. At present the parties are still in the process of settling the matter. To facilitate the settlement, the parties are currently obtaining valuations of the improvements done by Sun Karros, which will determine the amount due to Sun Karros. Sun Karros is claiming N$61 million for improvements on Dead Valley Lodge. NWR does not have that type of funds at the moment. This matter has been raised as a contingent liability in the financials, which together with cash flow requirements is presented in the Annual Financial Statement.

Performance is one of the key matrices in assessing the viability of a business. We were able to continue the efforts we started in 2017, where our executive team and the middle managers were assessed on the key milestones of attaining the objectives of our 2017 – 2021 Strategic Plan. Most importantly, we are proud to mention that we signed a Governance Agreement and board members Performance Agreements with the Shareholder as envisaged by the Public Enterprises Governance Act, 2019 (Act No.1 of 2019). We brought the Annual Financial Statements up to date, adhered to the Ministry of Public Enterprises Remuneration Guidelines, to submission of affirmative action reports in line with Affirmative Action Act 29 of 1998, adherence to the NamCode, as well as compliance with the Public Procurement Act (Act No:15 of 2015).

Lastly, we would like to acknowledge our Shareholder for availing N$ 40 million in the last quarter of the year to keep our operations going. This support was greatly appreciated, especially in the time Namibia found and continues to find itself due to Covid-19.

Chairperson of Namibia Wildlife Resorts Ltd., Ambassador L.N Iipumbu.

26 April 2021

Signature

Date

3.2. Managing Director's Report

We will remember 2020 as a year of incomparable challenging and painful global experiences. Since December 2019, and in Namibia since mid-March 2020, the world has experienced agonising moments. Social and economic life was drastically affected. No institution or individual was left untouched by the challenges of COVID-19. The tourism and aviation industries, in which our company NWR operates, were the hardest hit. Thus, the year 2020 had many disruptions and challenges. In actual fact, businesses were active, perhaps, only for a half-year period (six months) in 2020. The rest of the months were taken up by lockdowns, restrictions, "working from home" and holidays. There can be no doubt that the Covid-19 pandemic had, and continues to have, enormous impact on the global and local tourism industry. Of all economic industries, the tourism, aviation and leisure industries are most adversely affected, mainly due to these industries' reliance on the movement of people. In 2020 the international tourism was, to put it mildly, completely down on the ground, not only on its knees.

Progress on the NWR Five-Year Strategic and Business Plan

The NWR Board approved a Five-Year Strategic and Business Plan in May 2017. Since then, the company has been implementing the Five-Year Strategic and Business Plan 2017-2021, albeit without formal approval from the Ministry of Public Enterprises. The Five-Year Strategic and Business Plan will expire in April 2021. A new Five-Year Strategic and Business Plan 2021-2025 is currently being developed.

The strategic themes pursued in the Five-Year NWR Strategic and Business Plan 2017-2021 include the following:

1. Change company culture and establish high performing teams
2. Improve institutional capacity
3. Attain guest satisfaction through operational and service excellence
4. Optimisation of profitability and growth of the company
5. Establish and optimise strategic partnerships and stakeholder relations
6. Sustainable development and growth over the short and long term

*Strategic themes are **business objectives** that provide strategic **differentiators** for NWR's five year strategic plan*

Financial performance

Significant progress was made in 2019 with regard to the company's financial performance. For instance, a profit scenario of about N$ 22 million was recorded for the first time in the history of the company. However, a repeat of a profitable result was not possible in the 2019/20 Financial Year. The year 2020 happened against the background of a critical juncture of the global and local economy. Covid 19, and the past four years' recessionary pressures on the Namibian economy, have severely affected company performance. The implementation of some aspects contained in the company strategies were slowed down as a result of global and local economic developments and severe decline in demand within our industry. In light of the outbreak of the Covid-19 pandemic, revised financial projections painted a worse scenario. As the 2019/20 Annual Financial Statements show, financial performance dropped significantly. Results were better, however, than initially forecast. Some of the measure that improved financial performance include:

Offering some of our facilities as isolation centres to the Ministry of Health and Social Services

We offered some of our facilities to the Ministry of Health and Social Services (MOHSS) during 2020 as isolation and quarantine centres. At that time, NWR was the first institution to offer its facilities to MOHSS. Unlike now, such a decision was not an easy one because information about Covid-19 was sketchy. However, with hindsight, it proved to be somewhat of a saving grace in terms of alleviating the impacts of Covid-19 on the company's financial performance.

Concentrating on the domestic tourism market

One lesson that we poignantly learned from the Covid-19 debacle is to never to solely place strategic focus and emphasis on the international market. The systematic development and focus on the domestic market is equally critical. Developing and focusing on the domestic leg means, first, understanding the needs and wants of the domestic market and, secondly, being responsive to customer needs and wants. We have discovered that the domestic market is loyal and patriotic to Namibia, the motherland. Therefore, given adequate attention, the local market can – not replace international demand but – significantly assist a company in times of constrained business levels. As the leader of Namibia's leading public tourism company, I pledge that our company will, henceforth, give due attention to the domestic market. NWR has already responded to focusing on the domestic market through developing products and specials to Namibians. This includes tour packages, especially the "My friends are cooler than yours" initiative that primarily targeted Namibians, or the Black Friday and other specials as well as revised domestic and international rates in response to the emerging situation and business conditions.

Cost savings measures agreed with the Union

In light of the devastating impact of Covid-19, the company and one of its key stakeholders, NAPWU, agreed on cost saving measures in June 2020. They include the following:

- Suspension of salary increases for the 2019/20 financial period.
- Suspension of normal overtime, Sunday and public holiday payments with effect from 27 March 2020.
- Suspension of acting allowances.
- Placing a moratorium on external recruitment to ensure that the company does not increase the current wage bill.
- Suspension of cell phone allowance payments.
- Suspension of winter clothing allowances.
- Suspension of subsistence and travel (S&T) allowances which include incidental allowances.
- Suspension of all meals in the restaurant to staff members in favour of staff meals.
- Suspension of relief duty allowance payments.
- Suspension of performance bonuses.
- Restricting the accumulation of annual leave days to a maximum of 60 days as per the NWR policy.
- Minimising the use of legal representations in labour cases with regard to internal disciplinary hearings and conciliation/arbitration disputes.
- Encouraging early retirement for employees who are 55 years and above, as per current Company practice.
- Determining the number of employees who are medically incapacitated (ill-health) and provide medical retirement options.
- Encouraging voluntary separation processes.

These revenue and cost savings measures largely contributed to NWR being able to continue operations during the period under review despite the devastating effects of Covid-19.

Company culture, high-performance teams and improving institutional capacity

The Namibia Wildlife Resorts Hospitality Institute (NWR Hi)
Namibia's National Development Plan 5 (NDP 5) identifies the Tourism Industry as an important sector contributing to the country's economic growth. A competitive tourism sector requires continuous human resource training and development, with a special focus on reversing current organisational cultures, improving customer service as well as instutional capacity.

During the period under review, the Namibia Wildlife Resorts Hospitality Institute (NWR Hi) was successfully established. In collaboration with the National Training Authority (NTA) and in one of the most significant collaborative efforts between public enterprises, NWR's training arm, NWR Hi, was operationalised in 2020 and apprenticeship scholarships were awarded to 80 apprentices sourced from all of Namibia's 14 regions for the period 2020-2023. NWR Hi is an important institution that will be used as a skill-enhancing and mindset-changing mechanism to capacitate the company by improving skills and service delivery standards throughout the company.

Employee performance management
The NWR Perfomance Management Policy and Procedures was approved in 2017. During the year under review, employee performance assessments were only confined to senior management and middle management levels. Efforts to entrench an effective and integrated performance management system throughout the company continue.

Employee engagement
An engaged and positive workforce can "make or break" organisations. As a company, we endeavour to consistently engage all our employees. It is through regular engagement that authentic and synergistic employee contributions to the NWR goals can be realised.

Despite the challenges of Covid-19 which, among others, require social distancing and isolation, two engagements between senior management and employees at operational level at resorts and camps were held in August 2020 and December 2020. In addition, a bi-monthly newsletter titled Letter from the MD, was distributed to all employees in 2020. The Letter from the MD contains important information on various pertinent strategic and operational topics in the company.

Statutory compliance
In the past years, the company was plagued with numerous non-compliance matters. This resulted in the company developing a negative reputation in the operating environment. In line with the company's Five-Year Strategic and Business Plan 2017-2021, several points of non-compliance were rectified. These include, amongst others, the Board signing a Governance Agreement as well as individual board members' Performance Agreements with the Shareholder as envisaged by the Public Enterprises Governance Act, 2019 (Act No.1 of 2019), bringing the Annual Financial Statements up to date, adhering to the Ministry of Public Enterprises Remuneration Guidelines, submission of affirmative action reports in line with Affirmative Action Act 29 of 1998, adherence to the NamCode as well as compliance with the Public Procurement Act (Act No:15 of 2015).

Better media and stakeholder relations
The number of negative media reports that characterised the company in the past, also improved significantly during the year under review. A positive media tonality index (positive media reports exceed negative reports) was achieved in 2020. At one stage, the company was ranked 6th place in terms of positive media coverage in 2020 by Nam Media monitoring during the year. There were also a number of positive stories media articles written about NWR in the print media during the 2019/20 Financial Year.

New NWR website
One way of active engagement with our customers is through our electronic media platforms – website, Facebook and Twitter. During the period under review, our website was redesigned to incorporate customer feedback received in the past. The online booking platform was synchronised with our website to make bookings easier and more effective. We encourage our customers to make use of our website for seamless transactional experiences.

26 April 2021

Dr. M. M Ngwangwama
Managing Director

Date

4. Governance

GOVERNANCE STRUCTURES

Board of Directors

The responsibility for ensuring good corporate governance is entrusted to the board of directors. Accordingly, the board, by exercising effective leadership in ensuring company sustainability and good corporate citizenry, is at the centre of a corporate governance system and it is responsible for supervising management. The board of directors is responsible for oversight duties, defining strategic direction and providing strategic leadership to the company.

The NWR Board of Directors is constituted according to the provisions of the NWR Act, (Act 3 of 1998), and consists of seven non-executive directors, all of whom are appointed by the Ministry of Environment, Forestry and Tourism, representing the Government of the Republic of Namibia as the sole shareholder. The Managing Director is an ex-officio member of the NWR Board.

The board is assisted by a Company Secretary, Ms Charmaine Gaingos, an admitted legal practitioner.

The Board of Directors comprised the following members:

Ambassador L.N. Iipumbu
Chairperson

Mrs. J. Wilson-Moore
Vice Chairperson

Dr. Matthias Ngwangwama
Managing Director

Ms. E.R. Petersen
Director

Ms. E.S. Shifotoka
Director

Mr. R. Putter
Director

Ms. C.R. Williams
Director

Mr. B.T. Schneider
Director

SENIOR MANAGEMENT

Our exco structure consists of the chief of departments, plus the next layer of reporting responsibility where the department is small, but requires high profile attention.

Ms. Charmaine Gaingos
Company Secretary/
Legal Advisor

Dr. Matthias Ngwangwama
Managing Director

Mr. Mufaro Nesongano
Corporate Communications
& Online Media Manager

Mrs. Talita Horn
Chief Financial Officer

Mr. Sebulon Chicalu
Chief Operations
Officer

Mr. Epson Kasuto
Chief Marketing
Officer

Mrs. Fransiska Nghitila
Environmental and
Compliance Specialist

Mr. Zandry Haimbondi
Chief Risk, Internal
Audit Officer

5. 5 year financial review

N$m	October 2019	Less March 2019 Actual	April 2019 - October 2019 Actual	October 2020 Actual	Less March 2020 Actual	April 2020 - October 2020 Actual	October 2020 Budget	Less March 2020 Budget	April 2020 - October 2020 Budget	N$m	April 2020 - October 2020 Actual	The previous year	Impact of Corona
Revenue	395	120	275	176	84	92	454	78	376	Revenue	92	275	-67%
Staff expenses	-137	-53	-83	-164	- 57	-107	-138	-57	-81	Staff expenses	-107	-83	28%
Other expenses	-236	-94	-142	-189	13	-202	-303	-24	-278	Other expenses	-202	-142	42%
Net profit/ (loss)	22	-27	50	-177	- 40	-217	14	4	18	Net profit/ (loss)	-217	50	

N$m		2020	2019
-	Net (loss) / profit	(174)	22
-	Total assets	750	817
-	Trade creditors & financing obligations	356	193
-	Audit result	Completed within 6 months	Completed within 6 months

N$'m	2020	2019	2018	2017	2016
Total revenue	174	395	362	365	343
Total expenses	-339	-393	-373	- 392	- 410
Trading result	-165	32	-11	- 27	- 67
Finance costs	-13	-11	-12	- 12	- 15
Other	1	1	4	3	1
Net profit/(loss)	-176	22	-18	- 36	- 81
Total assets	750	817	823	822	820
Equity	306	482	460	478	508
Long term liabilities	115	168	192	11	101
Current liabities	329	167	172	333	211
Total equity & liabilities	750	817	823	822	820

6. COVID-19

Enough has been said about the impact of COVID-19 on our economy. At the risk of repeating well publicised info, we wish to bring it into the context of NWR and its business.

October 2019 ended on a high note. Through a combination of increased revenue and fiscal discipline we were able to report profits for the first time in NWR's history.

And then, no 5 months after our financial year end, COVID-19 struck our borders, literarily, and in March 2020, Namibia reported its first two cases, resulting in the country going into full lockdown on 28 March 2020.

The timing could not have been worse for our company, and our industry, as the peak season (the period in which most international travellers explore the beauty of Namibia) was supposed to start within the next few weeks.

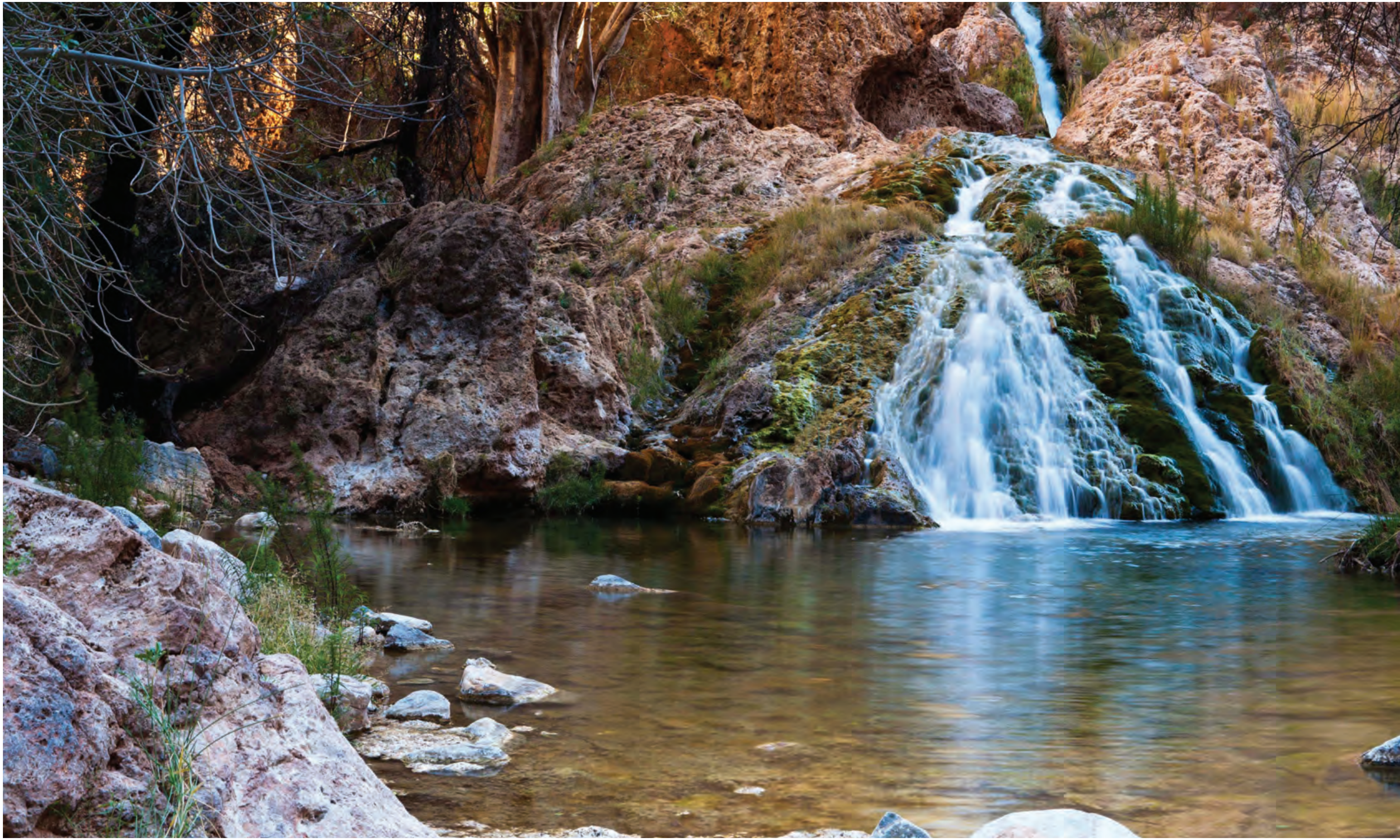
Going from an expected seasonal occupancy of approximately 80%, to an occupancy of 10%, decimated our revenue. Given our remote locations, geographically spread resorts, old-fashioned and ageing infrastructure, we were not able to contain costs to the same extent that revenue dropped.

N$m	April 2020 - October 2020 Actual	The previous year	Impact of Corona
Revenue	92	275	-67%
Staff expenses	(107)	(83)	28%
Other expenses	(202)	(142)	42%
Net profit/(loss)	(217)	50	

As a company, we chose not to immediately follow the route taken by some of our peers, retrenching staff as early as April. Instead, through a combination of annual leave, staff redeployment, suspension of certain allowances and all overtime, we were able to hold back on reducing the number of jobs until the last month of the financial year, when we announced a voluntary separation program. That program continues and may be supplemented by additional retrenchments as time passes.

Contrary to popular belief, NWR does not receive regular bailouts from its shareholder, the Government of the Republic of Namibia. It is only in this extraordinary year, that our shareholder was able to support us not only with industry initiatives, but also provided the financial backing in the form of a government guarantee, for the company to obtain loan financing of N$100m. And, a once off allocation out of the October 2020 mid term budget, of N$40m.

These two life lines only realised in January 2021 and December 2020 respectively, and we have to thank our suppliers, who may not have been hit to the same extent, for their patience and understanding while we left no stone unturned in our efforts to remain a trading entity.



NAMIBIA WILDLIFE RESORTS LIMITED
(Registration number 99/001)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

General information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	Conduct wildlife resort and related hospitality services, as mandated by the Namibia Wildlife Resorts Company Act (Act No.3 of 1998)
Directors	N Iipumbu (Chairperson) M Ngwangwama (Managing Director) BT Schneider CR Williams ER Petersen ES Shifotoka JA Wilson-Moore R Putter
Registered office	Gathemann Building Independence Avenue Windhoek Namibia
Business address	Gathemann Building Independence Avenue Windhoek Namibia
Postal address	Private Bag 13378 Windhoek Namibia
Shareholder	Government of the Republic of Namibia
Bankers	First National Bank of Namibia Standard Bank Namibia Nampost
Auditor	PKF-FCS Auditors Registered Accountants and Auditors Chartered Accountants (Namibia
Secretary	C Gaingos
Legal advisors	Tjitemisa and Associates GF Kopplinger Legal Practitioners
Company registration number	99/001

CONTENTS

The reports and statements set out below comprise the Annual Report presented to the shareholder:

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

Directors' Responsibilities and Approval

The directors are responsible for the preparation of the annual financial statements of Namibia Wildlife Resorts Limited, comprising the statement of the financial position at 31 October 2020, the statements of comprehensive income, changes in equity and cash flows for the year then ended, significant accounting policies, notes to the financial statements and the directors' report.

The directors are required in terms of the Companies Act of Namibia to maintain adequate accounting records, and they 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 company 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 auditors are 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 company and they place considerable emphasis on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

COVID-19 had a catastrophic impact on this company specifically, and the tourism industry in general. The consequences of the declaration of a state of emergency on 15 March 2020, and various lock downs and travel bans from 27 March 2020 causes significant uncertainty of the company's ability to continue as a going concern in these circumstances. However, it remains the intention of the directors, through the activities and plans referred to in note 33, to continue as a Going Concern.

The external auditors are responsible for independently auditing the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 33.

The annual financial statements set out on pages 35 to 99, which have been prepared on the going concern basis, and the supplementary schedules set out on pages 100 to 105, were approved by the board and were signed on behalf of the board by:

		26 April 2021
Director **Windhoek**	**Director**	**Date**

Auditor's Report *To the Shareholder of Namibia Wildlife Resorts Limited*

QUALIFIED OPINION

We have audited the financial statements of Namibia Wildlife Resorts Limited (the company) set out on pages 35 to 99, which comprise the statement of financial position as at 31 October 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Namibia Wildlife Resorts Limited as at 31 October 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No 28 of 2004.

BASIS FOR QUALIFIED OPINION

The company reported a net loss after tax for the year ended 31 October 2020 of N$ 173,632,326. As at that date its current liabilities exceeded its current assets by N$ 288,124,569. As indicated in note 33 to the financial statements the COVID-19 pandemic had a significant financial impact on the company. The note further indicates that the possible effects of the continued and future implications of COVID-19 on the future prospects, performance and cashflows of the company are unknown and describes how the directors plan to deal and finance these events and circumstances. The possibility of the non-extension of the DBN loan facility with a payment moratorium until June 2021 and the fixed repayment of the FNB loan (received subsequent to year end - N$ 100 million) before 30 September 2021 and will materially impact on the cash flows of the company as well as its operational activities. Government Guarantees are in place for both loan facilities which can be called upon if the company cannot repay. The cash flow forecasts provided for 2021, to support the appropriateness of the financial statements being prepared using the going concern basis of accounting, highlights to the continued impact of COVID-19 pandemic and related international travel restrictions. The forecast loss of N$ 106 million for 2021 reflects this assessment.

In addition, the company did not have adequate internal controls in respect of unallocated receipts of N$ 24,646,589 included in contract liability as per note 18 to the financial statements as well as the allocation to long outstanding trade receivable balances. As a result, we were unable to determine whether any adjustments were necessary in respect of unallocated receipts included in contract liability.

As part of the testing performed over the trade payable balances as at year-end we noted a control deficiency in the creditor's reconciliation control. We identified transactions recorded in the incorrect financial period, transactions relating to the current financial year that were omitted from the balance as at year end, as well as overstatement of creditor balances. We extrapolated the results from the sample selected and identified a material projected misstatement. The projected misstatement of N$ 1 957 472 was identified through a monetary unit sample selected; total of the sample amounted to N$ 1 084 396 and the misstatements within the sample amounted to N$ 185 509. The results were extrapolated and resulted in the projected misstatement. In addition we utilized specific sampling for the material creditors and identified a difference of N$ 174 665.

Trade and other payables of N$ 203,560,269 disclosed on the balance sheet includes a provision for penalties and interest of N$ 6,000,000 for which no valid and supporting documentation as to the make- up of the balance could be provided. We were thus unable to obtain sufficient appropriate audit evidence to verify the impact on the financial position of the company.

Trade and other payables of N$ 203,560,269 disclosed on the balance sheet includes payroll liabilities of N$ 86,084,085. The latter balance accounts for a voluntary separation package accrual of 270 staff members approved by the board of directors on 17 July 2020 amounting to N$ 34,769,035. To date only 123 staff members have opted for the voluntary separation package approved. No adjustment to reduce the provision has been processed at 31 October 2020. The board of directors reasoning is disclosed in note 17 to the financial statements. We were thus unable to obtain sufficient appropriate audit evidence to verify the impact on the financial position of the company.

A net VAT payable balance of N$ 56,032,214 (note 17 to the financial statements) is disclosed at 31 October 2020. Reviewing VAT returns submitted for the period under review, including capital payments effected we observed that the tax type reports are used for VAT return completion. The net VAT liability (including historical arrear balances) was established via a detailed reconciliation performed on general ledger accounts. As a result of the different basis of calculating the net VAT payable / receivable balance we were unable to verify the validity and accuracy of the total VAT liability at year end.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. 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 Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled “Namibia Wildlife Resorts Limited financial statements for the year ended 30 October 2020”, which includes the Directors’ Report as required by the Companies Act, No 28 of 2004 and the supplementary information as set out on pages 100-105. The other information does not include the financial statements and our auditor’s report thereon.

Our qualified opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No 28 of 2004, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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.

PKF-FCS Auditors

PKF-FCS Auditors
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: U Wolff
Partner

Windhoek

26 April 2021

Date

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Namibia Wildlife Resorts Limited for the year ended 31 October 2020.

1 Incorporation

The company was incorporated on 01 January 1999 and obtained its certificate to commence business on the same day.

2 Nature of business

Namibia Wildlife Resorts Limited was incorporated in Namibia with interests in conducting wildlife resort and related hospitality services, as mandated by the Namibia Wildlife Resorts Company Act (Act of No.3 of 1998). The company operates in Namibia.

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

3 Review of financial results and activities

The 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, except for new standards effective this year (refer to note 2).

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

4 Share capital

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

5 Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of the Companies Act of Namibia. As this general authority remains valid only until the next AGM, the shareholder will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, up to a maximum of 100% of the company's authorised share capital, under the control of the directors until the next AGM.

6 Dividends

No dividends were declared or paid during the year (2019: N$ nil).

Directors	Nationality	Changes
LN Iipumbu (Chairperson)	Namibian	None
M Ngwangwawa (Managing Director)	Namibian	None
BT Schneider	Namibian	None
CR Williams	Namibian	None
ER Petersen	Namibian	None
ES Shifotoka	Namibian	None
JA Wilson-Moore	Namibian	None
R Putter	Namibian	None

The directors were reappointed on 15 June 2019 for a further 3 year term.

8 Directors' interest in contracts

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

9 Property and equipment

At 31 October 2020, the company's investment in property, plant and equipment amounted to N$ 629,877,261 (2019: N$ 668,346,151), of which N$ 19,712,481 (2019: N$ 16,403,411) was added in the current year through additions.

At 31 October 2020, the company's investment in investment property amounted to N$ 9,869,340 (2019: N$ 10,068,340), and property to the value of N$ 10,237,456 (2019: N$ 10,237,456) was held for disposal.

10 Shareholder

The company's shareholder is the Government of the Republic of Namibia.

11 COVID-19 Pandemic

Due to the COVID-19 pandemic (effective from 15 March 2020, a state of emergency declared and the resulting travel ban enforced) the company's income for the 2020 financial year to date has been affected by the reduced occupancy levels at the resorts which were experienced due to the global and national lock-down measures. The company has significant fixed costs such as payroll obligations and the reduction in income due to lock-down has resulted in a reduction in profitability and cash in-flows. Management expected the decrease to have a negative impact on the targeted financial results for the 2021 financial year.

12 Going Concern

Please refer to note 33 for disclosure regarding the going concern.

13 Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. Refer to note 30, Contingent Liabilities for a brief description of the most significant matters.

14 Auditor

PKF-FCS Auditors were appointed as the auditors for the company for 2020 on 20 October 2020.

15 Secretary

The company secretary is Ms C Gaingos.

Postal address:	Private Bag 13378 Windhoek Namibia
Business address:	Gathemann Building 344 Independence Avenue Windhoek Namibia

16 Public Private Partnership agreements

The company has commenced action to review certain agreements signed with Sun Karros. The action is based on the agreements being signed without following due board approval processes, and to address concepts within the agreements that are vague. The outcome of the action relates to future profits, and is targeted to be beneficial to both parties. These joint venture type of agreements relate to property developments, shared responsibilities, obligations and profits. Refer to note 30 on contingent liabilities in these financial statements.

17 Events after the reporting period

Except for the impact of COVID-19 on the company, no other significant events occurred after the reporting date up to the date of this report.

Statement of Financial Position *for the year ended 31 October 2020*

	Note(s)	2020 N$	2019 N$
Assets			
Non-Current Assets			
Property and equipment	4	629,877,261	668,159,151
Investment property	5	9,869,340	10,068,340
Right to use asset	6	21,485,985	-
Lease income in advance	7	48,356,162	44,762,223
		709,588,749	**722,989,714**
Current Assets			
Inventories	8	3,541,630	5,794,345
Trade and other receivables	9	20,763,909	12,777,552
Cash and cash equivalents	10	5,009,142	65,660,947
Property held for disposal	11	10,237,456	10,237,455
		39,552,137	**94,470,298**
Total Assets		**749,140,886**	**817,460,012**
Equity and Liabilities			
Equity			
Share capital	12	1,122,863,662	1,122,863,662
Accumulated loss		(814,644,809)	(641,012,484)
		308,218,853	**481,851,178**

Statement of Financial Position *for the year ended 31 October 2020*

	Note(s)	2020 N$	2019 N$
Liabilities			
Non-Current Liabilities			
Development Bank of Namibia (DBN) loan	13	90,111,004	73,893,650
Lease liabilities	14	17,492,220	-
Grant liability	15	750,422	4,825,464
Severance pay provision	16	4,891,681	8,073,000
Trade and other payables	17	-	82,201,833
		113,245,327	**168,993,947**
Current liabilities			
Trade and other payables	17	203,560,269	78,795,570
Development Bank of Namibia (DBN) loan	13	-	10,000,000
Lease liabilities	14	7,416,378	1,506,939
Grant liability	15	4,075,042	75,042
Contract liability	18	70,857,217	64,247,983
Bank overdraft	10	41,767,800	11,989,353
		327,676,706	**166,614,887**
Total liabilities		**440,922,033**	**335,608,834**
Total Equity and Liabilities		**749,140,886**	**817,460,012**

Statement of comprehensive income

	Note(s)	2020 N$	2019 N$
Revenue	19	173,271,835	395,470,615
Cost of sales	20	(25,447,141)	(54,972,204)
Gross profit		**147,824,694**	**340,498,411**
Other operating (losses)/gains	21	531,839	(440,265)
Other operating expenses		(312,499,028)	(308,016,186)
Operating (loss)/profit	**22**	**(164,142,495)**	**32,041,961**
Investment income	24	753,930	1,191,073
Finance cost	25	(12,514,081)	(10,782,754)
(Loss)/profit for the year before taxation		**(175,902,645)**	**22,450,279**
Taxation	28	-	-
(Loss)/profit for the year		**(175,902,645)**	**22,450,279**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements on net defined benefit liability - actuarial gain on severance pay liability	16	2,270,319	-
Other comprehensive income/(loss) for the year net of taxation		**2,270,319**	**-**
Total comprehensive (loss)/income for the year		**(173,632,326)**	**22,450,279**

Statement of Changes in Equity *for the year ended 31 October 2020*

	Share Capital N$	Share premium N$	Total share capital N$	Accumulated loss N$	Total Equity N$
Balance as at 01 November 2018	100,006,000	1,022,857,662	1,122,863,662	(663,462,763)	459,400,899
Profit for the year	-	-	-	22,450,279	22,450,279
Total comprehensive income for the year	-	-	-	22,450,279	22,450,279
Balance as at 31 October 2019	100,006,000	1,022,857,662	1,122,863,662	(641,012,484)	481,851,178
(Loss for the year	-	-	-	**(173,632,326)**	**(173,632,326)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(173,632,326)**	**(173,632,326)**
Balance as at 31 October 2020	**100,006,000**	**1,022,857,662**	**1,122,863,662**	**(814,644,809)**	**308,218,853**
Note:	12	12	12		

Statement of cash flows *for the year ended 31 October 2020*

	Note(s)	2020 N$	2019 N$
Cash flows from operating activities			
Cash generated from operations	26	(79,229,488)	35,137,569
Interest income	24	753,930	1,191,073
Interest paid		(6,296,726)	(9,683,315)
Net cash from operating activities		**(84,772,284)**	**26,645,327**
Cash flows from investing activities			
Purchase of property and equipment		(3,570,528)	(13,375,463)
Sale of property and equipment		1,236,303	251,026
Net cash to investing activities		**(2,334,225)**	**(13,124,437)**
Cash flows from financing activities			
Repayment of DBN loan	32	0	(10,000,000)
Finance lease repayments	32	(3,323,744)	(2,014,590)
Net cash to financing activities		**(3,323,744)**	**(12,014,590)**
Total cash movement for the year		**(90,430,253)**	**1,506,300**
Cash at the beginning of the year		53,671,594	52,165,294
Total cash at end of the year	**10**	**(36,758,658)**	**53,671,594**

Accounting Policies

1 Significant accounting policies

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

1.1 Basis of preparation

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

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

These accounting policies are consistent with the previous period, except for the effect of adopting IFRS 16 Operating Leases.

1.2 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.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows.

Lease classification - As lessor and as lessee
The company is party to leasing arrangements, both as a lessee and as a lessor. The treatment of leasing transactions in the financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred.

Critical judgements in determining the lease term - As lessor and as lessee
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). During the current year, no adjustments were made for potential extension of lease terms.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and which is within the control of the lessee. During the current financial year, no adjustments were required to reflect extension or termination options.

Estimation uncertainty arising from variable lease payments - As lessor
Some property leases contain variable payment terms that are linked to sales or profits generated. Variable lease payments that depend on sales or profits are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

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.

Key sources of estimation uncertainty

Fair value estimation
The carrying value less impairment provision of trade receivables, and payables, are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Impairment testing
The company 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 determines 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.

In accordance with IFRS 9, the company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date. Refer to note 1.5 for the full description of impairments, including judgements applied in estimating the loss allowance.

Useful lives of property and equipment
Management assesses the appropriateness of the useful lives of property and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on the company's assessment of useful econcomic life 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.

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

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.

Provisions
Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in the note to the financial statements.

1.3 Investment property

Cost model
Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Investment property is subsequently carried at cost less accumulated depreciation and impairment losses.

Depreciation is charged to profit or loss using a method that best reflects the pattern in which the economic benefits are consumed by the company.

Depreciation is provided to write down the cost, less estimated residual value and useful life of the property, which is as follows:

Item	Useful life
Land	indefinite
Buildings	45 years

The useful lives of items of investment property are assessed on an annual basis.

1.4 Property

Property which the company holds for its own use and which are expected to be used for more than one year are tangible assets and software.

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

Property is initially recognised at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Costs incurred are capitalized to assets under construction, until the asset is ready for use, at which time it is transferred to property.

Expenditure incurred subsequently for major services, additions to or replacements of parts of the property are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company 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 is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost.

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.

Depreciation of an asset commences when the asset is available for use as intended by management. 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. 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 company. 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 have been assessed as follows, and remain unchanged from the prior period:

Item	Depreciation method	Average useful life
Buildings	Straight line	45 years
Land	n/a	indefinite
Plant and machinery	Straight line	1 to 10 years
Furniture and fixtures	Straight line	5 to 10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	3 to 12 years
IT equipment	Straight line	3 years
Computer software	Straight line	3 years
Other minor assets	Straight line	5 to 10 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.

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 indication 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.

1.5 Financial instruments

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

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

Financial assets which are debt instruments:
- Amortised cost

This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows.

Financial liabilities:
- Amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is reassessed on an annual basis. Note 3 “Financial instruments and risk management” presents the financial instruments held by the company based on their specific classifications.

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

Trade and other receivables

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

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

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

They are subsequently measured at amortised cost.

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

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

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

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

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

Measurement and recognition of expected credit losses
The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix are presented in note 9.

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

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

Loans and borrowings

Classification
Borrowings are classified as financial liabilities at amortised cost.

Recognition and measurement
Borrowings are recognised when the company 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.

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 3 for details of risk exposure and management thereof.

Borrowings and loans from related parties

Classification
Loans from group companies, loans from shareholders and borrowings are classified as financial liabilities and subsequently measured at amortised cost.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

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

Trade and other payables

Classification
Trade and other payables - short term, excluding VAT and amounts received in advance, are classified as financial liabilities at amortised cost, using the effective interest method.

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

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 which 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.

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

Risk
Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 3 for details of risk exposure and management thereof.

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

Cash and cash equivalents

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

Cash and cash equivalents are classified as financial assets at amortised cost.

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 initially recognised at fair value and subsequently at amortised cost.

Bank overdrafts

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

Bank overdrafts are classified as financial liabilities at amortised cost.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

1.6 Tax

Current tax assets and liabilities

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

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

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.

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 to equity.

1.7 Leases

The company 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 determines 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 company 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.

Company 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 company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

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

Details of leasing arrangements where the company is a lessee are presented in the note on leases (company as lessee).

Lease liability

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 company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company 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.

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 finance costs.

The company remeasures the lease liability, when applicable, in accordance with the following table:

Lease liability remeasurement scenario	Lease liability remeasurement methodology
Change to the lease term.	- discounting the revised lease payments using a revised discount rate.
Change in the assessment of whether the company will exercise a purchase, termination or extension option.	- discounting the revised lease payments using a revised discount rate.
Change to the lease payments as a result of a change in an index or a rate.	- 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).
Change in expected payment under a residual value guarantee.	- discounting the revised lease payments using the initial discount rate.
Lease contract has been modified and the lease modification is not accounted for as a separate lease.	- 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 company 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 company 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:

- Solar plant 15 years
- Buildings 45 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.

Company as lessor

Leases for which the company is a lessor are classified as finance or operating leases. Whenever the terms of the lease substantially transfer 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.

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 from the use of the underlying asset are diminished. Operating lease income is included in other operating income.

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

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

Finance leases
Amounts due from lessees are recognised from the commencement date at an amount equal to the company net investment in the lease. They are presented as lease income in advance on the statement of financial position.

The interest rate implicit in the lease is used to measure the net investment in the lease.

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

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

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

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

1.8 Leases (Comparatives under IAS 17)

The following accounting policy applies to the comparative disclosures of leases. The company has adopted IFRS 16 in the current year, but has not restated the comparatives. These accounting policies are prepared on the basis of IAS 17. Refer to the note on changes in accounting policies for details of the impact of the adoption of IFRS 16 on these financial statements.

A lease is classified as a finance lease if it substantially transfers all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not substantially transfer all the risks and rewards incidental to ownership.

Finance leases - lessor
The company recognises finance lease receivables in the statement of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the company’s net investment in the finance lease.

Finance leases – lessee
Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the market related interest as stated in the contract.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

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

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period in which they are incurred.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average basis.

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

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 in which 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.

1.10 Impairment of non-financial assets

The company 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 company estimates the recoverable amount of the asset.

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

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

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.

1.11 Impairment of assets

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.

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 classified as equity.

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 are classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost bonus payments are recognised as an expense because there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes (i.e. GIPF) are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

In either case, where employees have elected to participate in a pension plan, they contribute 7% of basic salary, and the employer contributes 16% of basic salary (or, where applicable, the entire contribution of 23% is funded out of the total cost to company).

Participation in state pension plan

Contributions to the Government Institution Pension Fund (GIPF) are accounted for as contribution to a multi-employer plan. As sufficient information is not available to use defined benefit accounting for this multi-employer defined benefit plan, the company accounts for the pension benefits for those staff on this plan, as a defined contribution plan.

The company is not required to guarantee and fund any benefit fund shortages which might accrue on resignation, retirement or death of an employee who is a member of the Government Institutions Pension Fund, nor does the company have an allocation of surplus/deficit on winding up of the fund or exiting the fund.

Severance pay provision

The severance pay provision is determined using the projected unit credit method.

Actuarial valuations are conducted every 2 years by independent actuaries.

Income and service cost are recognised in profit or loss on the year in which they occur.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

The amount recognised in the statement of financial position represents the present value of the severance pay obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs.

1.14 Provisions and contingencies

Provisions are recognised when:
- the company 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.

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

Provisions are not recognised for future operating losses.

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 he restructuring by starting to implement that plan or announcing its main features to those affected by it.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 30.

1.15 Revenue

Turnover
Turnover comprises sales to customers and services rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

Revenue
Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and value added tax.

Revenue comprises revenue from contracts with customers and other income.

Revenue from contracts with customers
The company earns revenue in the form of accommodation-related services, banqueting and venue hire, and sundry revenues.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Rooms revenue is recognised over time due to the nature of accommodation being consumed by customers over a period of time. The customer simultaneously receives and consumes the benefits provided, as provision of a room is made to the customer.

Revenue from food, beverages, activities such as game drives and tourist shop sales is recognised at a point in time.

Banqueting, venue hire and hotel sundry revenues are recognised over time as the customer receives and consumes the economic benefits.

No element of financing is deemed present as the sales customer payments are generally made in cash received in advance, or at the time the performance obligation is fulfilled, or according to negotiated credit terms of 30 days. The company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The company does not have significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers as the revenues mentioned above are all based on standalone selling prices and pre-determined settlement dates.

The company's Namleasure card allows our guests to enjoy discounts as and when they use the card. There is no element of deferring sales/points to be redeemed on future transactions. Revenue from the sale of Namleisure cards is recognised at a point in time.

1.16 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 cost of sales in the period in which 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 cost of sales in the period in which the reversal occurs.

1.17 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 Contribution from shareholder

Government contributions are recognised as capital contributions from the shareholder in the statement of changes in equity. If shares are issued to the Government of the Republic of Namibia, in return for these contributions received, then the equivalent amount is transferred from contributions to issued share capital, in the statement of changes in equity.

1.19 Contract liabilities

The company derives accommodation revenue over time, and recognises food and beverage revenue at a point in time. The revenue accounting policy is detailed in note 1.15. When the company receives payment in advance, these Advance Deposits are recognised as a liability (contract liabilities) as disclosed on the face of the balance sheet, until such time as the accommodation and related services are delivered, at which time it is recognised as revenue. Or, if the reservation is cancelled and deposit forfeit rules are applied, then the set percentage forfeiture is recognised as revenue, and the balance is refunded.

1.20 Non-current assets held for sale

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

Non-current assets and disposal groups are classified as held for distribution to owners when the entity is committed to distribute the asset or disposal group to the owners. This condition is regarded as met only when the distribution is highly probable and the asset (or disposal group) is available for immediate distribution in its present condition, provided the distribution is expected to be completed within one year from the classification date.

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

A non-current asset is not depreciated (or amortised) while it is classified as held for sale (held for distribution to owners), or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale (distribution to owners) are recognised in profit or loss.

2 New Standards and Interpretations

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

2.1 Standards and interpretations effective and adopted in the current year

Description of standard	Number of standard	First time effective
IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting, however, remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained. This statement was effective 1 January 2019.	IFRS 16	Oct 20

This statement was effective for the first time this year (October 2020). IFRS 16 replaces IAS 17 Leases, IFRIC 4 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. IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the company's financial statements is described below.

The company's outstanding commitments under noncancellable operating lease agreements amounted to N$25m as included in lease liabilities on the face of the balance sheet, and the corresponding right to use asset of N$21m as a separate line item on the face of the statement of financial position.

The impact on the statement of comprehensive income created new line items such as amortisation of the right to use asset, and a finance charge relating to the unwinding of the lease liability, but the impact on profit or loss for the period was not material.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Furthermore, the impact was not sufficiently material to warrant adjustments to retained earnings as at 01 November 2019.

Where the company is the lessee, the company applied the simplified transition approach and has not restated comparative amounts for the first year of adoption. The company applied the practical expedient per IFRS 16 C3 in that the IFRS 16 definition of a lease would only be applied to assess whether contracts entered into after the date of initial application (1 November 2019) are, or contain, leases. The company has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying IAS 17 Leases and IFRIC 4, Determining Whether an Arrangement Contains a Lease. All contracts previously assessed not to contain leases will not be reassessed. The company also applied the recognition exemptions for short-term leases (a lease that, at the commencement date, has a lease term of 12 months or less) and leases of low-value items (mainly small items of office equipment and furniture).

Where the company is the lessor, it was not required to make any adjustments on transition for leases in which it is a lessor. However, the required additional disclosures were made.

COVID-19-related Rent Concessions - Amendment to IFRS 16

The COVID-19 pandemic has resulted in an amendment to IFRS 16 Leases which was issued by the IASB on 28 May 2020. This amendment has not had any impact on the company, as the company did not receive any lease concessions. At most, deferred payment terms of 6 months were agreed, and as such no assessment was required whether the concessions meet the conditions of lease modification.

As Lessee, there was no significant impact on the adoption of IFRS 16, as there were no significant leases at the time of adoption.

As Lessor, there was no significant impact on adoption of IFRS 16 on the lease income in advance asset on the balance sheet.

2.2 Standards and interpretations not yet effective

Description of standard	Number of standard	First time effective
IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. The amendment relating to definition of materiality is effective 1 Jan 2020. The amendment relating to classification of liabilities is effective 1 Jan 2023. These amendments are not expected to have a significant impact on the financial statements.	IAS 1	Oct 21 & Oct 24
IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The amendments relating to the definition of material are effective 1 Jan 2020. Impact will be considered should any changes and errors be found.	IAS 8	Oct 21
IAS 16 "Property, Plant and Equipment" outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life. The amendment relating to proceeds before intended use is effective 1 Jan 2022 Amendments are not expected to be significant.	IAS 16	Oct 23
IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable). The amendment to Costs of fulfilling onerous contracts is effective 1 Jan 2022 Amendments are not expected to be significant.	IAS 37	Oct 23

Description of standard	Number of standard	First time effective
IAS 39 “Financial Instruments: Recognition and Measurement” outlines the requirements for the recognition and measurement of financial assets, financial liabilities, and some contracts to buy or sell non-financial items. Financial instruments are initially recognized when an entity becomes a party to the contractual provisions of the instrument, and are classified into various categories depending upon the type of instrument, which then determines the subsequent measurement of the instrument (typically amortized cost or fair value). Special rules apply to embedded derivatives and hedging instruments. The amendments relating to interest rate benchmark are effective 1 Jan 2020. The 2^{nd} phase amendments relating to Interest rate benchmark are effective 1 Jan 2021. As the company does not have significant or complex financial instruments, the amendments are not expected to be significant.	IAS 39	Oct 21 & Oct 22
IFRS 3 “Business Combinations” outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the ‘acquisition method’, which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date. The statement was effective 1 Jan 2011. The amendments relating to the definition of a business are effective 1 Jan 2020. The amendments as result of changes to conceptual framework are effective 1 Jan 2022. The impact of the amendment will be assessed if the company enters into any business combination transaction.	IFRS 3	Oct 21 & Oct 23
IFRS 7 “Financial Instruments: Disclosures” requires disclosure of information about the significance of financial instruments to an entity, and the nature and extent of risks arising from those financial instruments, both in qualitative and quantitative terms. Specific disclosures are required in relation to transferred financial assets and a number of other matters. The amendments relating to interest rate benchmark are effective 1 Jan 2020. The 2^{nd} phase amendments relating to interest rate benchmark are effective 1 Jan 2021. As the company does not have significant or complex financial instruments, the impact is not expected to be significant.	IFRS 7	Oct 21 & Oct 22

Description of standard	Number of standard	First time effective
The final version of IFRS 9 “Financial Instruments” issued in July 2014 is the IASB’s replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. The amendments relating to interest rate benchmark are effective 1 Jan 2020. The 2nd phase amendments relating to interest rate benchmark are effective 1 Jan 2021. The amendment relating to fees in the “10%” test for derecognition of financial liabilities is effective 1 Jan 2022. As the company does not deal in complex financial instruments, the impact is not expected to be significant.	IFRS 9	Oct 21 & Oct 22 & Oct 23
IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting, however, remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained. The amendment relating to COVID-19-related rent concessions is effective Jun 2020. With regard to COVID-19 rental concessions, the company did receive deferred payment concessions, and thus the impact of this amendment is not expected to be material. The 2nd phase amendments relating to interest rate benchmark are effective 1 Jan 2021.	IFRS 16	Oct 21 & Oct 22

3 Financial instruments and risk management

Overview

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

The company's risk management policies are established to identify and analyse the risks faced by the company, 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 company's activities.

The company audit 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 company. The audit 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 for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties. Counterparty credit limits are in place and are reviewed and approved by management. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determines whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management applies the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management considers information such as payment history to date, industry of the customer, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Trade receivables which do not contain a significant financing component are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopts this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management has chosen as an accounting policy to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for debt instruments at fair value through other comprehensive income is equal to the fair value because the credit loss allowance does not reduce the carrying amount. The credit loss allowance is only shown for disclosure purposes. Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

Liquidity risk

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

The sole shareholder has provided guarantees for the debt of DBN and FNB.

Categories of financial instruments

Categories of financial assets				
2020 N$		**Notes**	**Amortised cost**	**Total**
Lease income in advance		7	48,356,162	48,356,162
Trade and other receivables		9	19,058,632	19,058,632
Cash and cash equivalents		10	5,009,142	5,009,142
			72,423,936	**72,423,936**
2019 N$		**Notes**	**Amortised cost**	**Total**
Lease income in advance		7	44,762,223	44,762,223
Trade and other receivables		9	11,253,945	11,253,945
Cash and cash equivalents		10	65,660,947	65,660,947
			121,677,115	**121,677,115**

Categories of financial liabilities				
2020 N$		**Notes**	**Amortised cost**	**Total**
Trade and other payables	- long term	17	-	-
Trade and other payables	- short term	17	54,723,012	54,723,012
Lease liabilities		14	24,908,598	24,908,598
Development Bank of Namibia (DBN) loan		13	90,111,004	90,111,004
Bank overdraft		10	41,767,800	41,767,800
			211,510,414	**211,510,414**
2019 N$		**Notes**	**Amortised cost**	**Total**
Trade and other payables	- long term	17	82,201,833	82,201,833
Trade and other payables	- short term	17	38,616,825	38,616,825
Lease liabilities		14	1,506,939	1,506,939
Development Bank of Namibia (DBN) loan		13	83,893,650	83,893,650
Bank overdraft		10	11,989,353	11,989,353
			136,006,767	**136,006,767**

Pre tax gains and losses on financial instruments
Gains and losses on financial assets

Recognised in profit or loss				
2020 N$		**Notes**	**Amortised cost**	**Total**
Interest income		24	753,930	753,930
Decrease/(increase) in expected credit loss allowance			-	-
Net gains/(losses)			753,930	753,930
2019 N$		**Notes**	**Amortised cost**	**Total**
Interest income		24	1,191,073	1,191,073
Decrease/(increase) in expected credit loss allowance			1,885,888	1,885,888
Net gains/(losses)			3,076,961	3,076,961
Gains and losses on financial liabilities recognised in profit or loss:				
2020 N$		**Notes**	**Amortised cost**	**Total**
Finance costs		25	(12,514,081)	(2,514,081)
2019 N$		**Notes**	**Amortised cost**	**Total**
Finance costs		25	(10,782,754)	(10,782,754)

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings, cash and cash equivalents, trade and other payables as disclosed in the notes referenced below and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to shareholder, or issue new shares.

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

		Notes	2020 N$	2019 N$
Development Bank of Namibia (DBN) loan		13	90,111,004	83,893,650
Lease liabilities		14	24,908,598	1,506,939
Trade and other payables	- long term	17	-	82,201,833
Trade and other payables	- short term	17	203,560,269	78,795,570
Total borrowings			**318,579,871**	**246,397,991**
Overdraft/(Cash and cash equivalents)			36,758,658	(53,671,594)
Net borrowings			**355,338,529**	**192,726,397**
Equity			308,218,853	481,851,178
Gearing ratio			115%	40%

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (including cash flow interest rate risk).

Credit risk

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

The company is exposed to credit risk on trade and other receivables, lease receivables and cash and cash equivalents.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well established financial institutions with high credit ratings.

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

2020 N$	Notes	Gross carrying amount	Credit loss allowance	Net carrying amount at amortised cost
Lease income in advance	7	48,356,162	-	48,356,162
Trade receivables	9	45,322,519	26,523,547	18,798,973
Other receivables	9	1,705,277	-	1,705,277
Overdraft/(Cash and cash equivalents)	10	19,058,632	-	19,058,632
		114,442,590	**26,523,547**	**87,919,044**
2019 N$	**Notes**	**Gross carrying amount**	**Credit loss allowance**	**Net carrying amount at amortised cost**
Lease income in advance	7	44,762,223	-	44,762,223
Trade receivables	9	37,517,645	26,523,546	10,994,099
Other receivables	9	259,846	-	259,846
Overdraft/(Cash and cash equivalents)	10	65,660,947	-	65,660,947
		148,200,661	**26,523,546**	**121,677,115**

Refer to the notes specific to the exposures in the table above, for additional information concerning credit risk.

Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the company maintains flexibility in funding by maintaining availability under committed credit lines.

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The maturity profile of contractual cash flows of non-derivative financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts. Other than the DBN loan and finance lease liabilities balance due within 12 months equal, their carrying value as the impact of discounting is not significant.

2020 N$	Notes	Less than 1 year	Between 2 and 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Development Bank of Namibia (DBN) loan	13	22,099,344	42,897,666	48,888,01	113,885,02	90,111,004
Lease liabilities	14	-	6,575,547	10,916,673	17,492,220	17,492,220
Current liabilities						
Trade and other payables	17	54,723,012	-	-	54,723,012	54,723,012
Lease liabilities	14	7,416,378	-	-	7,416,378	7,416,378
Bank overdraft	10	41,767,800	-	-	41,767,800	41,767,800
		126,006,534	**49,473,213**	**59,804,686**	**235,284,433**	**211,510,414**
2019 N$	**Notes**	**Less than 1 year**	**Between 2 and 5 years**	**Over 5 years**	**Total**	**Carrying amount**
Non-current liabilities						
Development Bank of Namibia (DBN) loan	13	16,981,106	76,645,158	262,968,211	356,594,475	83,893,650
Current liabilities						
Trade and other payables	17	38,616,825	-	-	38,616,825	38,616,825
Lease liabilities	14	1,506,939	-	-	1,506,939	1,506,939
Bank overdraft	10	11,989,353	-	-	11,989,353	11,989,353
		69,094,223	**76,645,158**	**262,968,211**	**408,707,592**	**136,006,767**

Interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

The company's interest rate risk arises from long-term borrowings and the prior years' VAT and PAYE labilities.

Borrowings issued at variable rates expose the company to cash flow interest rate risk. During the year, the company's borrowings at variable rate were denominated in the Namibia Dollar.

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

At 31 October 2020, if interest rates on Namibia Dollar-denominated borrowings had been 1% - i.e. 2% higher/lower with all other variables held constant, post-tax profit for the year would have been between N$1 million and N$3 million (2019: N$1 million and N$2 million) higher/lower, mainly as a result of higher/lower interest expense on floating rate borrowings.

Cash Flow Interest rate risk

2020 N$	Current interest rate	Due in less than a year	Due in one to ten years
Overdraft facilities	9.50%	41,767,800	-
Development Bank of Namibia (DBN) loan	7.50%	-	90,111,004
2019 N$	**Current interest rate**	**Due in less than a year**	**Due in one to ten years**
Overdraft facilities	9.50%	11,989,353	-
Development Bank of Namibia (DBN) loan	10.50%	10,000,000	73,893,650

4 Property and equipment

	2020 N$			2019 N$		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	36,910,475	-	36,910,475	36,910,475	-	36,910,475
Buildings	850,721,037	- 290,670,458	560,050,579	848,410,681	- 258,575,208	589,835,473
Plant and machinery	17,063,351	- 11,444,871	5,618,480	18,087,774	- 12,027,841	6,059,933
Furniture and fixtures	32,341,809	- 20,795,518	11,546,290	33,048,231	- 19,092,889	13,955,342
Motor vehicles	47,945,725	- 33,922,662	14,023,063	49,624,776	- 31,867,963	17,756,813
Office equipment	207,824	- 196,439	11,385	207,824	- 194,067	13,757
IT equipment	9,366,525	- 8,586,793	779,733	9,066,475	- 7,953,786	1,112,690
Computer Software	2,757,437	- 2,623,947	133,490	2,757,437	- 2,385,055	372,383
Assets under construction	348,547	-	348,547	1,466,887	-	1,466,887
Other minor assets	2,224,215	- 1,768,997	455,218	2,227,918	- 1,552,520	675,398
	999,886,945	**(370,009,684)**	**629,877,261**	**1,001,808,479**	**(333,649,328)**	**668,159,151**

Reconciliation of property and equipment

	2020 N$					
	Opening balance	Additions	Disposals	Transfers	Depreciation	Closing balance
Land	36,910,475	-	-	-	-	36,910,475
Buildings	589,835,473	314,548	-	1,920,252	(32,019,693)	560,050,579
Plant and machinery	6,059,933	16,509,144	(255,112)	-	(2,587,091)	5,618,480
Furniture and fixtures	13,955,342	157,462	(142,128)	-	(2,424,385)	11,546,290
Motor vehicles	17,756,813	1,543,021	(303,819)	-	(4,972,952)	14,023,063
Office equipment	13,757	-	-	-	(2,372)	11,385
IT equipment	1,112,690	344,236	-	-	(677,193)	779,733
Computer Software	372,383	-	(1,484)	-	(237,408)	133,490
Assets under construction	1,466,887	801,912	-	(1,920,252)	-	348,547
Other minor assets	675,398	42,159	(1,921)	-	(260,419)	455,218
	668,159,151	**19,712,481**	**(704,463)**	**-**	**(43,181,513)**	**629,877,261**

	2019 N$					
	Opening balance	Additions	Disposals	Transfers	Depreciation	Closing balance
Land	38,560,475	-	-	(1,650,000)	0	36,910,475
Buildings	610,155,784	-	-	4,159,082	(24,479,393)	589,835,473
Plant and machinery	3,430,039	4,099,485	-	-	(1,469,591)	6,059,933
Furniture and fixtures	15,318,781	1,053,791	-	-	(2,417,230)	13,955,342
Motor vehicles	17,767,852	6,271,693	(647,329)	-	(5,635,403)	17,756,813
Office equipment	19,853	-	-	-	(6,096)	13,757
IT equipment	859,655	873,523	(43,962)	-	(576,526)	1,112,690
Computer Software	657,543	174,409	-	-	(459,569)	372,383
Assets under construction	10,244,406	3,782,017	-	(12,559,536)	-	1,466,887
Other minor assets	862,875	149,023	-	-	(336,500)	675,398
	697,877,263	**16,403,941**	**(691,291)**	**(10,050,454)**	**(35,380,308)**	**668,159,151**

Property encumbered as security

No assets have been encumbered as security for secured long-term borrowings.

The register containing a description of the land and buildings, disclosing the location, date of transfer, cost at date of transfer and subsequent additions thereto, is available for inspection at the company's head office, in terms of section 120 of the Companies Act.

Most properties were last valued on 31 July 2017. Properties were valued by The Trust & Estate Co (Pty) Ltd.

Because the Namibia Wildlife Resorts Company Act (Act No. 3 of 1998) restricts the disposal of properties, and because the cost of obtaining new valuations for all properties far outweighs the benefits of obtaining regular values, properties are not regularly valued, and are carried at historical cost.

Transfer of Certain Fixed Assets to Namibia Wildlife Resorts:
In terms of Section 8(4) of the Namibia Wildlife Resorts Company Act (Act No. 3 of 1998) and an agreement dated 8 December 2008, with effect from 15 March 2011 in terms of Government Notice No. 30 of 2011, the immovable properties were transferred to Namibia Wildlife Resorts Limited, following approval by the Ministry of Finance (Ref 20/11/1/23) in terms of the State Finance Act and cabinet approval (meeting reference 3rd /23.02.2010/006). The process of registering the transfers at the deeds office is in progress.

Right to use assets

Solar power generation equipment included under machinery and equipment was purchased by way of lease, as disclosed under note 6.

5 Investment property

	2020 N$			2019 N$		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	5,004,800	-	5,004,800	5,004,800	-	5,004,800
Buildings	8,133,787	(3,269,247)	4,864,540	8,133,787	(3,070,247)	5,063,540
Total	**13,138,587**	**(3,269,247)**	**9,869,340**	**13,138,587**	**(3,070,247)**	**10,068,340**

Reconciliation of investment property

	2020 N$		
	Opening balance	Depreciation	Closing balance
Investment property	10,068,340	(199,000)	9,869,340

	2019 N$		
	Opening balance	Depreciation	Closing balance
Investment property	10,267,386	(199,046)	10,068,340

Refer to note 22 for disclosure of the income and expenses related to these properties.

Daan Viljoen, Mile 14, and Von Bach properties are subject to rental agreements (with fixed and variable components), which expire in June 2038, February 2048 and July 2058 respectively, subject to the extension clauses in the respective contracts.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

Because the Namibia Wildlife Resorts Company Act (Act No. 3 of 1998) restricts the disposal of properties, and because the cost of obtaining new valuations for all properties far outweighs the benefits of obtaining regular values, properties are not regularly valued, and are carried at historical cost.

Most properties were last valued for disclosure purposes on 31 July 2017. Properties were valued by The Trust & Estate Co (Pty) Ltd.

Future minimum lease payments

	2020 N$	2019 N$
Within one year	1,396,752	1,623,467
in second to fifth year inclusive	10,400,311	8,287,959
later than five years	171,367,742	175,008,677

6 Right to use asset

The company leases three properties and a plant for use in its business operations.

The company adopted IFRS16 for the first time in the current financial period. Comparative figures were accounted for in accordance with IAS17 and accordingly, any assets recognised under finance leases in accordance with IAS 17 for he comparative period have been recognised as part of property, plant and equipment. The information presented in this note for right-of-use assets therefore only includes the current period.

Net carrying amounts of right-of-use assets are as follows:

	2020 N$	2019 N$
Buildings	21,485,985	-

Reconciliation of right to use assets

	Opening balance	Additions	Disposals	Transfers	Depreciation	Closing balance
Buildings	-	10,583,450	-	-	(3,205,859)	7,377,591
Plant and equipment	-	16,141,954	-	-	(2,033,559)	14,108,394
	-	**26,725,403**	**-**	**-**	**(5,239,418)**	**21,485,985**

Depreciation recognised on each class of right-of-use asset is presented above. It includes depreciation which has been expensed in the total depreciation charge in profit and loss.

Other disclosures

	2020 N$	2019 N$
Interest expense on lease liabilities	4,605,841	-

Finance lease liabilities

Lease liabilities have been included in the interest bearing loans and borrowings line item on the statement of financial position.

7 Lease income in advance

	2020 N$	2019 N$
Opening balance	44,762,223	41,353,976
Lease income recognised for the year	4,884,125	4,884,125
Lease payments received	(1,290,186)	(1,475,878)
	48,356,162	**44,762,223**

The three investment properties (as stated under note 5), are subject to rental agreements with fixed escalation clauses. These rental contracts expire in 2038, 2048, and 2058 respectively.

These lease agreements were assessed for credit risk. Based on the payment history and high level compliance with the terms and conditions of the lease, which indicated continued occupation of the property, there is no significant credit risk associated with this lease straight lining asset.

8 Inventories

	2020 N$	2019 N$
Beverage stock	991,784	1,935,657
Food stock	671,972	1,510,107
Sundry stock	1,877,874	2,348,581
	3,541,630	**5,794,345**

No inventory is subject to any pledge or collateral arrangements.

9 Trade and other receivables

	2020 N$	2019 N$
Financial instruments:		
Trade receivables (comment 1)	18,798,973	10,994,099
Other receivables	259,660	259,846
Non Financial instruments:		
Employee costs in advance	126,936	107,366
Prepayments	1,578,341	1,416,241
Total trade and other receivables	**20,763,909**	**12,777,552**

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

	2020 N$	2019 N$
At amortised cost	19,058,632	11,253,945
Non-financial instruments	1,705,277	1,523,607
	20,763,909	**12,777,552**

Comment 1: The increase in trade receivables is principally caused by the accommodation charges invoiced to the Ministry of Health and Social Services, for use of our resorts as quarantine facilities, which was not paid by year end.

Exposure to credit risk

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

The company'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:

2020 N$			
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Net gross carrying amount at default**
Not past due	-	-	-
Less than 30 days past due	4,947,259	453,245	4,494,014
31-60 days past due	3,849,910	299,646	3,550,265
61-90 days past due	694,283	56,218	638,065
91-120 days past due	1,757,284	48,366	1,708,918
More than 120 days past due	34,073,782	25,666,071	8,407,711
Total	**45,322,519**	**26,523,547**	**18,798,973**
Related parties	35,137,569	368,027	34,769,542
Other	10,184,950	26,155,519	(15,970,569)
Total	**45,322,519**	**26,523,547**	**18,798,973**
Debtors impaired	29,980,846	26,523,547	18,798,973
Debtors not impaired	15,341,673	-	-
Total	**45,322,519**	**26,523,547**	**18,798,973**
Average age in days	127		

2019 N$			
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Net gross carrying amount at default**
Not past due	1,393,531	-	1,393,531
Less than 30 days past due	5,147,233	616,833	4,530,401
31-60 days past due	1,293,241	94,854	1,198,387
61-90 days past due	1,859,748	1,617,172	242,576
91-120 days past due	1,304,927	1,134,719	170,208
More than 120 days past due	26,518,965	23,059,970	3,458,996
Total	**37,517,645**	**26,523,546**	**10,994,099**
Related parties	14,884,549	11,029,029	3,855,520
Other	22,633,096	15,494,517	7,138,579
Total	**37,517,645**	**26,523,546**	**10,994,099**
Debtors impaired	36,124,114	26,523,546	9,600,568
Debtors not impaired	1,393,531	-	1,393,531
Total	**37,517,645**	**26,523,546**	**10,994,099**
Average age in days	121		

Other balances owing are spread over a wide range of guests and travel agents and corporates, with no distinctive concentration in any one geographical origin/location.

The creation and release of provision for impaired receivables have been included in operating expenses in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

Fair value of trade and other receivables

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

10 Cash and cash equivalents

Cash and cash equivalents consist of:	2020 N$	2019 N$
Cash on hand	56,589	61,053
Bank balances	4,952,553	65,599,894
Bank overdraft	(41,767,800)	(11,989,353)
	(36,758,658)	**53,671,594**
Current assets	5,009,142	65,660,947
Current liabilities	(41,767,800)	(11,989,353)
	(36,758,658)	**53,671,594**

The company has an overdraft facility of N$ 15 million which is reviewed annually - next review date is 25 November 2021. It is unsecured.

Other facilities:
- First card facility: N$ 10,000
- Wesbank facility: N$ 252,000
- Fleet: N$ 750,000

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 or impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating	2020 N$	2019 N$
First National Bank of Namibia (Ba1)	3,962,392	60,569,360
Standard Bank Namibia Limited (Ba1)	489,515	2,764,556
Nampost Limited (i)	500,646	2,265,978
First National Bank of Namibia (Ba1) - Overdraft	(41,767,800)	(11,989,353)
	(36,815,247)	**53,610,541**

(i) There have been no past losses or other indicators of credit risk for Nampost Limited.

11 Property held for disposal

Included in assets held for disposal is the Lüderitz Office - Erf 626, Lüderitz Town, with a carrying value of nil (2019: nil). During 2018, the company entered into proceedings to dispose the property to its shareholder and this transfer was not complete at reporting date.

Assets and liabilities

Non-current assets held for sale	2020 N$	2019 N$
Property	10,237,456	10,237,455

Following correspondence with relevant authorities, the carrying value of the property at year end was assessed, but no impairment was required.

A board decision dated 29 November 2018, commits the company irrevocably to the disposal of the Reho Spa property to Rehoboth Town Council via the shareholder.

Appropriate ministerial approvals are in process.

The board is committed to its decision to dispose of the relevant properties and has reassessed the disclosure as property held for disposal to be appropriate and applicable to 2020.

2020 N$	Opening balance	Transfer	Depreciation	Total
Land	1,837,003	-	-	1,837,003
Buildings	8,400,452	-	-	8,400,452
	10,237,455	**-**	**-**	**10,237,455**
2019 N$	**Opening balance**	**Transfer**	**Depreciation**	**Total**
Land	187,000	1,650,003	-	1,837,003
Buildings	-	8,400,452	-	8,400,452
	187,000	**10,050,455**	**-**	**10,237,455**

12 Share capital

	2020 N$	2019 N$
Authorised		
150,000,000 Ordinary shares of N$1 each	150,000,000	150,000,000
Reconciliation of number of shares issued		
Reported as at 01 November	100,006,000	100,006,000
Issue of shares	-	-
	100,006,000	**100,006,000**

The 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.

	2020 N$	2019 N$
Issued and fully paid		
Ordinary	100,006,000	100,006,000
Share premium	1,022,857,662	1,022,857,662
	1,122,863,662	**1,122,863,662**

13 Development Bank of Namibia (DBN) loan

	2020 N$	2019 N$
At amortised cost		
Loan	90,111,004	83,893,650

The capital is repayable in annual instalments, and interest payable twice a year, with the last instalment in March 2028. The loan bears interest at prime rate (2019: interest at prime rate). The loan is secured by a guarantee from the Government of the Republic of Namibia for N$91.5m, issued on 20 January 2011.

	2020 N$	2019 N$
Split between non-current and current portions		
Non-current liabilities	90,111,004	73,893,650
Current liabilities	-	10,000,000
	90,111,004	**83,893,650**

14 Lease liabilities

	Notes	2020 N$	2019 N$
Held at amortised cost			
Lease liability relating to right-of-use asset: property	6	8,761,565	-
Lease liability relating to right-of-use asset: plant and equipment	6	16,147,033	-
Finance lease liability (IAS 17)		-	1,506,939
		24,908,598	**1,506,939**

Split between non-current and current portions

	2020 N$	2019 N$
Non-current liabilities	17,492,220	-
Current liabilities	7,416,378	1,506,939
	24,908,598	**1,506,939**

Lease liability relating to right-of-use asset: plant and equipment

The maturity analysis of these lease liabilities relating to the capital asset is as follows:

	2020 N$	2019 N$
Payable within 1 year	4,158,235	-
Payable two to five years	22,138,279	-
Payable five plus years	46,135,377	-
	72,431,891	-
Less finance charges component	(56,284,859)	-
	16,147,033	**-**

The finance charges include an element of service cost. But, because the service element is not separable in accordance with the requirements of IFRS16, it is included in the implicit interest rate as prescribed by the standard.

	2020 N$	2019 N$
Non-current liabilities	11,988,797	-
Current liabilities	4,158,235	-
	16,147,033	**-**

Lease liability relating to right-of-use asset: property

The maturity analysis of these lease liabilities is as follows:

	2020 N$	2019 N$
Payable within 1 year	3,922,664	-
Payable two to five years	5,650,899	-
	9,573,563	-
Less finance charges component	(811,998)	-
	8,761,565	**-**
Non-current liabilities	5,503,422	-
Current liabilities	3,258,143	-
	8,761,565	**-**

Note:

32 Refer to note on changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period.

3 Refer to note on financial instruments and financial risk management for the fair value of borrowings.

3 Refer to note on financial instruments and financial risk management for details of liquidity, currency and interest rate risk management for borrowings.

The fair value of interest bearing borrowings approximates their carrying amounts.

15 Grant liability

	2020 N$	2019 N$
Non-current liabilities	750,422	4,825,464
Current liabilities	4,075,042	75,042
	4,825,464	**4,900,506**

The liability relates to funding received for the rehabilitation of the Shark Island lighthouse and entrance way to the resort in Lüderitz. At year end the project had not yet commenced. The date of commencement was set for March 2021.

16 Severance pay provision

The Labour Act states that a benefit of at least one week's pay for each continuous year of service is payable on the cessation of employment due to dismissal (except if due to misconduct or poor performance); death or resignation / retirement at age 65. The Act is silent on retirement due to ill-health before or after the age of 65 years. The Company policy allows for early retirement from age 55, which entitles the employee to severance pay. The severance liability was valued by an independent actuary, Mr D. Sauber, as at 31 October 2020, with a projected liability as at 31 October 2021. No separate assets are held to meet the severance pay liability.

Key actuarial assumptions	2020 N$	2019 N$
Number of employees at year end	811	909
Average age	42	41
Average years of service	11	9
Discount rate	10.1%	10.1%
Inflation rate	6.2%	7.6%
The amounts in the statement of financial position are as follows:		
Severance pay provision	**4,891,681**	**8,073,000**
Opening balance	8,073,000	8,490,000
Interest cost	733,000	-
Current service cost	714,000	-
Past service cost	24,000	-
Benefit payments	(2,382,000)	(417,000)
Movement through other comprehensive income		
- actuarial loss/(gains)	(2,270,319)	-
Closing balance	**4,891,681**	**8,073,000**

As disclosed in the note 17 under trade and other payables, the company has provided for a voluntary separation programme. The process of exiting the affected individuals took place after year end. The difference between the actuarial estimates based on past experience for active staff members at year end and the actual experience for the committed voluntary separation programme is reflected in the actuarial (gain)/loss.

Sensitivity analysis (interest rate)	4.9%	3,9% valuation based
Accrued liability	4,584,825	4,891,681
Change	-6.3%	0.0%
Service cost	546,000	588,000
Interest cost	698,000	745,000
Total	**1,244,000**	**1,333,000**
Change	-6.7%	0.0%

The above table shows that the financial position of the severance pay liability is not overly sensitive to change in the financial assumptions.

Demographic assumptions

The most important demographic assumption is the withdrawal rate. The table below sets out the financial impact of assuming a 50% lower withdrawal rate.

Withdrawals (N$)	Valuation basis	50% lower
Accrued liability	4,891,681	5,519,401
Change	0%	12.8%
Service cost	588,000	704,000
Interest cost	745,000	841,000
Total	**1,333,000**	**1,545,000**
Change	0.0%	15.9%

17 Trade and other payables - long term

	2020 N$	2019 N$
VAT	-	51,647,300
PAYE	-	30,554,533
	-	**82,201,833**

In accordance with the repayment agreement concluded with the Ministry of Finance during FY18, the long outstanding VAT and PAYE balance carried over, was to be repaid at a minimum of N$ 1,000,000 per month, until the debt is settled through repayment or, settled through repayment and the successful completion of the penalties and interest waiver application process.

Following the impact of COVID the company discontinued repayment of the monthly instalments of N$ 1 million. New repayment terms are still to be negotiated, and as such, the entire balance is classified as current.

17 Trade and other payables - short term

	2020 N$	2019 N$
Financial instruments:		
Trade payables	32,840,799	31,986,024
Other payables	5,715,000	1,840,001
Other payroll related liabilities	5,099,332	2,881,692
Accrued expenses	11,067,881	1,909,109
	54,723,012	**38,616,825**
Non-financial instruments:		
Transaction levies - Namibia Tourism Board	720,959	816,689
PAYE	35,445,498	3,715,087
VAT	56,032,214	11,813,848
Provision for penalties and interest	6,000,000	-
Voluntary Separation severance provision	34,769,035	-
Leave pay accrual	15,869,552	23,833,120
	148,837,257	40,178,744
	203,560,269	**78,795,570**

	2020 N$	2019 N$
Voluntary Separation severance provision		
Opening balance	-	-
Creation/(Utilisation) of provision	34,769,035	-
Closing balance	34,769,035	-

During the year, the Board approved, and announced to staff, a voluntary separation program with the objective to reduce the total staff complement by 270. The provision was calculated using average salary data for package, notice pay and leave pay elements contained in the offer to staff. Staff was encouraged to apply for voluntary separation, which was subject to an individual approval process which was not yet complete by year end. It is expected to be completed within the next financial year.

Subsequent to year end, of the 270 target staff complement only 123 staff members have made use of the offer. No adjustment has been made to the total provision raised as the board is still determined to reduce the total staff complement by 270 in order to achieve an efficient and effective staff complement level that will improve future company operating efficiency and profitability.

	2020 N$	2019 N$
Provision for penalties and interest		
Opening balance	-	-
Creation/(Utilisation) of provision	6,000,000	-
Closing balance	**6,000,000**	**-**

The company is in the process of negotiating settlement of its outstanding PAYE & VAT balances, and has provided for its best estimate of potential penalties and interest using its own reconciliations and records.

18 Contract liability

	2020 N$	2019 N$
Advance deposits on hand for future bookings	46,210,628	45,989,782
Unallocated receipts	24,646,589	18,258,201
	70,857,217	**64,247,983**
Opening balance	64,247,983	57,899,934
Total deposits received in advance for obligation related to reservations	78,384,053	276,505,144
Total deposits applied to obligations for current year reservations or cancellation / refunds	(71,774,819)	(270,157,095)
	70,857,217	**64,247,983**

Advance deposits are for reservations with arrival dates within the next 12 months.

The company has no service obligation (relating to advance deposits not yet utilized) older than a year. All deposits on hand at previous year end were utilized, or forfeited in line with the cancellation policy of the company.

19 Revenue

	2020 N$	2019 N$
Revenue from contracts with customers		
Accommodation revenue	87,219,823	209,301,741
Beverage sales	8,348,573	24,466,119
Conference income	3,423,617	2,599,751
Deposits forfeited	2,535,080	8,789,977
Game drives	11,680,269	27,310,601
General income	1,344,860	3,772,592
Restaurant meals	35,566,505	81,307,294
Tourist shop	8,892,258	28,612,971
Rental income	11,740,393	2,925,742
	170,751,377	**389,086,788**
Revenue other than from contracts with customers		
Administration and management fees received	(2,375,696)	1,472,283
Laundry income	12,028	27,419
Straight-line lease income	4,884,125	4,884,125
	2,520,458	**6,383,827**
	173,271,835	**395,470,615**

20 Cost of sales

	2020 N$	2019 N$
Food, beverage and other	25,447,141	54,972,204

21 Other operating (losses)/gains

	2020 N$	2019 N$
Gains / (losses) on disposals, scrappings and settlement		
Property and equipment	531,839	(440,265)

22 Operating profit / (loss)

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

	2020 N$	2019 N$
Auditor's remuneration - external		
Audit fees	1,757,416	1,205,466
Remuneration, other than to employees		
Consulting and professional services	7,899,152	4,230,397
Employee costs		
Salaries, wages, bonuses and other benefits	155,806,099	136,583,733
Retirement benefit plans	1,447,000	-
Total employee costs	**157,253,099**	**136,583,733**

Housing allowances, which were separately disclosed in the prior year, have been included in salaries in the comparative disclosures in the current year as it better reflects the total cost of employment.

Employees of the company are members in near equal numbers for the following pension funds:

- Orion Pension Fund (a defined contribution fund)
- Government Institutions Pension Fund (a defined benefit fund)

Contributions are fixed at 7% employee contributions, and 16% employer contributions.

Leases

	2020 N$	2019 N$
Operating lease charges		
Premises	678,418	3,483,664
Operating lease income		
Straight lined lease income from investment properties	4,884,125	4,884,125
Expenses for investment properties - depreciation	(199,000)	(199,046)
	4,685,125	4,685,079
For commitments for additional details of operating leases, refer to note 23		
Depreciation and amortisation		
Depreciation of investment property on the cost model	199,000	199,046
Depreciation of property and equipment	43,181,513	35,380,308
Total depreciation and amortisation	43,380,513	35,579,354

Expenses by nature

The other operating expenses are analysed by nature as follows:

	2020 N$	2019 N$
Employee costs	157,253,099	136,583,733
Operating lease charges and operating equipment and rentals	1,567,295	12,493,339
Depreciation	43,380,513	35,579,354
Other expenses	62,485,225	57,454,738
Motor vehicle expenses	8,433,436	14,201,566
Municipal expenses	34,284,771	35,913,562
Repairs and maintenance	5,317,779	16,695,904
Movement in expected credit loss (2019: movement in provision for bad debts)	-	(1,885,888)
Bad debts written off	(223,090)	979,879
	312,499,028	**308,016,186**

23 Commitments

		2020 N$	2019 N$
Operating leases - as lessee			
Minimum lease payments due	- within 1 year	4,045,099	-
	- in second to fifth year inclusive	11,003,071	-
		15,048,170	-

In the prior year, operating lease payments represented rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

Refer to the note 14 on Finance Lease liabilities, for the disclosure of the liability relating to the right-to-use asset, for rental of premises, in accordance with the adoption of IFRS16, leases.

24 Investment income

	2020 N$	2019 N$
Interest income - Investment in financial assets		
Bank and other cash	753,930	1,191,073

25 Finance cost

	2020 N$	2019 N$
Trade and other payables	305,123	324,685
Finance leases	4,605,841	119,496
Bank overdraft	1,363,224	1,024,400
DBN	6,239,892	9,314,173
Total finance costs	12,514,081	10,782,754

26 Cash generated from operations

	2020 N$	2019 N$
Profit/(loss) before taxation	(175,902,645)	22,450,282
Adjustments for:		
Depreciation - owner occupied property	43,181,513	35,380,308
Depreciation - investment property	199,000	199,046
Amortisation on right-to-use asset	3,205,859	-
Losses / (gains) on sale of property and equipment	(531,839)	440,265
Interest received	(753,930)	(1,191,073)
Interest paid	12,514,081	10,782,754
Impairment	0	(1,885,888)
Movement in payroll liabilities	2,217,640	165,814
Movement in lease income in advance	(3,593,939)	(3,408,247)
Movement in grant liability	(75,042)	(75,043)
Movement in leave pay provision	(7,963,568)	(4,605,636)
Movement in severance pay	(911,000)	957,000
Provision for Voluntary Separation	34,769,035	-
Changes in working capital		
Inventories	2,252,715	486,953
Trade and other receivables	(7,986,357)	(3,558,691)
Provision for penalties and interest	6,000,000	-
Trade and other payables - short term	7,539,758	(27,348,324)
Contract liability	6,609,234	6,348,049
	(79,229,488)	**35,137,569**

27 Related parties

Relationships

Shareholder	Government of the Republic of Namibia
Post employment benefit plan for employees	Government Institution Pension Fund
Fellow state-owned entity	Development Bank of Namibia (DBN)

Related party balances

	Notes	2020 N$	2019 N$
Loan accounts - Owing (to) by related parties			
Development Bank of Namibia (DBN) loan	13	(90,111,004)	(83,893,650)
Amounts included in trade receivables (trade payables) regarding related parties			
Government and other related entities - receivables		20,385,049	14,885,549
Government and other related entities - payables		(11,936,270)	(3,856,702)

Related party transactions

	2020 N$	2019 N$
Pension fund contributions		
Government Institution Pension Fund	9,919,124	9,375,612
Interest paid to (received from) related parties		
Development Bank of Namibia (DBN)	6,239,892	9,314,173
Amount included in Revenue and Purchases regarding related parties		
Government and other related entities - sales	11,479,214	17,020,494
Government and other related entities - purchases	(33,522,577)	(47,139,052)
Compensation to directors and other key management		
Short-term employee benefits	6,454,825	7,702,960

28 Taxation

No provision has been made for 2020 tax as the company has no taxable income.

	2020 N$	2019 N$
Nett profit/(loss)	(175,902,645)	22,450,282
32% Taxation	(56,288,846)	7,184,090
Non taxable income and non deductible expenses	439,187,004	590,448
Creation/(Utilisation) on unrecognised deferred tax asset	(382,898,157)	(7,774,539)
Effective tax charge	-	-

29 Deferred tax

Unrecognised deferred tax asset consists of:

	2020 N$	2019 N$
Estimated taxable loss carried forward	(688,429,331)	(508,127,411)
Unrecognised deferred tax asset at 32%	(220,297,386)	162,600,771

A deferred tax asset has not been recognised in the current (nor prior) financial year due to uncertainty whether there will be sufficient taxable profits in the foreseeable future against which the estimated tax loss can be utilised.

30 Contingent liabilities

1 Litigation by previous managing director
Following the conclusion of her 5 year contract with the company, the previous managing director has instituted various legal actions against the company, it's directors, and it's shareholder. The company has filed its intention to defend the current claims for N$7.5 million and N$5.9million.

2 Deadvlei & Mile 14
Following the signature of two Joint Venture type arrangements by the former MD, Sun Karros, the other party to the agreement, is suing NWR for N$45million for Dead Valley Lodge and an amount yet to be determined for Mile 14.

3 Hobas Construction payment
Following a dispute between the contractor Sun Karros, and a sub contractor, for a construction project for NWR dating back to 2017, NWR had paid the final payment into the trust account of Richard Mueller, pending dispute resolution. The attorney's trust account funds were allegedly misappropriated, and Sun Karros is now suing NWR for the N$1million paid into the attorney's trust account.

4 Hardap Construction payment
The company was sued by Ingplan for withholding payment relating to a construction contract, dating back to 2017. The company had defended the matter on the basis of the contract being invalidated due to a change in the counter parties. Following arbitration after year end, an mount of N$2.2. plus costs was awarded to the other party.

5 Labour related matters
A number of different cases have been brought against the company, which the company is defending. The most significant of these relates to a case by a former senior executive who is suing the company for payment of leave deducted, and purported performance bonuses. The amount has not been quantified by the former employee.

31 Directors' emoluments

2020 N$	Emoluments	Total
Directors	869,742	869,742
2019 N$	**Emoluments**	**Total**
Directors	937,706	937,706

32 Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2020

	Opening balance	Interest	New loans	Total movements	Cash flows	Closing balance
Development Bank of Namibia (DBN) loan	83,893,650	6,239,892	-	6,239,892	(22,538)	90,111,004
Lease liabilities	1,506,939	4,605,841	26,725,403	31,331,245	(7,929,586)	24,908,598
Total liabilities from financing activities	85,400,588	10,845,734	26,725,403	37,571,137	(7,952,123)	115,019,602

Reconciliation of liabilities arising from financing activities - 2019

	Opening balance	Interest	New loans	Total movements	Cash flows	Closing balance
Development Bank of Namibia (DBN) loan	92,794,211	9,314,173	-	9,314,173	(18,214,734)	83,893,650
Lease liabilities	493,051	119,496	3,028,478	3,147,974	(2,134,086)	1,506,939
Total liabilities from financing activities	93,287,262	9,433,669	3,028,478	12,462,147	(20,348,820)	85,400,588

33 Going concern and subsequent events

On 15 March 2020, the President of the Republic of Namibia declared a state of emergency in response to the COVID-19 pandemic. The resulting lockdown and travel restrictions commencing on 27 March 2020 severely affected the operating activities of the company.

This action crystalized the threat to the global tourism industry, and in a hard hitting manner to the Namibian tourism industry. While total lockdown in Namibia has been lifted at the time of approving these financial statements, the continued closure of international borders, restrictions on local travel and the size of gatherings, and so forth, has had a significant impact on forecast occupancy and revenues. We have seen our revenues decrease by more than half. This is expected to continue, although the global vaccination drives promise some recovery for the tourism industry. The local vaccination drive has not yet commenced.

Management have put together a response plan, which incorporates the following brief, both long term and short term actions:

Financing:

- A loan agreement of N$100m concluded after year end for bridging finance, with a final settlement date of 30 September 2021, was secured with the support of a payment guarantee of N$ 40m from the Government of the Republic of Namibia.
- Requesting payment holidays from financiers and major suppliers, the bulk of which was settled after year end.
- Applying for fiscal stimulus packages as announced by the Ministry of Finance, which are to be used as a payment guarantee for the N$100 m loan agreement concluded after year end.
- Securing a grant of N$40m during the mid term budget review of October 2020.
- Applying for additional fiscal support from the shareholder, as part of the annual budget - approval and allocation pending.

Operations:

- Deferral/cancellation of discretionary expenditure
- Encouraging postponement of reservations with no penalty clause, and avoiding refunding of advance deposits
- Aggressive marketing campaigns and pricing strategies for local tourism
- Temporary closure of low occupancy resorts

Human capital:

- Paid leave
- No increment

With reference to the 2019 financial year, the financial performance of the company had improved significantly compared to previous years. Not only did the company manage to remain technically solvent, its current ratio had improved, and most notably, the company had earned a profit for the first time.

Unfortunately, the current 2020 financial year saw the company struggling to meet its commitments, which is mainly attributable to the impact of the COVID-19 pandemic. The shareholder was able to support the company through an additional Government Guarantee of N$100m for commercial loan funding, and in October 2020, a mid term budget allocation of N$40m. These two sources of funding are yet to be realized.

	Impact	2020 N$ Ratio # / N$m	2019 N$ Ratio # / N$m	2018 N$ Ratio # / N$m	2017 N$ Ratio # / N$m
(Loss)/profit for the year	Declining	(175,9)	22.5	(21.4)	39.0
NWR remains technically solvent, with its total assets exceeding its total liabilities at a ratio of	Declining	1,7	2.4	2.3	2.4
Total Assets	Declining	749	817	823	822
Total liabilities	Declining	441	336	365	344
Total assets exceed total liabilities by	Declining	308	482	458	478
The current ratio has fluctuated over the years since 2017	Declining	0,1	0.6	0.4	0.2
Current Assets	Declining	39,6	94.5	73.3	53.3
Current liabilities	Declining	327,7	166.6	171.8	333.2
Current liabilities exceed current assets by	Declining	288,1	72.1	98.6	279.9

Until the start of the COVID-19 pandemic, the company had complied with its 2 major debt obligations, namely paying the capital and interest on the DBN loan when due, and meeting the monthly repayment plan negotiated with the Ministry of Finance. The monthly repayment plan with the Ministry of Finance was discontinued during the year under review due to cash flow constraints. Both of these are subject to on-going COVID relief negotiations.

Conclusion

The company's plans are continually updated as the COVID-19 situation unfolds, and together with the continued support from the company's shareholder that enables the company to fulfil its legislated mandate while there is material uncertainty, it remains the intention of the company to continue as a going concern.

Non-extension of the DBN loan (N$ 91m) and the FNB loan granted after year end (N$ 100m) will severely affect the operational activities of the company for the next 12-month period.

Statement of comprehensive income *as at 31 October*

	Notes	2020 N$	2019 N$
Accommodation revenue		87,219,823	209,301,741
Administration and management fees received		(2,375,696)	1,472,283
Beverage sales		8,348,573	24,466,119
Conference fees		3,423,617	2,599,751
Game drives		11,680,269	27,310,601
Deposits forfeited		2,535,080	8,789,977
General income		6,228,985	3,772,592
Laundry income		12,028	27,419
Rental income		11,740,393	7,809,868
Restaurant meals		35,566,505	81,307,294
Tourist shop		8,892,258	28,612,971
		173,271,835	**395,470,617**
Cost of sales			
Opening stock		(5,794,345)	(6,281,298)
Purchases		(23,194,426)	(54,485,251)
Closing stock		3,541,630	5,794,345
		(25,447,141)	**(54,972,204)**
Gross profit		**147,824,694**	**340,498,413**
Other operating gains / (losses)			
(Loss) / gains on sale of property and equipment		531,839	(440,265)
Expenses (Refer to page 101)		(312,499,028)	(308,016,186)
Operating profit / (loss)		**(164,142,495)**	**32,041,962**
Investment income		753,930	1,191,073
Finance cost		(12,514,081)	(10,782,754)
Profit (loss) for the year		**(175,902,645)**	**22,450,282**

	Notes	2020 N$	2019 N$
Other operating expenses			
Advertising		1,752,585	2,797,159
Amortisation		3,205,859	-
Auditors remuneration - external auditors		1,757,416	1,205,466
Bad debts written off		(223,090)	(906,009)
Bank charges		1,673,110	2,799,009
Cleaning		5,789,569	8,124,228
Commission paid - credit cards		1,944,851	3,448,287
Complimentary food & accommodation		-	140
Computer maintenance, support and training		1,534,601	1,977,521
Consulting fees		1,312,492	1,992,456
Courier and postage		191,201	495,238
Depreciation		43,380,513	35,579,354
Donations and sponsorships		-	255,660
Employee costs		157,253,099	136,583,733
Entertainment		64,686	285,098
Equipment hire & rental		414,367	6,123,951
First Aid and fire fighting		484,267	365,108
Game drive expenses		307,271	1,305,955
Insurance		3,808,453	3,965,816
Internet data/mail band lease		2,748,029	1,439,088
Legal fees		6,586,660	2,237,941
Licensing fees		3,108,513	4,860,521
MD's Functions		-	26,648
Motor vehicle expenses		8,433,436	14,201,566
Municipal expenses		34,284,771	35,913,562
Packaging		292,695	408,213
Penalties and interest		6,664,451	5,388
Pest control		622,306	833,618
Plants and decorations		31,339	38,649

	Notes	2020 N$	2019 N$
Pool cleaning		1,285,770	1,480,128
Printing and stationery		541,276	991,254
Property rental		678,418	3,483,664
Repairs and maintenance		5,317,779	16,695,904
Security		7,897,540	6,387,174
Staff meals		448,779	812,825
Staff welfare		25,890	10,550
Subscriptions		3,904,120	628,418
Subsistance and travel - foreign		334,637	1,326,765
Subsistance and travel - local		505,663	3,155,637
Sundry expenses - resorts		703,159	1,180,883
Telephone and fax		1,643,892	1,924,463
Trade fairs		474,511	2,885,724
Training and levies		1,313,500	688,400
Transport and freight		645	1,035
Total Expenses		**312,499,028**	**308,016,186**

Schedule of properties

Fair value as per 2017 valuation

Land held	Location	Size	Title Deed	Land	Improvements
Owner-occupied properties					
Ai-Ais	Registration Division V, Karas Region	99,4131 ha	Transferred, not yet registered at Deed Office	10,000,000	170,000,000
Dolomite	Registration Division A, Etosha	Not valued	Transferred, not yet registered at Deed Office	30,000,000	36,000,000
Duwiseb Castle - Portion 1 of Farm Duwiseb No. 84	Registration Divison B, Hardap Region	50,3873 ha	T34/2009	800,000	12,200,000
Gross Barmen - Portion 6 of Portion D of the Farm Gross Barmen No. 7	Registration Divison J, Okahandja District, Otjozondjupa Region	98,4668 ha	T34/2009	Not valued	Not valued
Gross Barmen - Portion A of the Farm Gross Barmen No. 7	Registration Divison J, Okahandja District, Otjozondjupa Region	1,5343 ha	T34/2009	Not valued	Not valued
Gross Barmen - Portion 1 of Gross Barmen No. 7	Registration Divison J, Okahandja District, Otjozondjupa Region	1,523 square metres	T34/2009	Not valued	Not valued
Halali - Farm Halali No. 1378	Registration Division B, Kunene Region	68.0485	T4501/2010	51,400,000	92,600,000
Hardap - Farm Hardap Resort No. 693	Registration Division R, Hardap Region	242.49780 ha	T1263/1967, T898/1978 and T1154/1975 Transferred, not yet registered at Deed Office	24,000,000	16,600,000
Hobas - Farm Hobas No. 374	Registration V, Karas Region	181,0896 ha	T1055/2011	15,000,000	30,000,000
Jakkalsputz - The Farm Jakkalsputz No. 242	Registration Division G, Erongo Region	100.0146 ha	T1505/80 & T2862/74 Transferred, not yet registered at Deed Office	10,150,000	950,000
Khorixas - Portion of Khorixas Town Lands No. 884	Town of Khorixas		PTO 49/1754	1,700,000	6,300,000
Mile 108 - Consolidated farm Mile 108 No. 240	Registration Division C, Erongo Region	160.8914 ha	Transferred, not yet registered at Deed Office	2,450,000	950,000

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

Land held	Location	Size	Title Deed	Land	Improvements
Mile 72 - Portion 3 of the farm Cape Cross No. 143 (comprising of 1 and 2)	Registration Division C, Erongo Region	560.2801 ha	Transferred, not yet registered at Deed Office	8,500,000	500,000
Namutoni - Farm Namutoni No. 1379	Registration Division B, Etosha	63,6290 ha	T4500/2010	47,000,000	119,000,000
Naukluft - Portion 1 of the farm Naukluft No. 9	Registration Divison P, Maltahohe District	55,0932 ha	T4506/2010	1,000,000	17,000,000
Okaukuejo - Farm Okaukuejo New No. 1107 (Comprising 1 and 2)	Registration Divison A, Etosha	99,4129 ha	T4506/2010	77,000,000	173,000,000
Olifantsrus	Registration Division A, Etosha			1,000,000	12,000,000
Onkoshi - Farm Onkoshi No 2040	Registration Division B, Etosha	100,9295 ha	Transferred, not yet registered at Deed Office	78,000,000	42,000,000
Popa Falls - Portion of Popa Game Park No. 1155	Okavango District, Division B	25,2049 ha	T761/2009	4,700,000	46,300,000
Sesriem - Portion 1 (a portion of portion 1) of the farm Sesriem No. 137	Registration Division P, Hardap Region	245,9491 ha	T4499/2010	20,000,000	48,000,000
Shark Island - Erf No 209, Luderitz Town	Registration N, Municipality of Luderitz, Karas Region	2424 square metres	T34/2009	2,070,000	4,330,000
Sossus Dune Lodge - Farm Sesriem Portion 3 of No. 137	Registration Division P, Maltahohe District	161,0461 ha	T1057/2011	12,800,000	67,200,000
Terrace Bay - Farm Terrace Bay No. 1016	Registration Divison A, Kunene Region	687,0566 ha	T4505/2010	19,000,000	41,000,000
Torra Bay - Farm Torra Bay No. 1017	Registration Divison A, Kunene Region	54,4677 ha	T4504/2010	1,700,000	6,300,000
Waterberg - Portion 7 of the Farm Rodenstein No. 307	Registration Division D, Otjozondjupa Region	398.3705 ha	T2557/69 & T977/72. Transferred, not yet registered at Deed Office	14,800,000	165,200,000
Windhoek erf	Registration Division K, Khomas Region Erf: 1030 & 1034	1807 square metres and 2958 square metres	T6090/2009	Not valued	Not valued
				433,070,000	**1,107,430,071**

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Land held	Location	Size	Title Deed	Land	Improvements
Investment properties					
Daan Viljoen - Portion 14 (a portion of portion 7) of the Consolidated Farm Augeigas No. 34	Registration K, Khomas Region	112,9511 ha	T4498/2010	16,000,000	94,000,000
Mile 14 - Consolidated farm Mile 14 No. 240	Registration Division G, Erongo Region	323.8756 ha	Transferred, not yet registered at Deed Office	16,200,000	14,800,000
Von Bach - Portion A of Farm Osona Commonage No. 65	Registration Division J, Otjozondjupa Region	470.0504 ha	Transferred, not yet registered at Deed Office	37,000,000	53,000,000
				69,200,000	**161,800,000**
Investment properties					
Luderitz office - Erf 626, Luderitz Town	Registration N, Municipality of Luderitz, Karas Region	920 square metres	T34/2009	Not valued	Not valued
Reho Spa - Erf No. 221 Rehoboth C (Reho Spa)	Town of Rehoboth	6,9880 ha	Registration No. 110/2004	7,000,000	9,000,000
				7,000,000	**9,000,000**
Total				**509,270,000**	**1 278,230,071**

Most properties were last valued on 31 July 2017. Properties were valued by The Trust & Estate Co (Pty) Ltd.

Because the NWR act restricts the disposal of properties, and because the cost of obtaining new valuations for all properties far outweighs the benefits of obtaining regular values, properties are not regularly valued but carried at historical cost.

namibia wildlife resorts