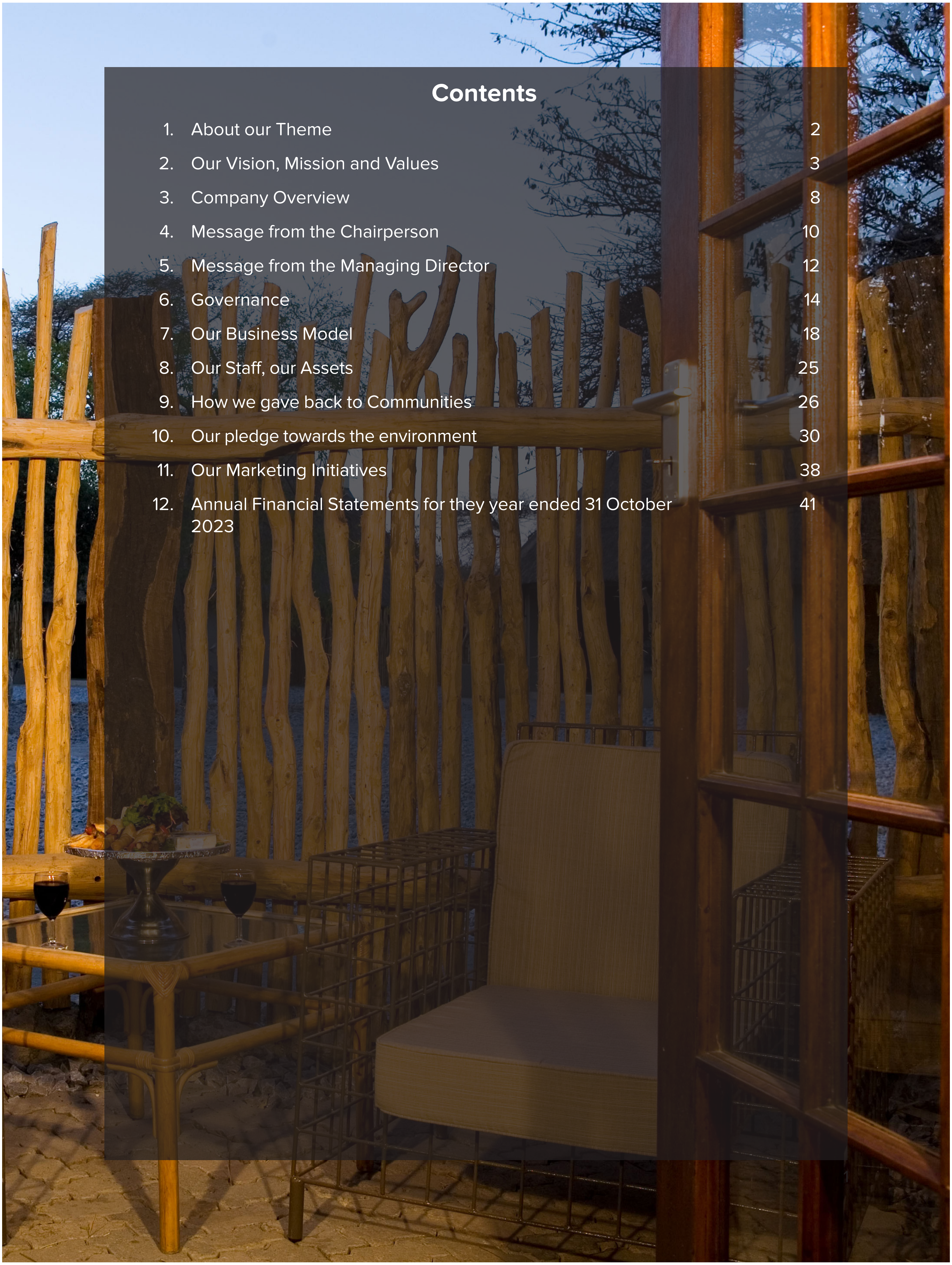
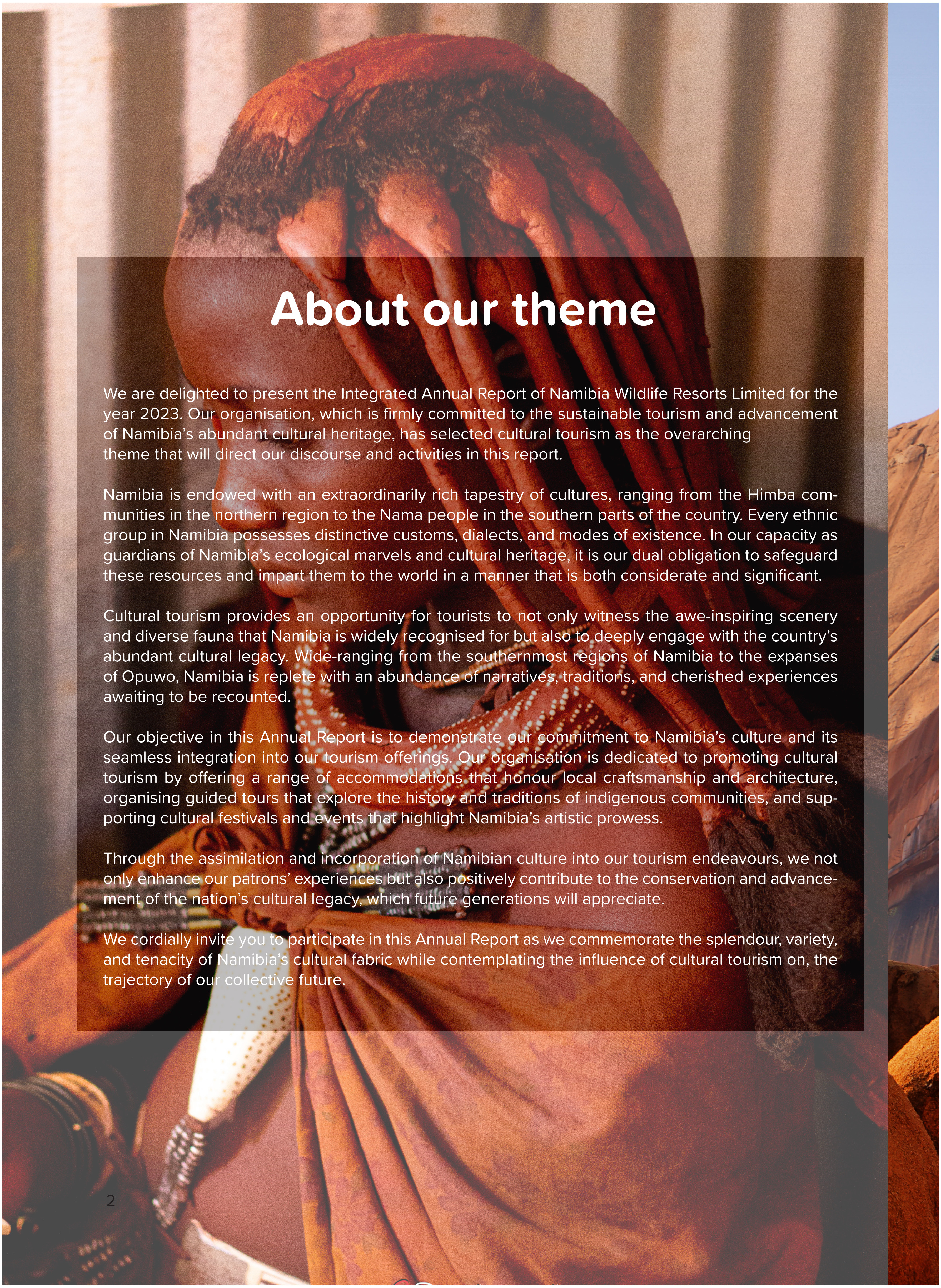
namibia wildlife resorts

INTEGRATED ANNUAL REPORT 2022/23



Contents

1. About our Theme 2
2. Our Vision, Mission and Values 3
3. Company Overview 8
4. Message from the Chairperson 10
5. Message from the Managing Director 12
6. Governance 14
7. Our Business Model 18
8. Our Staff, our Assets 25
9. How we gave back to Communities 26
10. Our pledge towards the environment 30
11. Our Marketing Initiatives 38
12. Annual Financial Statements for they year ended 31 October 2023 41



About our theme

We are delighted to present the Integrated Annual Report of Namibia Wildlife Resorts Limited for the year 2023. Our organisation, which is firmly committed to the sustainable tourism and advancement of Namibia's abundant cultural heritage, has selected cultural tourism as the overarching theme that will direct our discourse and activities in this report.

Namibia is endowed with an extraordinarily rich tapestry of cultures, ranging from the Himba communities in the northern region to the Nama people in the southern parts of the country. Every ethnic group in Namibia possesses distinctive customs, dialects, and modes of existence. In our capacity as guardians of Namibia's ecological marvels and cultural heritage, it is our dual obligation to safeguard these resources and impart them to the world in a manner that is both considerate and significant.

Cultural tourism provides an opportunity for tourists to not only witness the awe-inspiring scenery and diverse fauna that Namibia is widely recognised for but also to deeply engage with the country's abundant cultural legacy. Wide-ranging from the southernmost regions of Namibia to the expanses of Opuwo, Namibia is replete with an abundance of narratives, traditions, and cherished experiences awaiting to be recounted.

Our objective in this Annual Report is to demonstrate our commitment to Namibia's culture and its seamless integration into our tourism offerings. Our organisation is dedicated to promoting cultural tourism by offering a range of accommodations that honour local craftsmanship and architecture, organising guided tours that explore the history and traditions of indigenous communities, and supporting cultural festivals and events that highlight Namibia's artistic prowess.

Through the assimilation and incorporation of Namibian culture into our tourism endeavours, we not only enhance our patrons' experiences but also positively contribute to the conservation and advancement of the nation's cultural legacy, which future generations will appreciate.

We cordially invite you to participate in this Annual Report as we commemorate the splendour, variety, and tenacity of Namibia's cultural fabric while contemplating the influence of cultural tourism on, the trajectory of our collective future.

Our Vision

We provide the destinations of choice for tourism in Africa.

Our Mission

We create memorable tourism experiences in a sustainable way.

Our Values

We are guided by the following core values:

Accountability
We are responsible and answerable to stakeholders for decisions and actions.

Integrity
Our personal and professional conduct are consistent with the common public good and we are trustworthy.

Passion
We are enthusiastic about serving our clients by creating memorable experiences for every visit.

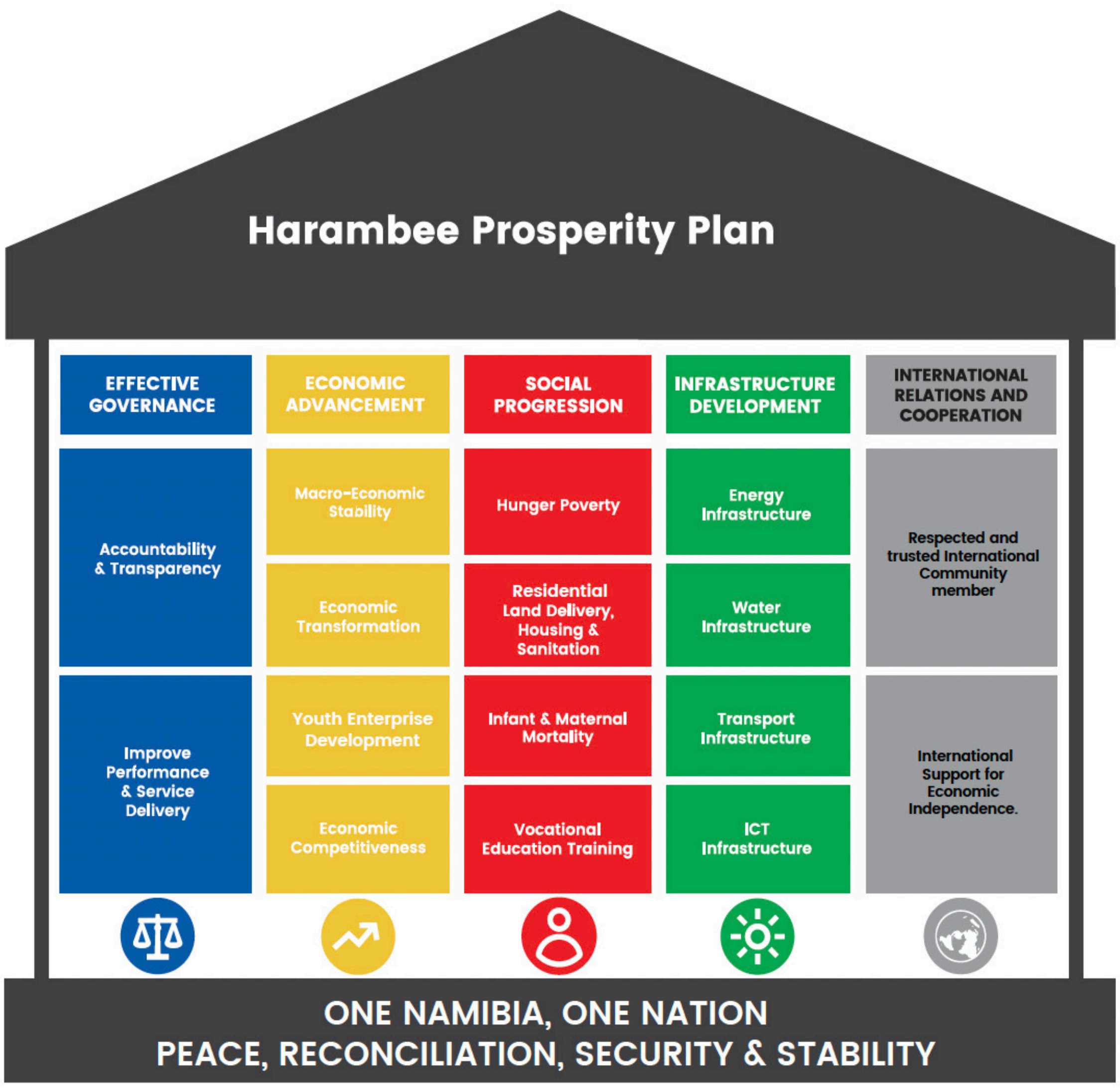
Excellence
Doing the right things in the right way to deliver our very best under all circumstances.

Innovation
We encourage initiative and innovation.

Environmental Awareness
We embrace and are guided by environmental principles in all we do.

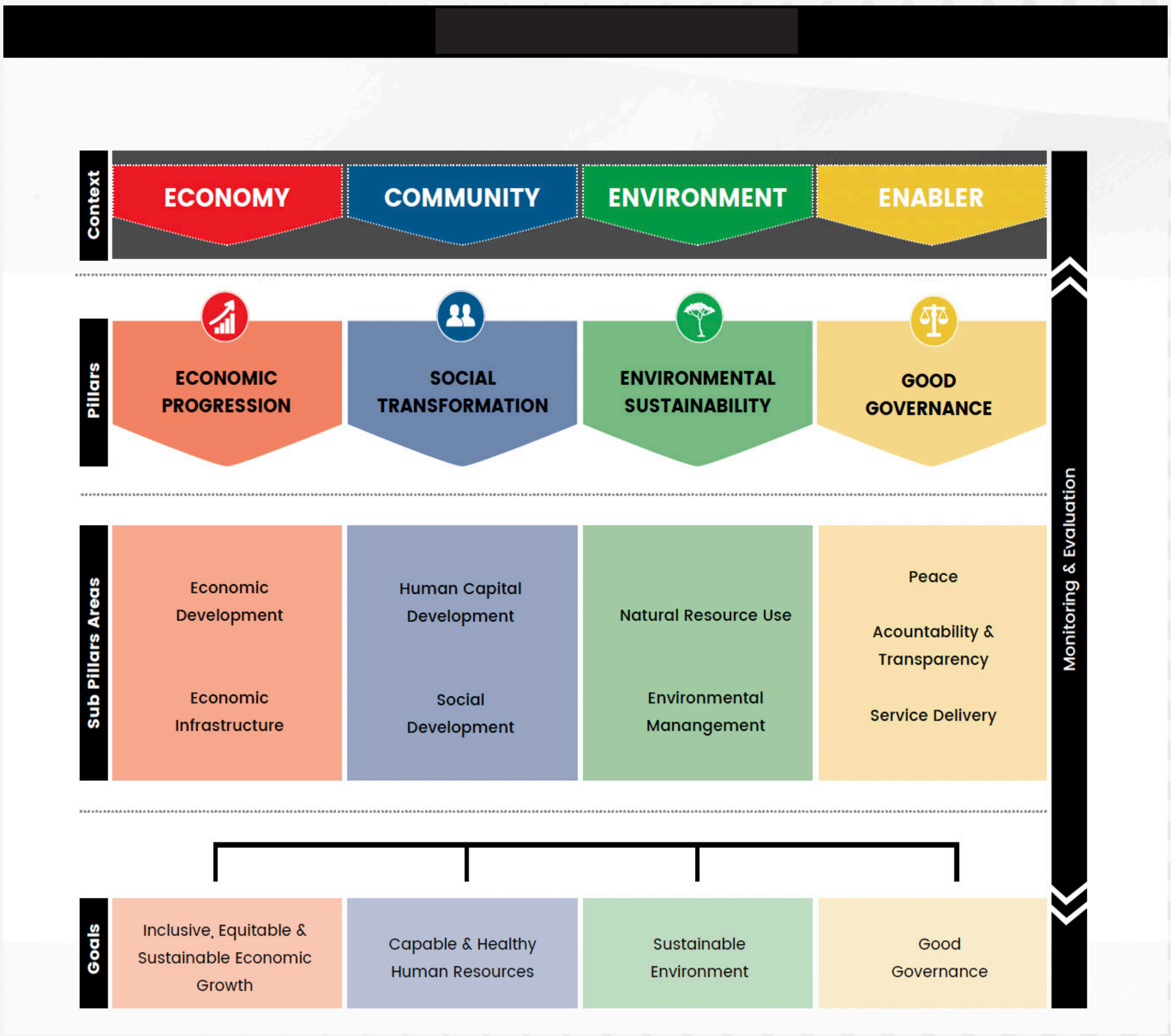
Supporting the Harambee Prosperity Plan through tangible contributions

HPP STRUCTURE



The HARAMBEE PROSPERITY PLAN (HPP) is constructed around the Namibian narrative. It acknowledges that we are not starting afresh, but that we must continue with the construct of an inclusive Namibian House, built on a solid foundation of peace and stability. We are unified by our national identity and stand united in Cause, to usher Namibia into the epoch of Prosperity.

NDP5 STRUCTURE



The Namibian National Development Plan 5 (NDP 5) identified the Tourism Industry as an important industry contributing to the country's economic growth with a desired outcome of having a diversified and competitive tourism sector with increased number of tourists from 1.4 million in 2015 to 1.8 million by the year 2022. The Harambee Prosperity Plan outlined similar objectives on tourism as the NDP 5. As the biggest state-owned tourism industry player, the Namibia Wildlife Resorts (NWR) Limited has played an essential role in furthering the NDP 5 and the Harambee Prosperity Plan's objectives by integrating its operations and efforts with the national development agenda. NWR has made significant contributions to the overall aims of the National Development Plan 5, focusing on the pillars of Effective Governance and Economic Advancement. These contributions cover Economic Progression, Social Transformation, Environmental Sustainability, and Good Governance, demonstrating NWR's dedication to national success and well-being.

Economic progression:
NWR is the government's arm for inclusive tourism, contributing to socio-economic development in Namibia. As a major player in the tourist industry, NWR has not only increased the country's appeal as a top destination for international visitors but has also made important contributions to the national economy. By developing and promoting sustainable tourism practices, NWR has produced job opportunities, boosted local entrepreneurship, and supported the country's socio-economic development goals.

Job creation and skill development:
By employing local people and providing training and development programmes, in particular through NWR Hi. NWR has directly contributed to lowering unemployment and improving skill sets in the community.

Supporting local enterprises, NWR's procurement strategies prioritise local suppliers and enterprises, promoting economic activity and growth in local communities.

Social transformation:
NWR's programmes go beyond economic contributions and actively promote social reform. Through educational programmes such as EnviroKids and community participation initiatives, NWR raises awareness and understanding of environmental protection, cultural heritage, and sustainable living practices. These programmes strengthen communities, promote social cohesion, and improve Namibians' well-being.

Community engagement and empowerment:
Initiatives that involve local communities in conservation and tourist activities help spread tourism's advantages and strengthen their social fabric.

Environmental Sustainability:
As per NDP 5's Environmental Sustainability pillar, NWR has implemented several steps to safeguard and maintain Namibia's natural landscapes and biodiversity. NWR promotes sustainable tourism, conservation measures, and environmental education to ensure that economic development does not harm the environment.

Sustainable practices:
NWR sets an excellent example for reducing tourism's environmental impact by implementing eco-friendly operations, energy efficiency measures, and trash reduction programmes.

Good governance:
Good governance is at the heart of NWR's operations, assuring accountability, transparency, and ethical behaviour in all endeavours. By adhering to strict governance standards, NWR builds confidence with stakeholders, partners, and the communities it serves. Frequent internal and external audits, adherence to statutory requirements and international best practices, as well as open communication with all stakeholders demonstrate this dedication.

Transparency and accountability:
NWR maintains high transparency in its operations, financial reporting, and stakeholder engagement, demonstrating its commitment to good governance.

Company Overview

As required by the Namibia Wildlife Resorts Company Act (Act No. 3 of 1998), Namibia Wildlife Resorts Limited was established in Namibia to operate wildlife resorts and associated hospitality services in national parks.

The company was incorporated on 01 January 1999, and that same day, it received its certificate to open for business activities. NWR is the main public sector provider of tourism-related services in Namibia's protected regions or national parks. It is strategically positioned as a commercial, public organisation that offers tourism and hospitality management services in national parks.

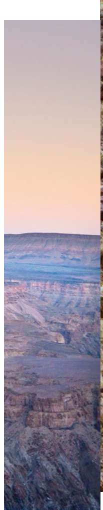
The Namibian Constitution, the Public Enterprises Governance Act (Act 1 of 2019), the Companies Act (Act 28 of 2004), the Public Procurement Act (Act 15 of 2015), the Environmental Management Act (Act 7 of 2007), the State Finance Act (Act 31 of 1991), the Public Private Partnership Act (Act 4 of 2017), and the Labour Act (Act 11 of 2007) are among the other laws that are relevant to the way NWR operates. As per the Namibia Wildlife Resorts Company Act (Act 3 of 1998), the company was established with the following goals:

- Managing, controlling, maintaining, utilising, and promoting the wildlife resort service in the national interest while adhering to general business principles.
- Encouraging and supporting research and training to boost the wildlife resort service's output.
- Creating profitable businesses or projects related to the provision of services by wildlife resorts or the tourism sector in general, with or without the involvement of the private sector.

- To preserve the resources and attractions that the tourism sector depends on, in particular ecological processes, biodiversity, and aesthetic and cultural qualities must be maintained for the long-term benefit of both the tourism sector and the Namibian people. This involves encouraging the development of environmentally sustainable tourism.

The Act instructs the Company to use its authority to maximise shareholder return on equity (ROE) and corporate profit. To do this, it will be necessary to consider the development of a profitable and effective wildlife resort service that adheres to ethical business, environmental, and conservation principles.

The Act also specifies that the Company may, among other things:
- Create subsidiaries, purchase stock in other businesses or cooperative societies, or form individual partnerships or joint ventures.
- Finance or otherwise assist in the development of natural resources.
- Decide on the rates and fees to be charged for services the company provides.
- Affect the transfer or assignment of any assets, liabilities, rights, or obligations of the company to any of its subsidiaries.



Message from the Chairperson

> *We demonstrated that it is possible to achieve positive results in the public enterprises domain.*

NWR is committed to providing its clientele with the highest-quality hospitality and wildlife experience in the country. As the company is dependent on natural attractions and wildlife, we believe in the importance of preserving and protecting Namibia's tourism attractions, and we strive to ensure that visitors have a unique and unforgettable experience.

Our financial performance continued to show resilience in 2023. In particular, long-term loans and statutory loans to financial development and commercial institutions, as well as tax authorities, which were long-standing challenges in the past, were fully settled in 2023, and the company attained a long-term debt-free status. We demonstrated that it is possible to achieve positive results in the public enterprises domain. With adequate support and commitment by all stakeholders, as well as requisite leadership and management, public enterprises can transform into good and ethical citizens by producing acceptable performance through, amongst others, prudent financial management and adherence to statutory compliance. Public enterprises can become catalysts in transforming and the betterment of the lives of many of our citizens.

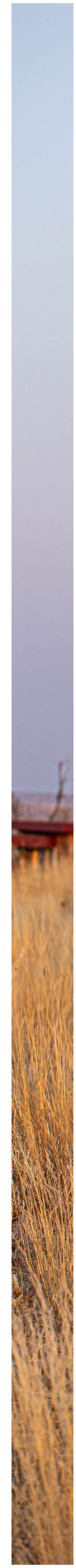
From a statutory compliance and governance point of view, the Governance Agreement and Board Members' individual Performance Agreement with the Shareholder as envisaged by the Public Enterprises Governance Act are in place. Our Annual Financial Statements are up to date, and I am happy to report that we, like in the preceding year, achieved an unqualified audit opinion for the 2023 statements.

The company is in compliance with the Ministry of Public Enterprises Remuneration Guidelines as well as the Affirmative Action Act, NamCode and the Public Procurement Act. Good governance and ethical leadership are at the forefront of all our decisions.

We believe that Namibia is an amazing place, full of diverse and incredible wildlife. We invite you to join us on this journey and to share in our mission of protecting and preserving Namibia's wildlife for generations to come. As in the years before, we continue to introduce specials and discounts to our domestic market. These initiatives are aimed at encouraging domestic travellers to sign up for, and use our NamLeisure card.

With a NamLeisure card, Namibians are entitled to a 50% discount on accommodation. We were pleased to note that new cardholders for our domestic market continue to grow. In addition, an opportunity is afforded to Namibians to visit, and know, their own country.

Amb. Haroldt /Urib Chairperson - NWR Board	**20 May 2024** Date



Message from the Managing Director

The Tourism Industry is an important industry to Namibia's economic growth and aspirations. As such, NWR, as the biggest public enterprise tourism industry entity, should continue to be an important government arm through which the tourism national objectives are to be met. As per its founding Act, the Namibia Wildlife Resorts Company Act (Act 3 of 1998), the NWR mandate is to provide tourism-related services in the protected areas (national parks) of Namibia. Cognisance of this national mandate, it is with great pleasure that I present to you our integrated Annual Report for the financial year 2023. This report contains good news because in its 24-year of existence, this is the second year that the company has recorded a profit. Pleasingly, the profit comes a year ahead of our earlier prediction of attaining a post - COVID 19 profit only in 2024. The first breakthrough was made in the 2019 Financial Year when the company recorded its first profit of N$22 million.

We continued to make good progress on our strategic value drivers of occupancy growth, revenue, expenses management, profitability and improvements on the balance sheet. In an extremely competitive environment, we produced solid financial performance in 2023. We grew revenue by 32%, from N$294 million in 2022 to N$387 million. The overall bottom line was reduced by 231%, from a loss of (N$35) million in 2022 to a record profit of N$46 million in 2023. Despite increasing inflation, fuel costs and repo rates during the year under review, operational expenses, excluding reversals on penalties and interest payments on statutory payments and loans settled, increased only by 7%, mainly driven by increased spending on repairs, renovations and maintenance of our facilities. We continue to invest in our capital infrastructure. Repairs and maintenance was N$27 million [2022: N$23 million]. Clearly, this demonstrates the importance we accord to continuously maintaining our resorts and camps so as to improve customer experience and service delivery,

The solid financial performance in 2023, and ever improving profit and balance sheet metrics, support our ambition to achieve our aspirations in our Integrated Strategic Business Plan (ISBP): 2022-2025. The ISBP 2022-2025 sets out the sharpened strategic positioning of NWR with the aim to grow the business and to ensure its profitability and financial sustainability. We aspire to fully harness our unique positioning as the only provider of tourism services located within the national parks and protected areas. NWR's sharpened focus will be on the unique requirements of each segment of the Namibian tourist market, with each of the resorts in its portfolio distinctly positioned as Premier Lodges, Leisure Resorts, Conference and Events Resorts, and Camping Sites. A clear and distinct market positioning, product offering and pricing approach will apply to each category, supported by a unique value proposition for each resort.

From a statutory compliance and governance point of view, I am happy to report that we achieved an unqualified audit opinion for two consecutive years, first in 2022 and now this year. Good governance and ethical leadership remain at the forefront of all our decisions. Finally, thank you to our dedicated employees for their passion, commitment, and discipline in a difficult environment. I appreciate the value they strive to deliver to our clients at every touchpoint and their hard work in executing our strategy. I believe that we have the right strategy, leadership, and people to navigate these difficult economic conditions and to identify and capitalise on the opportunities that may arise.

Allow me also to thank all our customers, domestic and foreign tourists, who have kept us afloat. In the same vein, I thank my executive committee (EXCO) team members who showed sacrifice, resilience and commitment despite the challenging operating environment and senior manager vacancies. Also, we always thank our board for their guidance, assistance, and professionalism. Finally, I would also like to express my sincere gratitude for the professional support from the share-holders, the Ministry of Public Enterprises and Finance, and the Ministry of Environment, Forestry and Tourism.

20 May 2024

Dr Matthias M. Ngwangwama
Managing Director

Date

Governance

In the financial year 2022-23, NWR has taken significant strides towards strengthening its governance and strategic leadership. We are proud to announce the appointment of a new Board of Directors, a pivotal move endorsed by the Minister of Finance and Public Enterprise, Hon. Ipumbu Shiimi, on 20 March 2023. This esteemed group of individuals were carefully selected for their diverse expertise and commitment to fostering growth and excellence within NWR.

Ambassador Haroldt/Urib leads the board. His extensive diplomatic experience and leadership acumen are expected to steer NWR towards new horizons of success and sustain ability. Dr Bianca Tjizumaue, a distinguished professional known for her strategic insight and expertise in corporate governance, will serve alongside him as deputy chairperson.

The board also comprises Mr Coenraad Coetzee, Dr Erling Kavita, Mr Sam Januarie, Mr Immanuel Awene, and Ms Zoe Nambahu. Each member brings a unique set of skills and experiences to the table, ranging from strategic planning and environmental conservation to financial management and customer service excellence. This blend of skills ensures that a holistic and innovative approach to leadership guides NWR.

NWR is confident that under the guidance of this new Board of Directors, the company will continue to flourish, offering world-class services and experiences to our customers. The board's vision aligns with our mission to enhance the value of Namibia's natural and cultural heritage, ensuring that we remain a leader in the tourism industry. With this renewed leadership, we are excited about the future and look forward to achieving our expansion and service excellence goals.

Board Members

Ambassador H. /Urib
Chairperson

Dr. B. Tjizumaue
Deputy Chairperson

Dr. M. M. Ngwangwama
Managing Director

Mr. C. Coetzee
Director

Dr. E. Kavita
Director

Mr. S. Januarie
Director

Ms. Z.Y. Nambahu
Director

Mr. I. Awene
Director

BOARD MEETING ATTENDANCE (April 2023 to 31 October 2023)

BOARD MEMBER	4 APRIL 2023	7 JUNE 2023	24 AUGUST 2023
Ambassador H. /Urib (Chairperson)	√	√	√
Dr. Bianca Tjizumaue (Deputy Chairperson)	√	√	√
*Mr. Immanuel Awene			
Mr. Coenraad Coetzee	√	√	√
Mr. Samuel Januarie	√	√	√
Dr. Erling Kavita	√	√	√
Ms. Zoe Nambahu	√		√

*Appointed on 1 September 2023

Management

Dr. M. M. Ngwangwama
Managing Director

Ms. T. Horn
Chief Financial Officer
(Resigned 30 April 2023)

Ms. E. Porfirio
Company Secretary / Legal

Ms. S. Ntinda
Chief Risk, Compliance and Audit Officer
(Resigned 31 August 2023)

Mr. E. Kasuto
Chief Marketing Officer

Mr. K. Guiseb
Chief Human Capital Officer

Our Business Model

INPUT – The Six Capitals

FINANCIAL
Debt funding, shareholder support and internal financial resources

SOCIAL
Customers, suppliers, joint venture partners, community MEFT

INTELLECTUAL
Brand-privileged access to parks

HUMAN
602 Engaged staff members

NATURAL
Mandate to protect energy consumption and water consumption

MANUFACTURED
Infrastructure (28 sites in prime tourist attraction areas, 24 self-managed)

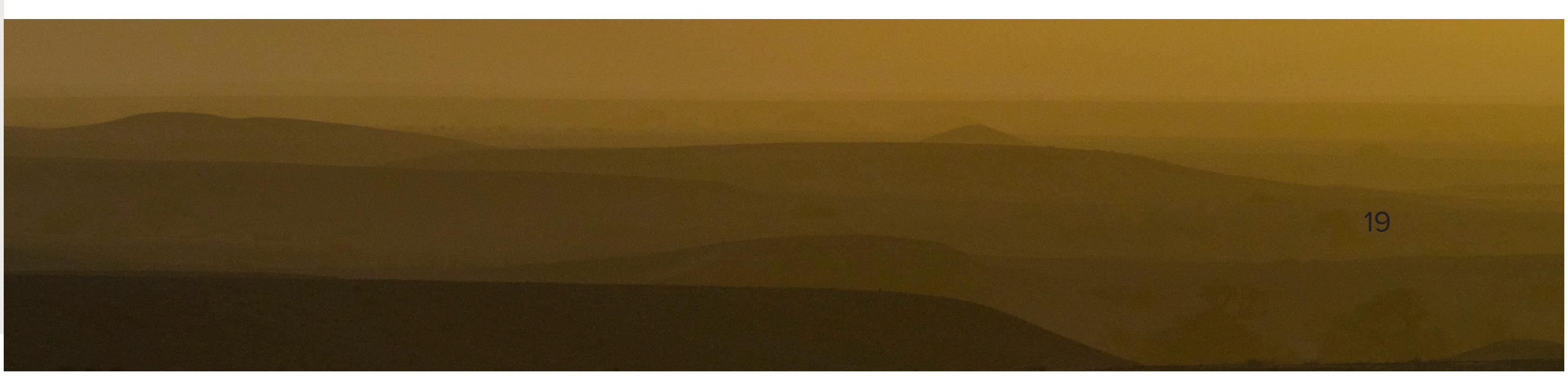
HUMAN CAPITAL COMMITTEE (HCC) MEETING ATTENDANCE (May 2023 to 31 October 2023)

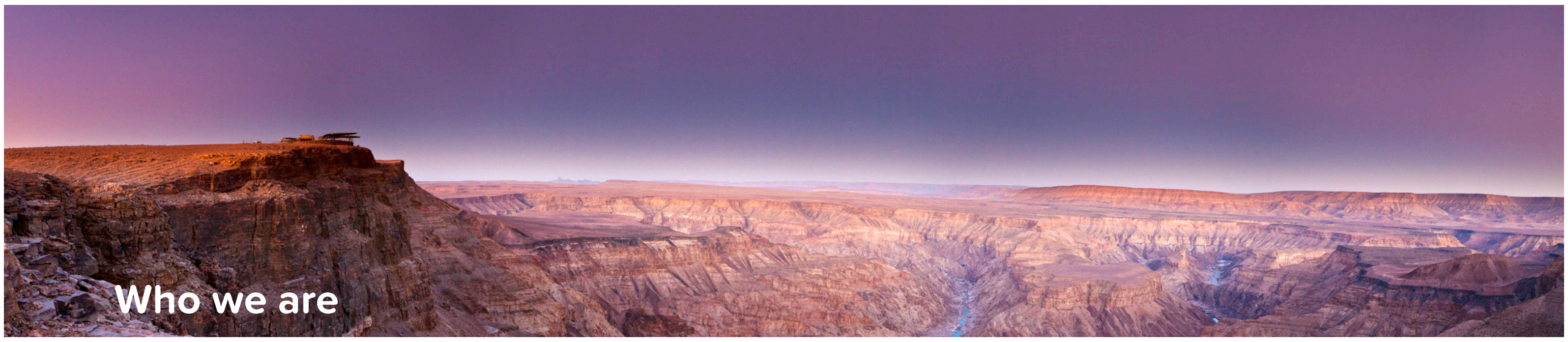
BOARD MEMBER	17 MAY 2023	3 AUGUST 2023
Mr. Samuel Januarie- HCC Chairperson	√	√
Dr. Erling Kavita	√	√
Dr. Bianca Tjizumaue	√	√
Ambassador Haroldt /Urib		√

FINANCE RISK AND AUDIT COMMITTEE (FRAC) MEETING ATTENDANCE (MAY 2023 TO 31 OCTOBER 2023)

*Mr Immanuel Awene is a Member of FRAC, but he was only appointed on 1 September 2023.

BOARD MEMBER	17 MAY 2023	3 AUGUST 2023
Ms. Zoe Nambahu	√	√
Mr. Coenraad Coetzee	√	√
Ambassador Haroldt /Urib		√



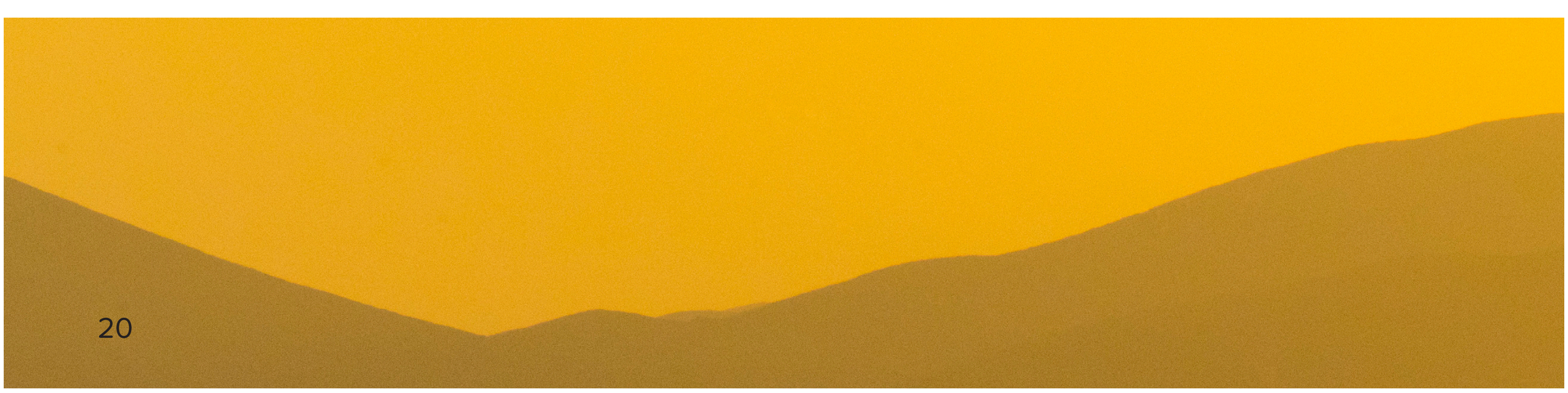


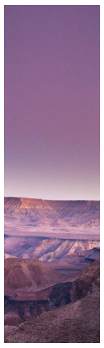
Who we are

Among Namibia's many lodging and safari options, Namibia Wildlife Resorts stands head and shoulders above others. In the twenty-five years since its founding in 1999, Namibia Wildlife Resorts has expanded to become a leading provider of distinctive and memorable tourist experiences in the nation. Lodges, campsites, and safari adventures are part of the company's portfolio, and they're located in some of the nation's most beautiful and unspoiled parts. In addition to a wide selection of restaurants, guests at each resort can enjoy activities, including game drives, nature walks, and bird viewing. Namibia Wildlife Resorts is the best option for anyone looking for a genuine safari experience because of its dedication to providing excellent service and hospitality.

Table 1 below indicates the 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				
Bird life 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				
Swimming pool		✓		
Stargazing		✓		
Waterholes / floodlit waterholes / hides	✓			

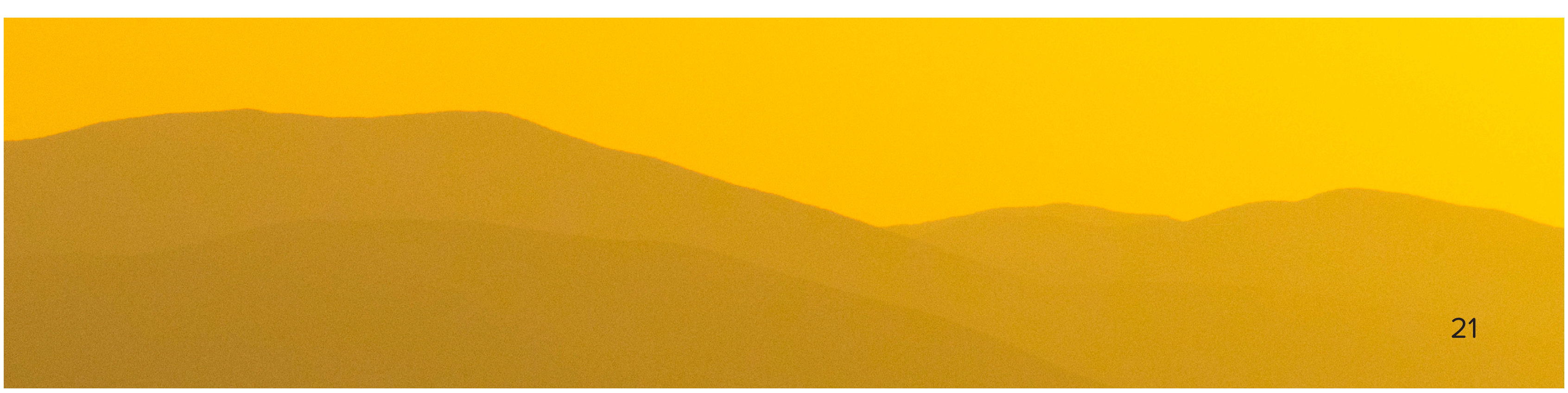




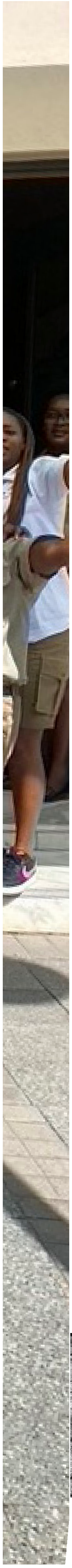
The Adventure Collection is heavily centred around travel and recreational pursuits. One can select from various options depending on the desired kind of retreat. Khorixas Camp, Terrace Bay, Torra Bay, Sesriem Campsite, Shark Island, Naukluft, Hobas, Olifantsrus, and Duwisib Castle are the resorts in this category.

Table 2 below indicates the 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				✓			
Bird life and birdwatching	✓		✓	✓	✓	✓	✓
Bush dining experiences or picnics	✓	✓	✓		✓		
Conferencing / seminar facilities				✓	✓	✓	✓
Game drives / nature drives	✓	✓	✓	✓	✓	✓	✓
Hiking trails / nature walks (guided or self-guid-ed)	✓	✓	✓	✓	✓		✓
Jacuzzi (outdoor) / private splash pool	✓		✓				
River rafting / canoeing / kayaking / cruises				✓			
Spa / wellness centre / massages	✓	✓					
Swimming pool		✓	✓	✓	✓		✓
Waterholes / floodlit waterholes / hides	✓					✓	
Fossil		✓	✓				✓
Historic / heritage / archaeologist site					✓		✓
Research focus / game breeding							✓
Rock art	✓						
Waterholes / floodlit / hides			✓		✓	✓	




NWR
namibia wildlife resorts



Ai-/Ais Hot Springs Spa at the mouth of the Fish River Canyon, Hardap, Halali, Namutoni, and Okaukuejo in Etosha National Park, Gross Barmen, and all the other well-known parks' eateries are part of the Classic Collection

Table 3 below indicates the services and activities offered at the various Adverture 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							✓	✓	✓
Bird life and birdwatching				✓					
Conferencing / seminar facilities			✓						
Fly-ins / helicopter rides / soaring								✓	
Game drives / natures drives		✓		✓				✓	
Hiking trails / nature walks (guid-ed or self-guided)		✓		✓	✓				
Historic / heritage / archaeologist site	✓					✓			
Mountain biking		✓			✓		✓		
Swimming pool		✓	✓						
Fossil						✓			
Waterholes / floodlit / hides					✓				

NWR has the following seasonal campsites at the coast:

- Mile 108, Jakkalsputz, Torra bay and Mile 72.

In addition, NWR has three office centres, namely:

- Windhoek (Head Office and Reservation Office)
- Swakopmund (Reservation Office)
- Cape Town (Reservation Office).

Revitalisation of Infrastructure and Strategic Alliances

During the 2022-23 financial year, NWR actively addressed an emerging challenge: modernising our facilities. The importance of this undertaking was acknowledged in response to substantial feedback from our visitors, who expressed apprehensions regarding the visible effects of time on our facilities.

Craftsmanship and heritage unite us

A refreshing collaboration resulted from our dedication to excellence; it surpassed geographical boundaries and introduced youthful expertise to our organisation. We warmly received one hundred (100) apprentices from the Federal Republic of Germany as a means to foster intercultural relations and forge closer ties through a Skills Exchange Programme. Our common goal was to revitalise our infrastructure. This endeavour, which illustrates the cooperative mindset between Namibia Wildlife Resorts and our German counterparts, introduced fresh insights and devoted practical support to our maintenance procedures.

Expertise in consulting for sustainable progress

Recognising the critical nature of infrastructure, NWR procured the expertise of a seasoned maintenance consultant during 2023. This critical measure played a significant role in promptly attending to our establishments' urgent requirements, guaranteeing the uninterrupted provision of the luxury and convenience that our clientele have become accustomed to.

Our staff, our assets

Putting our people first

Our pursuits transcended the mere physical structure of our properties. Over the last decade, we have initiated an unprecedented endeavour in collaboration with leading academic institutions, such as the Namibia University of Science and Technology (NUST), through strategic partnerships. These collaborative efforts towards skills development represent a substantial commitment to our personnel, augmenting our capacities in customer relations, customer service, and the culinary experience we provide. This demonstrates our conviction that the essence of hospitality resides in the skill and commitment of the individuals who stand in for NWR.

A view looking forward

As NWR contemplates the previous year and looks ahead, we are proud of our achievements. Our lodges and campsites serve as more than just a haven for nature lovers; they also represent our unwavering dedication to service, environmental preservation, and the reciprocal cultural learning that benefits all.

How we gave back

How we gave back to communities

The COPSS Programme and NWR's Collaboration with Kosmos Radio

Community-Oriented Policing for Sustainable Safety (COPSS) is a pioneering programme by Kosmos Radio, and NWR, we are pleased to announce its collaboration with the Kosmos. As part of its unwavering dedication to bolstering safety in Namibia, NWR has allocated N$36,000.00 in vouchers to subsidise this programme. Safety is of the utmost importance to both locals and visitors to Windhoek, and the COPSS programme is designed to address this issue. Namibia's crime statistics for 2022 show the difficulties. Even though there are still some problems with crime in the country, groups like COPSS have successfully engaged people and got them thinking about ways to fight crime together.

By collaborating with Kosmos Radio and the COPSS programme, NWR hopes to add to the larger discourse surrounding safety in Namibia. We are committed to making a positive difference in the lives of our guests and the communities we serve through our investments in programmes that support community-oriented policing and sustainable safety practices.

We at NWR believe that visitor safety is of the utmost importance, and our investment in the COPSS programme reflects that. By teaming up with local projects like COPSS, we can further community development and empowerment. Moving ahead, NWR is committed to promoting safety, sustainability, and good community impact through partnerships and initiatives. In collaboration with Kosmos Radio and other interested parties, we will focus on safety as an essential component of the Namibian tourist experience.

Finally, NWR is pleased to back the COPSS programme to raise awareness of safety throughout Namibia. Investing in projects like these shows how much we care about our customers, workers, and local communities, and it also helps the tour ism industry in Namibia thrive.

School gardening projects

In the fiscal year 2022-2023, Namibia Wildlife Resorts remained committed to its corporate responsibility, particularly in environmental conservation and community development. Through utilising the Enviro Kids fund, an initiative sustained by a portion of the revenue generated from the NWR Namleisure cards, NWR embarked on a significant project to build school gardens across Namibia. The project's primary objective was to establish sustainable school gardens in critical regions of Namibia, fostering environmental education and food security among students while promoting biodiversity conservation. Two school gardens, one in the northern and the other in the southern regions were targeted for construction.

The project commenced with thorough consultation with local communities, educational institutions, and relevant stakeholders to ensure the gardens' suitability and alignment with the communities' needs. Following this, detailed planning and design phases were undertaken, incorporating eco-friendly and sustainable practices.

Construction activities were meticulously carried out, employing local labor and utilising environmentally friendly materials wherever possible. The gardens were designed to provide a space for cultivating vegetables and herbs and serve as outdoor classrooms, enhancing students' learning experiences in practical environmental stewardship.

By the conclusion of the fiscal year 2022-2023, the project successfully realised the construction of two school gardens, one located in the northern part and the other in the southern part of Namibia. These gardens symbolise NWR's commitment to environmental conservation and community empowerment. The gardens have already begun to yield positive outcomes within their respective communities. Students actively engage in garden maintenance and cultivation, gaining firsthand experience in sustainable agriculture and environmental stewardship. Additionally, the gardens serve as platforms for educational activities, promoting environmental awareness and instilling a sense of responsibility towards nature among the younger generation.

The impact of the school gardens extends beyond the confines of educational institutions. They influence surrounding communities and foster a culture of environmental consciousness. By promoting sustainable practices and providing access to fresh produce, the gardens improve nutrition and food security among residents.

Moreover, comprehensive training programs for teachers and community members on garden management and environmental education ensure the project's sustainability. NWR remains committed to providing ongoing support and resources to ensure the continued success and longevity of the school gardens.

Establishing school gardens across Namibia is a testament to NWR's unwavering dedication to corporate social responsibility and environmental sustainability. Through the prudent utilisation of the Enviro Kids fund, NWR has made a meaningful impact on local communities, fostering environmental stewardship and promoting holistic development. As we look towards the future, NWR remains steadfast in its commitment to creating a greener, more sustainable Namibia for future generations.

Bed sheets for schools

Namibia Wildlife Resorts is proud to share its latest initiative to support education and community development as part of our ongoing commitment to Corporate Social Responsibility (CSR). On July 8, 2023, NWR donated essential items, including bed linen, bed fittings, mosquito nets, and gowns, to numerous boarding schools across Namibia. This generous gesture, valued at N$700,000.00, was made possible through a ceremony at the Gross Barmen Resort near Okahandja.

At NWR, we recognise the importance of creating a nurturing environment for all students, regardless of their background or location. We believe that hostel children should feel at home away from home and that there should be no disparity in their comfort level, whether they reside in rural or urban areas. This donation underscores our commitment to ensuring every child has access to the necessities contributing to their well-being and academic success.

This initiative aligns closely with NWR's broader CSR strategy, which aims to impact the communities we serve positively. In addition to donating essential items to boarding schools, NWR is investing N$500,000.00 in the construction of school gardens nationwide. These gardens will provide valuable hands-on learning opportunities for students and promote sustainable agricultural practices and food security within local communities.

By supporting education and community development initiatives, NWR is actively contributing to Namibia's social and economic well-being. We recognise that our success as a company is intrinsically linked to the prosperity of the communities in which we operate, and we remain committed to leveraging our resources and expertise to create positive change.

The donation ceremony was attended by Ms Rochester Mushabati, the Chief Education Officer of the Namibia Institute for Educational Development Support (NIEDS), who graciously received the items on behalf of the schools. To ensure efficient distribution, the bed linens will be distributed with the assistance of the Governor's offices across the country.

As we reflect on the past year, we are proud of the strides we have made in fulfilling our CSR objectives, but we also recognise that there is still much work to be done. Moving forward, NWR remains committed to exploring new opportunities for collaboration and innovation that will further advance our CSR efforts and create lasting positive change in Namibia.

Our pledge towards the environment

Commitment to Sustainability and environmental Stewardship

Namibia Wildlife Resorts showed a strong dedication to environmental protection and long-term viability during the fiscal year 2022–23. The groundbreaking school tour program, which was under the umbrella of the EnviroKids programme, taught kids about how important it is to protect our natural environment and was a big way to show how dedicated his family was.

The EnviroKids programme works to make young people more aware of the environment. This time, joint efforts were realised between NWR, the Ministry of Environment, Forestry and Tourism, and the Ministry of Fisheries and Marine Resources. This partnership shows that everyone has the same goal for a sustainable future and stresses the importance of working together to protect the earth.

One of the best parts of the programme was when the schools got together at the Hardap Dam Resort. This was done so that people could fully experience the beauty and fragility of our natural surroundings. Kids learned how important it is to protect the environment through hands-on games and interactive sessions. They were made to understand that what they do now significantly affects how healthy our world will be in the future.

The Sustainability Pledge of NWR

NWR is dedicated to reducing the damage it does to the earth, reflected in every part of its business. This promise is made clear through several vital projects, including:

Creating a Safe and Healthy Workplace: Our top priority is ensuring our employees are healthy. By making the workplace safe and healthy, we show how important it is to be socially and environmentally sustainable.

Creating a Culture That Cares About the Environment: Education and awareness can make a difference. We give our team the tools to be good environmental stewards by creating a culture where environmental responsibility is known and assigned.

Being a Good Neighbour to the Environment: NWR tries to be a good neighbour to the environment by protecting our shared natural resources and helping the ecosystem stay balanced.

Reusing and recycling help protect natural resources. Our dedication to conservation shows in our reuse and recycling, which greatly reduces our impact on the environment.

Adopting Eco-Friendly Operations: To show our commitment to sustainability, we have adopted methods that do not harm the environment. We are always looking for ways to lessen our damage to nature.

Making sure that energy is used responsibly: saving energy is a vital part of our sustainability plan. When we use energy wisely, we help the fight against climate change worldwide.

Participating in Efforts to Protect and Understand the Environment: NWR participates in projects that try to protect the environment and help people learn more about ecological issues. Working together and being part of a community can help us reach these goals.

Getting Ready

Reflecting on what we've done this year, NWR is still dedicated to setting a good standard for sustainability and caring for the environment. We are committed to protecting Namibia's natural beauty and biodiversity for future generations. The EnviroKids programme and our other environmental efforts show this.

How we care for the environment

Safeguarding our natural environment for future generations is very important to NWR. This is also the expectation of the clients we serve, who are mindful of sustainability and the steps put in place to secure the health of our environment.

The assurance of sound environmental policies and guidelines strengthens the philosophy of caring for the environment in which NWR operates. Our care for the environment is further illustrated by the actions taken to manage and/or minimise the impact as guided by the Environmental Management Plans (EMPs) developed for most resorts. In 2023, 73% of the resorts had Environmental Clearance Certificates (ECC) from the Ministry of Environment, Forestry and Tourism (MEFT) with a further 19% of the resorts preparing to submit their EMPs to obtain ECC status.

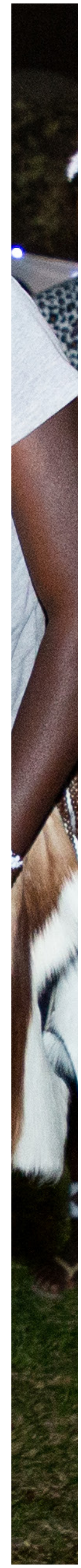
Renewable energy and energy efficiency

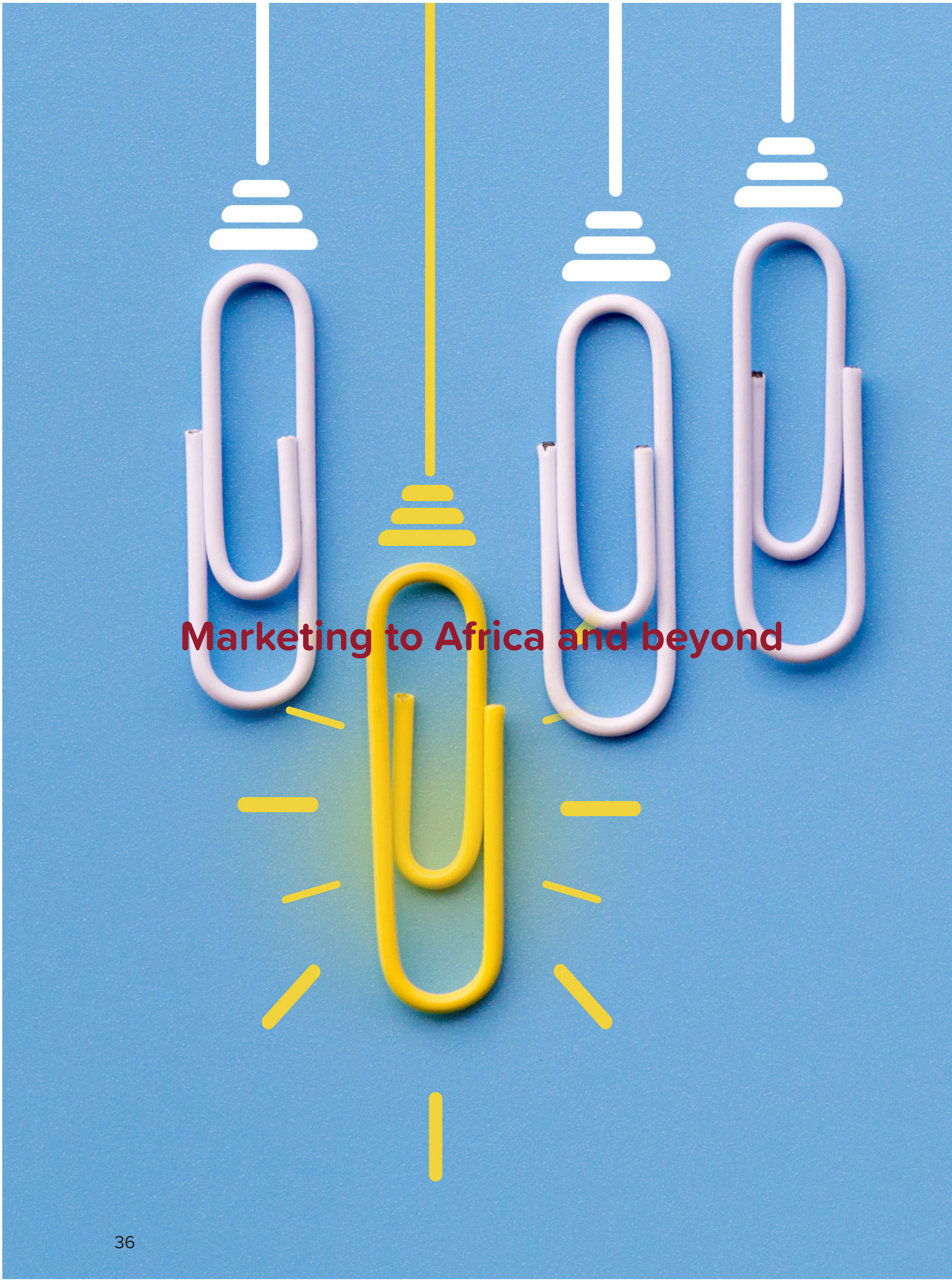
The use of renewable energy (solar plants) since 2017 in four resorts paved the way for a focused approach to reduce our cost of electricity and dependency on the national grid. During the 2023 financial year, three significant resorts in Etosha National Park implemented an efficient energy solution by replacing all bulbs with energy-efficient LED bulbs. NWR aims to install more solar plants at at least five of the largest utility expense resorts. This initiative is part of NWR's commitment to sustainability and reducing its carbon footprint. By utilising solar energy and implementing energy-efficient measures, NWR will decrease its impact on the environment and cut operational costs. The goal is to eventually have most of NWR resorts operating on renewable energy sources, demonstrating a strong dedication to environmental stewardship.

Waste management

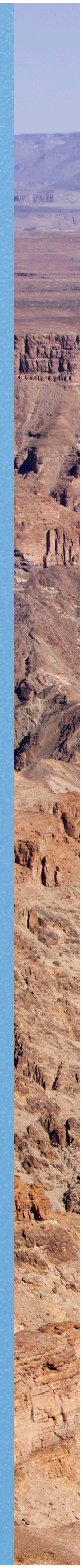
The National Cleanup Day, held on September 16, 2023, at Ombika, strengthened the efforts to manage the waste generated with the participation of various stakeholders. Volunteers predominantly from the Hai-//om community based in Okuakuejo and Ombika, with support from Rent-A Drum, NWR and the Ministry of Environment, Forestry, and Tourism (MEFT), have been instrumental in ensuring that the recyclables collected in Etosha and private lodges (Damara Mopani, Etosha Safari, Ongava and Oberland Lodge) around Etosha are sorted and transported out of the park.

Solid waste management initiatives and recycling in Etosha National Park resulted in about 1.5 tonnes of boxes, 4.5 tonnes of glass, and 1.7 tonnes of plastic (PET) being taken out of the park. We are proud of the training Rent-A-Drum provided to the volunteers. The training enabled the volunteers to operate, manage, handle, and prepare the recyclables for safe disposal at the Rent-A-Drum facility in Windhoek. Apart from the knowledge the volunteers gained from the training, Rent-A-Drum buys the recyclables, which serves as a great incentive to the volunteers. The endless collaboration with the Ministry of Environment, Tourism, and Forestry to manage waste is commendable. In 2023, the MEFT donated four trucks to assist with the management of solid waste in Etosha National Park.





Marketing to Africa and beyond



Our markerting initiatives

The past financial year has been a remarkable period for Namibia Wildlife Resorts, marked by innovative marketing strategies and promotional efforts that enhanced our brand visibility and facilitated more accessible access to our re- sorts for domestic and international travellers. A cornerstone of our marketing success was the “My Friends Are Cooler Than Yours” package, designed to encourage Namibians to explore the natural beauty and unique experiences offered by our resorts.

Domestic engagement and promotions

Our commitment to making travel more accessible and appealing to Namibians was further demonstrated through targeted promotions, such as the Independence Specials. These promotions were tailored to celebrate national pride and the spirit of adventure among locals, resulting in a noticeable increase in domestic visitors to our resorts. The “My Friends Are Cooler Than Yours” package, in particular, struck a chord with young adults and groups of friends looking for memorable getaways, offering them an affordable and convenient way to experience Namibia’s wildlife and pristine natural environments. The success of these initiatives reflects our deep understanding of the local market and our dedication to promoting domestic tourism. By offering value-driven deals and engaging marketing campaigns, we have boosted occupancy rates and fostered a stronger connection with the Namibian community, encouraging them to become ambassadors of our natural heritage.

International visibility through exhibitions and trade shows

On the international front, NWR made significant strides in marketing our unique offerings to a global audience by participating in prestigious exhibitions such as the Interna tionale Tourismus-Börse (ITB) in Berlin, Germany. ITB, being one of the world’s leading travel trade shows, provided an unparalleled platform for NWR to showcase the wonders of Namibia to international tour operators, travel agents, and potential tourists from across the globe. Our presence at ITB and other international exhibitions has been instrumental in elevating Namibia’s profile as a must-vis- it destination. Through these platforms, we could engage directly with global stakeholders, share insights into our conservation efforts, and highlight the diverse experiences that NWR resorts offer. This direct engagement has increased inter- national bookings and heightened interest in Namibia as a premier tourism destination.

Looking forward

The innovative marketing strategies and promotional efforts undertaken during the financial year 2022-23 have set a new benchmark for NWR. As we move forward, we remain committed to building on this momentum, exploring new markets, and leveraging the power of digital marketing to reach a wider audience. Our goal remains clear: to position NWR and Namibia at the forefront of global tourism, ensuring that we continue to offer exception al experiences to all our local and international visitors.

Annual Financial Statements for the year ended 31 October 2023

Directors' Responsibilities and Approval

The directors are responsible for the preparation of the annual financial statements of Namibia Wildlife Resorts Limited, comprising of the statement of financial position at 31 October 2023, the statements of profit or loss and other 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 and Namibia Wildllife Resort Company Act (Act No 3 of 1998) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the 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 place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the company's cash flow forecast for the year to 31 October 2024 together with the Government Grant awarded as per the Minister of Finance budget speech for the 2024 /2025 National Budget and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.Refer to Note 33.

The external auditors are responsible for independently auditing and reporting on 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 pages 43 to 44.

The annual financial statements set out on pages 45 to 104, which have been prepared on the going concern basis, were approved by the board of directors on 20 May 2024 and were signed on their behalf by:

Approval of financial statements

Director	**Director**

20 May 2024

Windhoek

PKF FCS Auditors

Member Practice: 20601

Partners:
J.P. Kouwenhoven
Jeanine Du Toit
Patterson Tjipueja
Uwe Wolff

128 6th Street, P.O. Box 4440, Walvis Bay
+264 64 215 100 | auditorswvb@pkf-fcs.com

3 Kerby Street, P.O. Box 9779, Windhoek
+264 61 387 800 I auditorswhk@pkf-fcs.com

pkf.com; fcsnam.com

Independent Auditor's Report

To the Shareholder of Namibia Wildlife Resorts Limited

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Namibia Wildlife Resorts Limited (the company) set out on pages 45 to 98, which comprise the statement of financial position as at 31 October 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies and the directors' report.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Namibia Wildlife Resorts Limited as at 31 October 2023, 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 of Namibia and Namibia Wildlife Resort Company Act (Act No 3 of 1998).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with 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 Resort Limited annual financial statements for the year ended 31 October 2023", which includes the supplementary information (detailed income statement and schedule of properties) as set out on pages 99 to 104. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information, including the information presented as part of the annual report on pages 2 to 40, and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia and Namibia Wildlife Resort Company Act (Act No 3 of 1998), and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

PKF FCS Auditors Chartered Accountants

PKF FCS Auditors

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Annual Financial Statements

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

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

Report on Other Legal and Regulatory Requirements

We draw your attention to the fact that we have performed compilation duties under the company, PKF Financial Consulting Services (Pty) Ltd. These duties were requested and approved by the board of directors. The compiler of the financial statements is an independent director.

PKF-FCS Auditors

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

Per: U Wolff
Partner

17 June 2024
Windhoek

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 2023.

1. Incorporation

The company was incorporated on 1 January 1999 and obtained its certificate to commence business on the same day. The company is domiciled in Namibia where it is incorporated as a company limited by shares under the Companies Act of Namibia and Namibia Wildllife Resort Company Act (Act No 3 of 1998). The address of the registered office is set out on page 1.

2. Nature of business

Namibia Wildlife Resorts Limited was incorporated in Namibia with interests in conducting wildlife resort and related hospitality services, as mandated through the Namibia Wildlife Resorts Company Act (Act 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 and Namibia Wildllife Resort Company Act (Act No 3 of 1998). The accounting policies have been applied consistently compared to the prior year.

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

4. Share capital

	2023	2022
Authorised	**Number of shares**	
Ordinary shares	150,000,000	150,000,000

	2023	2022	2023	2022
Issued	**N$**	**N$**	**Number of shares**	
Ordinary shares	100,006,000	100,006,000	100,006,000	100,006,000

There have been no changes to the authorised or issued share capital during the year under review (refer to note 12 to the annual financial statements for details).

5. Dividends

Given the current state of the global economic environment, the board of directors believes that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the board of directors has resolved not to declare a dividend for the financial year ended 31 October 2023.

The board of directors do not recommend the declaration of a dividend for the year (2022:N$ NIL).

Directors' Report

6. Directorate

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

Directors	Designation	Nationality	Changes
Prior year board members			
Ambassador L.N. Iipumbu		Namibian	Resigned 14 March 2023
Ms. J.A. Wilson-Moore		Namibian	Resigned 14 March 2023
Dr. M.M. Ngwangwama	Managing Director	Namibian	
Mr. R. Putter		Namibian	Resigned 14 March 2023
Mr. B.T. Schneider		Namibian	Resigned 14 March 2023
Ms. C.R. Williams		Namibian	Resigned 14 March 2023
Ms. E.R. Petersen		Namibian	Resigned 14 March 2023
Ms. E.S. Shifotoka		Namibian	Resigned 14 March 2023
Current year board members			
Ambassador H. /Urib	Chairperson/ FRAC Member & HCC Member	Namibian	Appointed 15 March 2023
Dr. B. Tjizumaue	Deputy Chairperson & HCC Member	Namibian	Appointed 15 March 2023
Mr. C. Coetzee	FRAC Member	Namibian	Appointed 15 March 2023
Dr E. Kavita	HCC Member	Namibian	Appointed 15 March 2023
Mr. S. Januarie	HCC Chairperson	Namibian	Appointed 15 March 2023
Ms. Z.Y. Nambahu	FRAC Chairperson	Namibian	Appointed 15 March 2023
Mr. I. Awene*	FRAC Member	Namibian	Appointed 30 September 2023

* BIPA registration pending since date of appointment due to administration submission documents pending.

7. Directors' interests in contracts

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

8. Property, plant and equipment

At 31 October 2023 the company's investment in property, plant and equipment amounted to N$562,079,957 (2022: N$ 579,522,289), of which N$16,257,457 (N$6,538,850) was added in the current year through additions while N$1 364 648 (2022: N$3 064 928) worth of property was disposed of.

As at 31 October 2023 and 31 October 2022, the company's investment in investment property amounted to N$9,471 248 (2022: N$9,670,294), and the property amounting to N$ NIL (2022: N$ NIL) was disposed for the year ended 2023.

9. Shareholder

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

10. Events after the reporting period

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

11. Going concern

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

Directors' Report

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

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

12. 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 29, Contingent Liabilities for a brief description of the most significant matters.

13. Secretary

The company secretary position is held by Elsa Porfirio.

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

14. Statement of disclosure to the company's auditors

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

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

15. Auditor

PKF-FCS Auditors were re-appointed as the auditors for the company for 2023 at the AGM in April 2023.

16. Public Private Partnership agreements

The company has commenced action to review certain agreements signed with Sun Karros. The action is based on the signature of the agreements being done 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 for both parties. These joint venture type of agreements relate to property developments, shared responsibilities, obligations and profits. Refer to note 29 on contingent liabilities in these financial statements and note 28 for capital commitments to joint ventures.

17. Liquidity and solvency

The directors have performed the required liquidity and solvency test required by the Companies Act of Namibia.

Statement of Financial Position as at 31 October 2023

Figures in Namibia Dollar	Note(s)	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	4	562,079,957	579,522,289
Right-of-use assets	6	23,071,828	14,032,386
Investment property	5	9,471,248	9,670,294
Lease income in advance	7	56,645,741	55,776,374
		651,268,774	**659,001,343**
Current Assets			
Inventories	8	6,691,791	4,771,075
Trade and other receivables	9	10,125,273	10,087,102
Cash and cash equivalents	11	133,873,380	93,776,253
		150,690,444	**108,634,430**
Total Assets		**801,959,218**	**767,635,773**
Equity and Liabilities			
Equity			
Share capital	12	1,122,863,662	1,122,863,662
Capital contribution	13	403,166,692	358,125,000
Accumulated loss		(900,355,211)	(947,281,728)
		625,675,143	**533,706,934**
Liabilities			
Non-Current Liabilities			
Development Bank of Namibia (DBN) loan	14	-	44,826,160
Lease liabilities	6	19,812,631	12,131,623
Grant liability	15	4,345,487	4,861,782
Severance pay provision	16	6,913,000	6,268,000
		31,071,118	**68,087,565**
Current Liabilities			
Trade and other payables	18	50,692,952	68,002,145
Development Bank of Namibia (DBN) loan	14	-	27,897,545
Lease liabilities	6	7,469,211	5,724,642
Contract liability	19	87,050,794	64,216,942
		145,212,957	**165,841,274**
Total Liabilities		**176,284,075**	**233,928,839**
Total Equity and Liabilities		**801,959,218**	**767,635,773**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibia Dollar	Note(s)	2023	2022
Revenue from contracts with customers and other sources of revenue	20	386,974,662	294,309,347
Cost of sales	21	(65,449,526)	(41,959,514)
Gross profit		**321,525,136**	**252,349,833**
Other operating income		1,391,752	356,347
Other operating expenses		(269,103,069)	(272,716,961)
Operating profit (loss)	22	**53,813,819**	**(20,010,781)**
Investment income	23	3,502,500	1,107,069
Finance costs	24	(11,034,802)	(16,148,174)
Profit (loss) before taxation		**46,281,517**	**(35,051,886)**
Taxation	25	-	-
Profit (loss) for the year		**46,281,517**	**(35,051,886)**
Other comprehensive income / (loss):			
Items that will not be reclassified to profit or loss:			
Remeasurements on net defined benefit liability/asset		645,000	1,598,828
Other comprehensive income for the year net of taxation		**645,000**	**1,598,828**
Total comprehensive income (loss) for the year		**46,926,517**	**(33,453,058)**

Statement of Changes in Equity

Figures in Namibia Dollar	Share capital	Share premium	Total share capital	Capital contribution	Accumulated loss	Total equity
Balance at 1 November 2021	**100,006,000**	**1,022,857,662**	**1,122,863,662**	**103,645,000**	**(911,557,917)**	**314,950,745**
Loss for the year	-	-	-	-	(35,051,886)	(35,051,886)
Other comprehensive loss	-	-	-	-	1,598,828	1,598,828
Total comprehensive Loss for the year	**-**	**-**	**-**	**-**	**(33,453,058)**	**(33,453,058)**
Capital contribution	-	-	-	254,480,000	-	254,480,000
Prior period OCI adjustment	-	-	-	-	(2,270,753)	(2,270,753)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**254,480,000**	**(2,270,753)**	**252,209,247**
Balance at 1 November 2022	**100,006,000**	**1,022,857,662**	**1,122,863,662**	**358,125,000**	**(947,281,728)**	**533,706,934**
Profit for the year	-	-	-	-	46,281,517	46,281,517
Other comprehensive income	-	-	-	-	645,000	645,000
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**46,926,517**	**46,926,517**
Capital contribution	-	-	-	45,041,692	-	45,041,692
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**45,041,692**	**-**	**45,041,692**
Balance at 31 October 2023	**100,006,000**	**1,022,857,662**	**1,122,863,662**	**403,166,692**	**(900,355,211)**	**625,675,143**
Note(s)	12	12	12	13		

Statement of Cash Flows

Figures in Namibia Dollar	Note(s)	2023	2022
Cash flows from operating activities			
Cash generated from/(used in) operations	26	50,624,298	(53,340,146)
Interest income	23	3,502,500	1,107,069
Finance costs	24	(11,034,802)	(16,148,174)
Net cash from operating activities		**43,091,996**	**(70,652,003)**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(16,257,457)	(6,538,850)
Sale of property, plant and equipment	4	1,364,648	3,608,275
Contract liability deposits held/ (deposits invoiced)	19	47,395,352	(800,411)
Lease income payments received	7	2,604,816	-
Net cash from investing activities		**35,107,359**	**(3,730,986)**
Cash flows from financing activities			
Capital contribution	13	43,662,930	252,421,281
Lease liability payments	6&27	(6,451,489)	(3,769,715)
Repayment of DBN loan	14	(75,313,669)	(23,441,395)
Repayment of FNB loan	27	-	(80,000,000)
Net cash from financing activities		**(38,102,228)**	**147,268,890**
Total cash movement for the year		**40,097,127**	**72,885,901**
Cash at the beginning of the year		93,776,253	20,890,352
Total cash at end of the year	11	**133,873,380**	**93,776,253**

The statement of cash flows has been amended from the prior year to improve the presentation of disclosures. Refer to note 32.

Accounting Policies

Corporate information

Namibia Wildlife Resorts Limited is a 100% state owned limited company incorporated and domiciled in Namibia, enacted through the Namibia Wildlife Resorts Company Act (Act No 3 of 1998).

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 with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of Namibia and Namibia Wildllife Resort Company Act (Act No 3 of 1998).

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 consist with the previous period, except for the adoption of new or revised accounting standards as set out in note 2.

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:

Classification of lease amendment contracts

Namibia Wildlife Resorts Limited has signed a finance lease agreement with Alensy Capital (Pty) Ltd on 22 September 2017. The nature of this agreements relates to installation of equipment (solar plants) to enable Namibia Wildlife Resorts Limited to utilize electricity produced by the equipment.

Subsequent to the initial main contract the following amendments was signed in August 2018:

Sesriem resort amendment:The amendment states that the monthly rental amount should be increased from N$165,500 to N$199,750 per month. Revised rental amount of N$199,750 per month was used since inception as amended contract was signed before commissioning of the actual solar plant.

Naukluft resort amendment: Amendment was not implemented and the previously used Namib Naukluft Resort solar equipment was not moved to Hobas. The amendment states that monthly rent is increased from N$38,500 to N$43,500.

Hobas amendment: Previously used Hobas Resort solar equipment was not moved to Dolomite Resort. The amendment states that monthly rent is increased from N$94,640 to N$105,061. The initial contract rent has been used since inception.

Duwiseb amendment: Amendment was implemented at Onkoshi.The amendment states that the monthly rental should increase from N$44,650 to N$45,260. The initial contract rental was used by management.

Management has classified these amendment as possible commitments but do not regard the monetary value as material due to the fact that these equipments was not moved to the adequate resorts as per the agreement in order for the amendment to be affective. Refer to note 28.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Classification of joint venture contracts

The company has the following matters relating to joint ventures contracts. (these contracts are not yet effective due to litigations in progress on the validity of the signed contracts) (refer to note 29).

- Contract is between Namibia Wildlife Resorts Limited and Sun Karros Lifestyle Safaris (Pty). Contract relates to a mutual business relationship wherein Sun Karros will provide and build luxury tented comps "glamping" at Daan Viljoen Game Reserve, Hobas, Sesriem, Namutoni, Okaukuejo and Waterberg. No construction of campsite has taken place to date. Contract was signed on 11 June 2018.

- Contract is between Namibia Wildlife Resorts Limited and Sun Karros Lifestyle Safaris (Pty). The parties entered into a mutual beneficial business relationship wherein Sun Karros will build and operate a hospitality and entertainment business "Windpomp 14" at Mile 14. Reconstruction of Mile 14 has taken place and the resort is operating but Namibia Wildlife Resorts Limited has received no benefit from the business relationship. The contract was signed on 30 August 2018.

Management has classified the Mile 14 "Windpomp 14" and "Glamping" business relationship contract invalid without a probable estimated monetary value.

Managements estimate of no monetary value are based on the following assumptions:

- These contracts are not approved by the board of directors hence no past event exists.

- "Windpomp 14" has been making losses for consecutive years. No cash inflows are expected and therefore no economic benefit possibly exists to Namibia Wildlife Resorts Limited.

- The unauthorised contract states that profits should be equally shared and since inception no profits are recognised.

- The legal case pertaining to these contracts are ongoing and the outcome is undetermined.

- Refer to note 28 on the details of the existing legal case and the monetary value relating to this litigation.

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 that 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.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

Impairment of financial assets

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

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 determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

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 and residual values of property, plant and equipment

Management assess 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 financial statements.

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.

Accounting Policies

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, plant and equipment

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

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

Costs incurred are capitalized to assets under construction, until it 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 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, plant and equipment 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.

Accounting Policies

1.4 Property, plant and equipment (continued)

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.

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

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

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

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

1.5 Financial instruments

Financial instruments held by the 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 re-assessed on an annual basis.

Accounting Policies

1.5 Financial instruments (continued)

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 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.

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 is 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.

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.

Accounting Policies

1.5 Financial instruments (continued)

Loans and borrowings

Classification

Borrowings are classified financial liabilitiies at amortised cost.

Recognition and measurement

Borrowings and loans from related parties 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 related parties, loans from shareholder and borrowings are classified as financial liabilities 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 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.

Derecognition

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

Accounting Policies

1.5 Financial instruments (continued)

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.

Derecognition

Financial assets

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

Financial liabilities

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

Reclassification

Financial assets

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

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

Financial liabilities

Financial liabilities are not reclassified.

Accounting Policies

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 in 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 determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the 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.

Accounting Policies

1.7 Leases (continued)

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 note 6 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.

Accounting Policies

1.7 Leases (continued)

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:

Item	Average useful life
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 transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

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

Operating leases

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

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

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

Finance leases

Amounts due from lessees are recognised from commencement date at an amount equal to the 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 meausure the net investment in the lease.

Accounting Policies

1.7 Leases (continued)

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 Inventories

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

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

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

1.9 Impairment of 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.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If not posssible to 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 units is 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 assess 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 amount 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 the 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.

Accounting Policies

1.10 Impairment of 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.

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

An impairment loss of assets carried 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.

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

1.12 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 is recognised as an expense when 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% (2022: 7%) of basic salary, and the employer contributes 16% (2022: 16%) of basic salary (or, where applicable, the entire contribution of 23% (2022: 23%) is funded out of the total cost to company.

Accounting Policies

1.12 Employee benefits (continued)

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 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 3 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.

1.13 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.

Provisions are not recognised for future operating losses.

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

A constructive obligation to restructure arises only when an entity:

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 29.

Accounting Policies

1.14 Revenue

Turnover

Turnover comprises of sales to customers and service 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 are 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 a provision of a room is made to the customer.
- Revenue from food, beverage, 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 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 are recognised over the period of validity (one year) of the card. Revenue from the sale of these discount cards, has been included as other revenue as it do not represent a material revenue stream for the company.

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

1.16 Borrowing costs

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

1.17 Contribution from shareholder

Government contributions are recognised as capital contributions from the shareholder in the statement of changes in equity and forms part of 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.

Accounting Policies

1.18 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 1.14. When the company receives payment in advance, these Advance Deposits are recognised as a liability (contract liabilities) as disclosedon 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 refunded.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	1 January 2022	The impact of the amendments is not material.
• Reference to the Conceptual Framework: Amendments to IFRS 3	1 January 2022	The impact of the amendments is not material.
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	1 January 2022	The impact of the amendments is not material.
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	1 January 2022	The impact of the amendments is not material.
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	1 January 2022	The impact of the amendments is not material.
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41	1 January 2022	The impact of the amendments is not material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 November 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2099	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	1 January 2023	Unlikely there will be a material impact
• IFRS 17 Insurance Contracts	1 January 2023	Unlikely there will be a material impact

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

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 Finance, Risk and Audit 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 determine 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 apply 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 consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, 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. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt 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.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

3. Financial instruments and risk management (continued)

For trade receivables and contract assets 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 have 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. The debt of DBN has been fully repaid in the current year under review (2022: FNB debt fully repaid).

Categories of financial instruments

Categories of financial assets

2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	9	8,022,755	8,022,755	8,022,755
Cash and cash equivalents	11	133,873,380	133,873,380	133,873,380
Lease income received in advance	7	56,645,741	56,645,741	58,381,190
		198,541,876	**198,541,876**	**200,277,325**

2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	9	8,625,284	8,625,284	8,625,284
Cash and cash equivalents	11	93,776,253	93,776,253	93,776,253
Lease income in advance	7	55,776,374	55,776,374	55,776,374
		158,177,911	**158,177,911**	**158,177,911**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

3. Financial instruments and risk management (continued)

Categories of financial liabilities

2023

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	18	35,042,800	-	35,042,800	35,042,800
Lease liabilities	6	-	27,281,842	27,281,842	27,281,842
Contract liability	19	87,050,794	-	87,050,794	87,050,794
		-	-	-	-
		122,093,594	**27,281,842**	**149,375,436**	**149,375,436**

2022

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables - long term	18	29,113,004	-	29,113,004	29,113,004
Development Bank of Namibia (DBN) loan	14	72,723,705	-	72,723,705	72,723,705
Lease liabilities	6	-	17,856,265	17,856,265	17,856,265
Contract liability	19	64,216,942	-	64,216,942	64,216,942
		166,053,651	**17,856,265**	**183,909,916**	**183,909,916**

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

2023

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	23	3,502,500	3,502,500
Decrease / (increase) in credit loss allowance	9	(2,831,661)	(2,831,661)
Net gains (losses)		**670,839**	**670,839**

2022

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	23	1,107,069	1,107,069
Decrease / (increase) in expected credit loss allowance	9	(3,947,885)	(3,947,885)
Net gains (losses)		**(2,840,816)**	**(2,840,816)**

Notes to the Annual Financial Statements

Figures in Namibia Dollar		2023	2022

3. Financial instruments and risk management (continued)

Gains and losses on financial liabilities

2023

	Note(s)	**Amortised cost**	**Total**
Recognised in profit or loss:			
Finance costs	24	(11,034,802)	(11,034,802)

2022

	Note(s)	**Amortised cost**	**Total**
Recognised in profit or loss:			
Finance costs	24	(16,148,174)	(16,148,174)

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, raise capital contributions from the shareholder, or issue new shares.

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

		2023	2022
Development Bank of Namibia (DBN) loan	14	-	72,723,705
Lease liabilities	6	27,281,842	17,856,265
Trade and other payables - short term	18	78,983,601	68,002,146
Total borrowings		**106,265,443**	**158,582,116**
Cash and cash equivalents	11	(133,873,379)	(93,776,253)
Net borrowings		**(27,607,936)**	**64,805,863**
Equity		625,675,142	533,706,933
Gearing ratio		(4)%	12 %

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 (currency risk, interest rate risk and price risk).

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

3. Financial instruments and risk management (continued)

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:

		2023			2022		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Lease income in advance	7	56,645,741	-	56,645,741	55,776,374	-	55,776,374
Trade and other receivables	9	28,425,106	(18,299,833)	10,125,273	25,555,274	(15,468,172)	10,087,102
Cash and cash equivalents	11	133,873,380	-	133,873,380	93,776,253	-	93,776,253
		218,944,227	**(18,299,833)**	**200,644,394**	**175,107,901**	**(15,468,172)**	**159,639,729**

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.The finance lease liabilities balance due within 12 months equal their carrying value as the impact of discounting is not significant.

The DBN loan has been repaid in full in the current year, while the FNB loan has been fully repaid in 2022.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

3. Financial instruments and risk management (continued)

2023

		Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Borrowings	14	-	-	-	-	-
Lease liabilities	6	-	5,856,460	13,956,171	19,812,631	19,812,631
Current liabilities						
Trade and other payables	18	50,692,952	-	-	50,692,952	50,692,952
Lease liabilities	6	7,469,211	-	-	7,469,211	7,469,211
		58,162,163	**5,856,460**	**13,956,171**	**77,974,794**	**77,974,794**

2022

		Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities						
Development Bank of Namibia (DBN)	14	-	40,010,298	4,815,862	44,826,160	44,826,160
Lease liabilities	6	-	985,053	11,146,570	12,131,623	12,131,623
Current liabilities						
Trade and other payables	18	68,002,145	-	-	68,002,145	68,002,145
Development Bank of Namibia (DBN)	14	27,897,545	-	-	27,897,545	27,897,545
Lease liabilities	6	5,724,643	-	-	5,724,643	5,724,643
		101,624,333	**40,995,351**	**15,962,432**	**158,582,116**	**158,582,116**

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 liabilities. All long term borrowings (DBN and FNB) have been fully repaid. In addition all penalties and interest liabilities on VAT and PAYE have been waived by NamRa. Capital balances due to NamRa relating to VAT and PAYE have been fully repaid during the year under review.

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

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.

Interest rate swaps

2023

All long term borrowings (DBN and FNB) have been fully repaid.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

4. Property, plant and equipment

	2023			2022		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Land	38,560,477	-	38,560,477	38,560,477	-	38,560,477
Buildings	869,219,797	(371,313,463)	497,906,334	868,599,253	(346,176,916)	522,422,337
Plant and machinery	18,205,678	(17,755,490)	450,188	17,483,191	(15,358,286)	2,124,905
Furniture and fixtures	35,131,502	(27,550,792)	7,580,710	32,645,592	(25,478,751)	7,166,841
Motor vehicles	56,633,680	(42,265,811)	14,367,869	47,919,184	(40,101,306)	7,817,878
Office equipment	208,234	(199,141)	9,093	208,234	(199,141)	9,093
IT equipment	10,970,842	(9,950,225)	1,020,617	10,142,327	(9,496,462)	645,865
Computer software	2,757,437	(2,757,437)	-	2,757,437	(2,757,437)	-
Other minor assets	2,675,109	(2,196,924)	478,185	2,464,890	(2,085,843)	379,047
Asset under construction	1,706,484	-	1,706,484	395,846	-	395,846
Total	**1,036,069,240**	**(473,989,283)**	**562,079,957**	**1,021,176,431**	**(441,654,142)**	**579,522,289**

Reconciliation of property, plant and equipment - 2023

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Land	38,560,477	-	-	-	38,560,477
Buildings	522,422,337	620,544	-	(25,136,547)	497,906,334
Plant and machinery	2,124,905	722,487	-	(2,397,204)	450,188
Furniture and fixtures	7,166,841	2,485,910	-	(2,072,041)	7,580,710
Motor vehicles	7,817,878	10,047,884	(1,333,388)	(2,164,505)	14,367,869
Office equipment	9,093	-	-	-	9,093
IT equipment	645,865	859,775	(31,260)	(453,763)	1,020,617
Other minor assets	379,047	210,219	-	(111,081)	478,185
Asset under construction	395,846	1,310,638	-	-	1,706,484
	579,522,289	**16,257,457**	**(1,364,648)**	**(32,335,141)**	**562,079,957**

Reconciliation of property, plant and equipment - 2022

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Land	38,560,477	-	-	-	38,560,477
Buildings	544,603,753	3,023,555	-	(25,204,971)	522,422,337
Plant and machinery	4,475,802	285,303	-	(2,636,200)	2,124,905
Furniture and fixtures	9,147,657	402,475	-	(2,383,291)	7,166,841
Motor vehicles	9,356,055	1,080,361	(41,374)	(2,577,164)	7,817,878
Office equipment	9,897	-	-	(804)	9,093
IT equipment	593,910	499,731	-	(447,776)	645,865
Computer software	12,523	-	-	(12,523)	-
Other minor assets	320,666	187,357	-	(128,976)	379,047
Asset under construction	2,359,332	1,060,068	(3,023,554)	-	395,846
	609,440,072	**6,538,850**	**(3,064,928)**	**(33,391,705)**	**579,522,289**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

4. Property, plant and equipment (continued)

Property, plant and equipment encumbered as security

There are no assets that 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 Namibian Companies Act 28 of 2004, as amended.

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 of use assets

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

5. Investment property

	2023			2022		
	Cost / Valuation	**Accumulated depreciation**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation**	**Carrying value**
Land	5,004,800	-	5,004,800	5,004,800	-	5,004,800
Buildings	8,133,787	(3,667,339)	4,466,448	8,133,787	(3,468,293)	4,665,494
Total	**13,138,587**	**(3,667,339)**	**9,471,248**	**13,138,587**	**(3,468,293)**	**9,670,294**

Reconciliation of investment property - 2023

	Opening balance	**Depreciation**	**Total**
Land and buildings	9,670,294	(199,046)	9,471,248

Reconciliation of investment property - 2022

	Opening balance	**Depreciation**	**Total**
Land and buildings	9,869,340	(199,046)	9,670,294

Refer to note 22 for disclosure of the income and expenses related to these properties and note 6 for right-of-use assets.

The company has commenced action to review certain agreements signed with Sun Karros. The action is based on the signature of the agreements being done 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 for both parties. These joint venture type of agrreements relate to property developments, shared responsibilities, obligations and profits.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

5. Investment property (continued)

Refer to note 29 on contingent liabilities in these financial statements.

Daan Viljoen and Von Bach properties are subject to rental agreements (with fixed and variable components), which expire in July 2058 and June 2038 respectively. Mile 14 currently does not have a rental agreement.

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

	2023	2022
Within one year	2,376,917	2,160,834
In second to fifth year inclusive	12,134,401	11,031,274
later than five years	162,874,276	166,354,321
	177,385,594	**179,546,429**

6. Right of use asset and Lease Liability

The company leases two properties (2022: three properties) and plant for use in its business operations.

Net carrying amounts of right-of-use assets

	2023	2022
Buildings	10,434,956	1,000,122
Solar plant	12,636,872	13,032,264
	23,071,828	**14,032,386**

Reconciliation of right to use assets

Reconciliation of right to use assets - 2023	**Opening balance**	**Additions**	**Depreciation of leases ended**	**Depreciation**	**Closing balance**
Buildings	1,000,122	12,040,334	(1,000,122)	(1,605,378)	10,434,956
Solar plant	13,032,264	938,390	-	(1,333,782)	12,636,872
	14,032,386	**12,978,724**	**(1,000,122)**	**(2,939,160)**	**23,071,828**

Reconciliation of right to use assets - 2022	**Opening balance**	**Other**	**Depreciation**	**Closing balance**
Buildings	4,000,488	(25,037)	(2,975,329)	1,000,122
Solar plant	13,462,716	-	(430,452)	13,032,264
	17,463,204	**(25,037)**	**(3,405,781)**	**14,032,386**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

6. Right of use asset and Lease Liability (continued)

Other disclosures

Interest expense on lease liabilities	5,332,273	4,519,270
Interest expense on leases ended	389,806	-

Interest recognised on each class of right-of-use asset is presented above. This includes interest which has been expensed in profit and loss (including contracts which have ended in the current year).

Depreciation recognised on each class of right-of-use asset is presented above. This includes depreciation which has been expensed in the total depreciation charge in profit and loss (including contracts which have ended in the current year).

Lease liabilities

Lease liability relating to right-of-use: Building	10,996,116	1,389,928
Lease liability relating to right-of-use: Solar plant	16,285,726	16,466,338
	27,281,842	**17,856,266**

Non-current liabilities	19,812,631	12,131,623
Current liabilities	7,469,211	5,724,643
	27,281,842	**17,856,266**

Lease liability relating to right-of-use asset: Solar plant

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

Payable within one year	4,572,807	4,334,715
Payable two to five years	18,291,228	22,138,279
Payable five plus years	18,291,228	46,135,377
Less: finance charges component	(24,869,537)	(56,142,033)
	16,285,726	**16,466,338**

The finance charges includes an element of service cost. But, because the service element is not seperable in accordance with the requirements of IFRS 16, it is included in the implicit interest rate as prescribed by the standard.

Non-current liabilities	11,712,919	12,131,623
Current liabilities	4,572,807	4,334,715
	16,285,726	**16,466,338**

Lease liability releating to right-of-use-asset: Building

The maturity analysis of these lease liabilities is as follows:

Payable within one year	2,896,404	1,389,928
Payable two to five years	10,968,741	-
Less finance charges component	(2,869,029)	-
	10,996,116	**1,389,928**

Non-current liabilities	8,099,712	-
Current liabilities	2,896,404	1,389,928
	10,996,116	**1,389,928**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

6. Right of use asset and Lease Liability (continued)

Note:

27 - 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.

26 - Refer to note on cash generated from operations for details of the movements in right-of use-asset and lease liabilities.

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

7. Lease income received in advance

Opening balance	55,776,374	52,066,268
Lease interest income recognised for the year	2,279,316	2,337,716
Lease income recognised for the year	2,604,817	2,433,134
Lease payments received	(2,279,316)	(1,060,744)
Opening balance adjustment	(1,735,450)	-
	56,645,741	**55,776,374**

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

These lease agreements were assessed for credit risk.The leases were assessed for impairment during the prior year. Due to the long term nature of these leases, and the assessment of the temporary nature of non-compliance with payment terms (due to COVID in 2021), the impact of the impairment is not material.

Cash movement in income received in advance	**2023**	**2022**
Opening balance	55,776,374	52,066,268
Interest (non-cash movement)	2,279,316	2,337,716
Capital portion (cash movement)	2,604,817	2,433,134
Non-cash movement	(2,279,316)	(1,060,744)
Non-cash movement opening balance adjustment	(1,735,450)	-
	56,645,741	**55,776,374**

8. Inventories

Food and Beverages stock	4,428,805	3,323,361
Sundry stock	2,262,986	1,447,714
	6,691,791	**4,771,075**

Management has not raised a provision for damaged, obsolete or slow moving inventory.

No inventory is subject to any pledge or collateral arrangements.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

9. Trade and other receivables

Financial instruments:		
Trade receivables	22,776,193	24,093,456
Provision for doubtful debts	(18,299,833)	(15,468,172)
Trade receivables at amortised cost	4,476,360	8,625,284
Other receivable	3,546,395	-
Non-financial instruments:		
Employee costs in advance	-	109,303
Prepayments	2,102,518	1,352,515
Total trade and other receivables	**10,125,273**	**10,087,102**

Categorisation of trade and other receivables

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

At amortised cost	8,022,755	8,625,284
Non-financial instruments	2,102,518	1,461,818
	10,125,273	**10,087,102**

Included in the trade receivables balance are creditors with debit balances of N$ 3,344,527.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

9. Trade and other receivables (continued)

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:

Expected credit loss rate:	2023 **Estimated gross carrying amount at default**	2023 **Loss allowance (Lifetime expected credit loss)**	2023 **Net gross carrying amount at default**	2022 **Estimated gross carrying amount at default**	2022 **Loss allowance (Lifetime expected credit loss)**	2022 **Net gross carrying amount at default**
Not past due	-	-	-	-	-	-
Less than 30 days past due	1,936,393	-	1,936,393	3,107,519	-	3,107,519
31 - 60 days past due	1,224,690	-	1,224,690	2,059,368	-	2,059,368
61 - 90 days past due	1,218,062	-	1,218,062	2,973,723	-	2,973,723
91 - 120 days past due	155,544	58,329	97,215	1,204,674	720,000	484,674
More than 120 days past due	18,241,504	18,241,504	-	14,748,172	14,748,172	-
Total	**22,776,193**	**18,299,833**	**4,476,360**	**24,093,456**	**15,468,172**	**8,625,284**
Related parties	6,308,912	2,438,128	3,870,784	8,746,002	1,312,965	7,433,037
Other	16,467,281	15,861,705	605,576	15,347,454	14,155,207	1,192,247
Total	**22,776,193**	**18,299,833**	**4,476,360**	**24,093,456**	**15,468,172**	**8,625,284**
Debtors impaired	18,397,047	18,299,833	97,214	17,765,437	15,468,172	2,297,265
Debtors not impaired	4,379,146	-	4,379,146	6,328,020	-	6,328,020
Total	**22,776,193**	**18,299,833**	**4,476,360**	**24,093,456**	**15,468,172**	**8,625,284**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

9. Trade and other receivables (continued)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for lease receivables:

Opening balance	**(15,468,172)**	**(11,520,287)**
Provision raised on new trade receivables	(2,831,661)	(3,947,885)
Closing balance	**(18,299,833)**	**(15,468,172)**

Other balances owing are spread over a wide range of guests, 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.

Average age in days		
Days	71	11

Fair value of trade and other receivables

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

10. Property held for disposal

Included in assets held for disposal is the Lüderitz Office - Erf 626, Lüderitz Town, with a carrying value of N$ NIL (2022: N$ NIL). During 2018, the company entered into proceedings to dispose the property to its shareholder and this transfer was only completed during 2022.

Assets and liabilities

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 re-assessed the disclosure as property held for disposal to be appropriate and applicable to 2022.

2022	**Opening balance**	**Disposal**	**Total**
Land	187,000	(187,000)	-

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	197,514	111,559
Bank balances	133,675,866	93,664,694
	133,873,380	**93,776,253**
Current assets	133,873,380	93,776,253

Balances indicated above wered secured as follows:

1) 1st Covering bond N$ 7,650,00 over remaining extend of Erf No.1030 Windhoek and remaining extent of erf No.1034 Windhoek, measuring 1807 sqm & 2958 sqm respectively.
2) Loan agreement N$100,000,000 dated 12 January 2021.
3) Facilty letter dated 17 December 2020, GTCs & Schedule 1 - 4.
4) Replacement schedule dated 27 June 2022 & Schedule 1 - 3.

Other facilities that was reviewed on 1 January 2024:
- First card facility: N$ 10,000
- Short-term direct facility: N$ 7,650,000
- Shadow limit overdraft facility: N$ 6,500,000
- Fleet card facility: N$1,120,000
- Wesbank reducing facility: N$ 399,955

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

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

Credit rating		
First National Bank of Namibia (AA+)	119,052,889	85,722,668
Standard Bank Namibia Limited (AA+)	8,233,503	3,800,319
Nampost (i)	6,389,474	4,141,707
	133,675,866	**93,664,694**

(i) - There have been no past losses, nor other indicators of credit risk for Nampost Limited.

12. Share capital

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

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.

Issued		
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**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

13. Capital Contribution

Reconciliation

Opening balance	358,125,000	103,645,000
Capital contributions received - shareholder	45,041,692	254,480,000
	403,166,692	**358,125,000**

14. Development Bank of Namibia (DBN) loan

Held at amortised cost

Bank loan	-	72,723,705

Split between non-current and current portions

Non-current liabilities	-	44,826,160
Current liabilities	-	27,897,545
	-	**72,723,705**

The capital is repayable in annual instalments, and interest payable twice a year, with last instalment in March 2028. The loan bears interest at prime rate (2022: interest at prime rate). The loan is secured by a guarantee from the Government of the Republic of Namibia, of N$ 91.5m, issued on 20 January 2011.

The total loan amount of N$72,723,705 was repaid in the current year, bringing the balance to N$ NIL.

Refer to note 27 Changes in liabilities arising from financing activities for details of the movement in the borrowings during the reporting period and note 3 Financial instruments and financial risk management for the fair value of borrowings.

Exposure to liquidity risk

Refer to note 3 Financial instruments and financial risk management for details of liquidity risk exposure and management.

15. Grant liability

Non-current liabilities	4,345,487	4,861,782

The liability relates to funding received for the rehabilitation of the Shark Island lighthouse and entrance way to the resort in Lüderitz. The project rehabilitation has commenced during March 2021 and was completed in April 2022.

The liability will be released to the income statement over the same period as the related asset will be depreciated.

16. Severance pay provision

The Labour Act states that a benefit of at least one week's pay for each continuous year of services 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 on retirement before or after age of 65 years. The company has a policy that 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 2022, with a projected liability as at 31 October 2023. No separate assets are held to meet the severance pay liability.

The previous valuation was preformed by Mr D Sauber as at 31 October 2020 with a projected liability as at 31 October 2021.

As disclosed in note 18 under trade and other payables, the company has provided for a voluntary separation programme during the prior year. The process of exiting the affected individuals took place during 2021, and that difference between the actuarial estimates based on past experience for active staff members at year end, and actual experience for the committed voluntary separation programme, is reflected in the actuarial (gain)/ loss.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

16. Severance pay provision (continued)

	2023	2022
Number of employees	644	644
Average age (years)	43	43
Average service (years)	11	11
Discount rate	11.9%	11.9%
Inflation rate	7.6%	7.6%
Severance pay provision	**6,913,000**	**6,268,000**

	2023	2022
Reconciliation		
Opening balance	6,268,000	6,915,828
Interest cost	740,000	707,000
Current service cost	453,000	558,000
Benefit payment	(379,000)	(379,000)
Actuarial loss / (gains)	(169,000)	(1,598,828)
Past service cost	-	65,000
	6,913,000	**6,268,000**

Sensitivity analysis (interest rate)

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

The sensitivity analysis was performed for the 2022 financial year and the same assumptions are said to be relevant for the 2023 financial year. The entity did not perform an new actuarial calculation for the 2023 year as no material changeswere expected (projected 2023 figures of previous calculated was deemed appropriate). Due to no new valuation performed the disclosures remain constant compare to prior year.

	2023			2022		
	5.3%	**4.3% (valuation based)**	**6.8%**	**5.3%**	**4.3% (valuation based)**	**6.8%**
Accrued liability	5,891,060	6,268,000	6,692,000	5,891,060	6,268,000	6,692,000
Change	-6.0%	0.0%	6.8%	-6%	0.0%	6.8%
Service cost	422,000	453,000	488,000	422,000	453,000	488,000
Interest cost	695,000	740,000	790,000	695,000	740,000	790,000
Total	**1,117,000**	**1,193,000**	**1,278,000**	**1,117,000**	**1,193,000**	**1,278,000**
Change	-6.4%	0.0%	7.1%	-6.4%	0.0%	7.1%

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.

	2023		2022	
Withdrawals (N$)	**Valuation basis**	**50% lower**	**Valuation basis**	**50% lower**
Accrued liability	6,268,000	7,062,000	6,268,000	7,062,000
Service cost	453,000	536,000	453,000	536,000
Interest cost	740,000	834,000	740,000	834,000
Total	**7,461,000**	**8,432,000**	**7,461,000**	**8,432,000**
Change	**0%**	**14.8%**	**0%**	**14.8%**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

17. Deferred tax

Reconciliation of deferred tax asset / (liability)

Unrecognised deferred tax asset consists of:

Increases (decrease) in tax loss available for set off against future taxable income - gross of valuation allowance	(764,185,402)	(811,267,913)
Increases (decrease) in valuation allowance of deferred tax asset	(244,539,328)	(259,605,732)

A deferred tax asset has not been recognised in the current 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.

The board of directors deemed it prudent not to raise a deferred tax asset on the positive operating result archived for the 2023 financial reporting period. The operating profit after tax is the first positive results post the COVID-19 pandemic.

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

18. Trade and other payables

Financial instruments:		
Trade payables	25,175,493	21,070,017
Other payables	5,408,062	4,451,098
Other payroll related liabilities and accrued expenses	3,135,516	3,092,562
Accrued expense	1,322,679	499,327
Deposits	1,050	-
Non-financial instruments:		
Amounts received in advance	25,505	10,390
PAYE (refer explanation under long term trade payables)	711,959	18,137,835
VAT	1,880,180	5,964,733
Transaction levies - Namibia Tourism Board	1,350,688	1,130,054
Leave pay accrual	11,681,820	13,646,129
	50,692,952	**68,002,145**

Non-financial liabilities

The company fully repaid the capital VAT and PAYE balances during the current year under review. The outcome of negotiations underway with NamRA will determine the final interest and penalty liability to be settled. No adjustment in this respect have been accounted for.

19. Contract liability

Advance deposits on hand for future bookings	39,655,442	39,653,798
Unallocated receipts (including debtors with credit balances)	47,395,352	24,563,144
	87,050,794	**64,216,942**

Opening balance	64,216,942	65,015,708
Total deposits held (including debtors with credit balances)	357,286,848	243,088,904
Total applied (invoiced deposits)	(334,452,996)	(243,887,670)
	87,050,794	**64,216,942**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

19. Contract liability (continued)

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

All deposits on hand at previous year end was utilized or forfeited in line with the cancellation policy of the company.

Unallocated receipts relate to deposits received over the last three years, for which no fixed reservations have been made. This includes deferral to unspecified future dates, as result of the interruptions to travel caused by the COVID-19 pandemic.Unallocated receipts also include customers with credit balances, which is mostly customers that has made overpayments.

There was an amendment to the current and prior year disclosure of contract liability to provide information in a more relevant format. Refer to note 32: Change in disclosure.

20. Revenue

	2023	2022
Revenue from contracts with customers		
Accommodation revenue	203,499,489	144,376,773
Namleisure membership	1,001,474	908,308
Tuition fees	1,741,280	1,076,657
	206,242,243	**146,361,738**
Revenue recognised at a point in time		
Food and beverage revenue	105,545,148	81,508,637
Conference fees	2,202,122	2,837,824
Deposit forfeited	3,915,959	5,013,324
Game drives	26,548,660	16,024,269
General income	6,052,872	12,061,913
Revenue other than from contracts with customers		
Rental income	7,746,397	10,890,504
Retail department	28,721,261	19,611,138
	180,732,419	**147,947,609**
	386,974,662	**294,309,347**

Prior year disclosure

The revenue note has been amended from the prior year to adequately disaggregate revenue streams.

21. Cost of sales

	2023	2022
Food, beverage and other	65,449,526	41,959,514

22. Operating profit (loss)

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

	2023	2022
Auditor's remuneration - external		
Audit fees	1,264,300	1,190,150
Remuneration, other than to employees		
Consulting and professional services	3,012,435	4,828,121
Employee costs		
Salaries, wages, bonuses and other benefits	110,629,018	98,472,536

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

22. Operating profit (loss) (continued)

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% (2022: 7%) employee contributions, and 16% (2022: 16%) employer contributions.

Leases		
Premises - operating lease	2,507,208	2,770,971

Operating lease income		
Straight lined lease income from investment properties	4,884,125	4,884,125
Expenses for investment properties - depreciation	(199,046)	(199,046)
	4,685,079	**4,685,079**

For commitments of leases, refer to note 3:
Financial instruments and risk management

Depreciation and amortisation		
Depreciation of investment property on the cost model	199,046	199,046
Depreciation of property, plant and equipment (including right of use asset)	32,335,141	36,797,486
Depreciation right of use correction		
	32,103,362	**36,996,532**

Expenses by nature		
Bad debts	2,789,721	3,360,936
Bank charges	2,110,926	2,061,552
Cleaning	7,227,136	9,096,156
Commissions paid	4,610,614	3,404,289
Computer maintenance,support,training and internet data	5,357,801	3,906,155
Consulting fees	2,336,860	1,448,750
Depreciation and amortisation	32,103,362	36,996,532
Employee costs	110,629,018	98,472,536
Equipment hire and rental	6,568,310	4,057,743
Insurance	3,492,521	3,052,277
Security	4,118,166	6,040,533
Staff meals and staff welfare	3,096,839	2,179,998
Motor vehicle expenses	18,343,958	15,196,025
Municipal expenses	40,573,897	39,595,750
Repairs and maintenance	26,770,376	22,908,132
Property rental	5,213,608	(229,386)
Licencing fees	2,822,740	4,558,345
Subscription	1,334,031	5,557,702
Game drive expenses	685,943	4,892,765
Legal fees	675,575	3,379,371

The expenses by nature note has been amended since the prior year to improve the effectiveness of disclosures in the financial statements.

23. Investment income

Interest income		
Investments in financial assets:		
Bank and other cash	3,502,500	1,107,069

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

24. Finance costs

Non-current borrowings (FNB and DBN)	5,155,281	8,654,998
Trade and other payables	100,167	581,828
Bank overdraft	57,375	2,392,078
Interest paid on lease liabilities	5,721,979	4,519,270
Total finance costs	**11,034,802**	**16,148,174**

The interest amount consists of interest on lease liabilities, interest on bank overdraft and interest on loans and this was disclosed accumulatively in prior year financial statements.

The finance cost note has been amended since the prior year to improve the effectiveness of disclosures in the financial statements.

25. Taxation

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting (loss) profit	46,281,517	(35,051,886)
Tax at the applicable tax rate of 32% (2022: 32%)	14,810,085	(11,216,604)
Tax effect of adjustments on taxable income		
Charitable donations income	24,623	2,912,888
Deferred tax effect income	(14,834,708)	8,303,716
	-	-

No provision has been made for 2023 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is N$ 764,185,402 (2022: N$ 811,267,913).

26. Cash generated from/(used in) operations

(Loss) profit before taxation	46,281,517	(35,051,886)
Adjustments for:		
Depreciation and amortisation	32,103,362	36,996,532
Interest income	(3,502,500)	(1,107,069)
Finance costs	11,034,802	16,148,174
Gains on disposals, scrappings and settlements of assets and liabilities	1,391,752	(356,347)
Non-cash movements in lease income received in advance (refer to note 7)	(3,474,183)	(3,710,106)
Movements in retirement benefit assets and liabilities	645,000	951,000
Contract liability non-cash movement (refer to note 32)	(20,898,701)	-
Lease liability non-cash movement (refer to note 27)	15,877,066	-
Grant liability	(516,295)	(276,060)
Right of use asset non-cash movement (refer to note 6)	(9,039,442)	-
Other non-cash items	-	25,035
Changes in working capital:		
Inventories	(1,920,716)	(975,790)
Trade and other receivables	(38,171)	2,441,933
Trade and other payables	(17,319,193)	(68,425,562)
	50,624,298	**(53,340,146)**

The cash generated from/ (used in) operations note has been amended since the prior year to improve the effectiveness of disclosures in the financial statements.

Notes to the Annual Financial Statements

27. Changes in liabilities and asset cash flow movements- 2023

Reconciliation of liabilities and asset cash flow movements- 2023

	Opening balance	Interest	Lease additions	Total non-cash movements	Cash flows	Closing balance
Development Bank of Namibia (DBN) loan	72,723,705	-	-	-	(72,723,705)	-
Lease liabilities	17,856,265	5,722,079	10,154,987	15,877,066	(6,451,489)	27,281,842
	90,579,970	**5,722,079**	**10,154,987**	**15,877,066**	**(79,175,194)**	**27,281,842**
Total liabilities / Asset	**90,579,970**	**5,722,079**	**10,154,987**	**15,877,066**	**(79,175,194)**	**27,281,842**

Reconciliation of liabilities and asset cash flow movements- 2022

	Opening balance	Interest	Total movements	Cash flows	Closing balance
Development Bank of Namibia (DBN) loan	96,165,100	5,142,501	5,142,501	(28,583,896)	72,723,705
First National Bank Namibia (FNB) loan	80,000,000	-	-	(80,000,000)	-
Lease liabilities	21,625,980	4,519,268	4,519,268	(8,288,983)	17,856,265
	197,791,080	**9,661,769**	**9,661,769**	**(116,872,879)**	**90,579,970**
Total liabilities / Asset	**197,791,080**	**9,661,769**	**9,661,769**	**(116,872,879)**	**90,579,970**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

28. Commitments

Authorised capital expenditure

Resort		
Ais	77,950,000	927,000
Dolomite	30,000,000	1,050,000
Etosha	40,000,000	-
Gross Barmen	400,000	1,250,000
Halali	50,000,000	2,100,000
Hardap	23,800,000	1,550,000
Hobas	2,450,000	1,060,000
HQ	54,050,000	-
Jakkalsputz	1,445,000	-
Khorixas	11,240,000	1,680,000
Mile 108	3,050,000	900,000
Mile 72	2,000,000	-
Namutoni	41,280,000	51,150,000
Naukluft	30,000,000	-
NWR Hi	1,500,000	-
Okaukuejo	34,530,840	9,120,000
Olifantsrus	30,000,000	300,000
Onkoshi	30,000,000	1,960,000
Operations	6,500,000	32,570,000
Popa Falls	13,116,600	1,240,000
RCIA	669,500	-
SDL	30,000,000	1,725,000
Sesriem	3,800,000	10,000,000
Shark Island	12,000,000	4,200,000
Terrace Bay	25,760,000	3,450,000
Torra Bay	1,450,000	450,000
Waterberg	40,720,000	6,575,000
Boplaas	-	200,000
Deadvlei	-	70,000,000
Duwiseb Castle	-	100,000
Head office	-	100,000,000
ICT	-	4,360,000
Namib Naukluft	-	450,000
Swakopmund office	-	300,000
Various resorts	-	20,000,000
Zambezi waterfront	-	20,000,000

Commitments relating to lease contract amendments

Namibia Wildlife Resorts Limited has signed a finance lease agreement with Alensy Capital (Pty) Ltd on 22 September 2017. The nature of this agreements relates to installation of equipment (solar plants) to enable Namibia Wildlife Resorts Limited to utilize electricity produced by the equipment.

Subsequent to the initial main contract the following amendments was signed in August 2018:

- Sesriem resort amendment:The amendment states that the monthly rental amount should be increased from N$165,500 to N$199,750 per month. Revised rental amount of N$199,750 per month was used since inception as amended contract was signed before commissioning of the actual solar plant.

- Naukluft resort amendment: Amendment was never implemented and the previously used Namib Naukluft Resort solar equipment was not moved to Hobas. The amendment states that monthly rent is increased from N$38,500 to N$43,500.

- Hobas amendment: Previously used Hobas Resort solar equipment was not moved to Dolomite Resort. The amendment states that monthly rent is increased from N$94,640 to N$105,061. The initial contract rent has been used since inception.

Notes to the Annual Financial Statements

28. Commitments (continued)

- Duwiseb amendment: Amendment was implemented at Onkoshi. The amendment states that the monthly rental should increase from N$44,650 to N$45,260. The initial contract rental was used by management.

Management has classified these amendment as possible commitments but do not regard the monetary value as material due to the fact that these equipments was not moved to the adequate resorts as per the agreement in order for the amendment to be affective.

Joint venture contracts

The company has the following matters relating to joint ventures contracts. (these contracts are not yet effective due to litigations in progress on the validity of the signed contracts).

- Contract is between Namibia Wildlife Resorts Limited and Sun Karros Lifestyle Safaris (Pty). Contract relates to a mutual business relationship wherein Sun Karros will provide and build luxury tented camps "glamping" at Daan Viljoen Game Reserve, Hobas, Sesriem, Namutoni, Okaukuejo and Waterberg. No construction of campsite has taken place to date. Contract was signed on 11 June 2018.

- Contract is between Namibia Wildlife Resorts Limited and Sun Karros Lifestyle Safaris (Pty). The parties entered into a mutual beneficial business relationship wherein Sun Karros will build and operate a hospitality and entertainment business "Windpomp 14" at Mile 14. Reconstruction of Mile 14 has taken place and the resort is operating but Namibia Wildlife Resorts Limited has received no benefit from the business relationship. The contract was signed on 30 August 2018.

Management has classified the Mile 14 "Windpomp 14" and "Glamping" business relationship contract invalid without a probable estimated monetary value. (Refer to note 1 on details of managements assumption).

29. 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 of N$7.5 million and N$5.9million. Legal costs of N$650,000 are expected to be incurred in legal proceedings.

40-45% of the costs are estimated to be recovered from the individual in question,with recovery costs of approximately N$50,000. In the event that the case is lost by NWR, the company will be exposed to costs of approximately N$100,000 in damages.

Management maintain the position that the outcome of this matter will be in favour of the company.

2 "Glamping" & "Windpomp 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 the "Glamping and Windpomp 14" and an amount yet to be determined for Mile 14. Costs of approximately N$5,000,000 is expected if the trial is to be run, with a possibility of supreme court proceedings.

Management maintain the position that the outcome of this matter will be in favour of the company.

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 was allegedly misappropriated, and Sun Karros is now suing NWR for the N$ 1,5 million paid into the attorney;s trust account. A further cost of N$300,000 is expected to be incurred in legal proceedings.

Management maintain the position that the outcome of this matter will be in favour of the company.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

29. Contingent liabilities (continued)

4 *Labour related matters*

A number of different cases have been made 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.

Management maintain the position that the outcome of this matter will be in favour of the company.

5 Nduuvika J. Mutumbulua (Chief Human Capital Officer)

The claim in question is approximately N$15,000,000.00, with legal fees expected of N$300,000.00. This is dependant on whether the matter goes on appeal. The matter relates to unfair dismissal.

Management maintain the position that the outcome of this matter will be in favour of the company.

30. 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)
Members of key management	Dr. Matthias Ngwangwama (Managing Director)
	Ms. Elsa Porfirio (Company Secretary/Legal Advisor)
	Mr. Epson Kasuto (Chief Marketing Officer)
	Ms. Anna-Lize Kauapirura (Acting Chief Financial Officer)
	Ms. Janet Shilongo (Acting Chief Human Capital Officer)
	Vacant (Chief Risk, Compliance & Audit Officer)

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

30. Related parties (continued)

Related party balances and transactions - 2023

Trade receivable /(Trade payable)	**Balance**	**Transaction**
Bussiness & Intelectual property Authority - BIPA	(740,006)	(1,470,671)
Cenored	(1,673,706)	(19,093,159)
City of Windhoek	(48,565)	(697,319)
Khorixas Town Council	(56,913)	-
Kunene Regional Council	375,293	-
Luderitz Town Council	(58,370)	(706,122)
Mariental Municipality	(153,190)	(1,359,782)
Ministery of Education, Arts and Culture	12,262	69,436
Ministry of Environment, Forestry and Tourism	2,374,689	556,346
Ministry of Agriculture, Water and Land Reform	1,521	90,456
Ministry of Defence- Directorate of Defence Central Staff	21,132	-
Ministry of Fisheries and Marine Resources	8,420	-
Ministry of Gender Equality, Poverty Eradication and Social Welfare	39,856	9,332
Ministry of Health and Social Services	685,079	174,845
Ministry of Information & Communication Technology	21,914	21,148
Ministry of International Relations and Cooperation	3,670	-
Ministry of Public Enterprises	(27,391)	-
Ministry of Safety and Security(Namibian Correctional Service)	245,277	-
Ministry of Urban and Rural Development	19,304	-
Ministry of Veteran Affairs	52,963	-
Ministry of Youth, National Service, Sport and Culture	318	-
Mobile Telecommunications LTD (MTC)	65,572	-
Motor Vehicle Accident Fund	68,638	47,774
NAMFISA	2,155	-
Namibia Broadcasting Corporation(NBC)	(26,483)	-
Namibia Post and Telecom Holdings	36,160	-
Namibia Statistics Agency	1,560	-
Namibia Tourism Board	(22,760)	-
Namibia Training Authority (NTA)	561,210	16,091
Namibia Training Authority (NTA) LEVY	(191,682)	(1,588,450)
Namibia University of Science and Technology (NUST)	15,465	-
Namibia Water Corporation	14,930	-
Nampost Courier	(92,537)	(743,342)
Nampost Philately receivable	16,775	-
Nampost Philately (payable)	(112,686)	(239,974)
Nampower	(362,050)	(4,368,721)
Namwater main	170,993	81,450
Namwater main account	(798,462)	(13,158,903)
National Youth Council of Namibia	(193)	-
New Era Publication Corporation	22,490	20,556
Nored Electricity	(78,388)	(773,312)
Office of president	1,204,130	150,912
Office of the Governor - Hardap Region	6,098	816
Office Of The Governor Kavango East Region	71,004	-
Office of the Judiciary- Executive Director	11,000	-
Office Of the Prime Minister	7,680	-
Office of the Vice President	(149)	-
Roads Authority	16,710	494
Telecom Namibia	82,930	5,346
Telecom Namibia	(574,941)	(3,473,695)
University of Namibia	71,718	58,767
	1,290,444	**(46,369,681)**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

30. Related parties (continued)

Related party balances and transactions - 2022

Related party disclosure has been amended from the prior year to further disaggregate transctions and balances between related parties.

Trade receivable /(Trade payable)	Balance	Transactions
Anti-Corruption Commission	(5,187)	722,858
Aranos Town Council	(5,187)	8,700
Bank of Namibia	7,820	22,740
City of Windhoek	5,287	113,414
City of Windhoek	(42,449)	(621,387)
Development Bank of Namibia	(72,733,705)	(5,142,501)
Elias Amxab Combined School	(5,300)	-
Epukiro secondary school	(913)	9,280
Goverment Intuitional Pension Fund (GIPF)	-	189,965
Kavango East Govern office	2,612	-
Kavango East Regional Council	8,776	1,280,486
Khorixas Town Council	168,094	453,186
Khorixas Town Council	(47,751)	(744,087)
Kunene Regional Council	374,923	1,924,857
Luderitz Town Council	(57,683)	(850,891)
Mariental Municipality	(140,790)	30,530
Mariental Municipality	-	(1,462,898)
Ministry of Education, Arts and Culture	32,374	64,654
Ministry of Defence- Directorate of Defence Central Staff	21,132	35,630
Ministry of Education, Arts and Culture	2,591,625	64,654
Ministry of Environment, Forestry and Tourism	-	9,834,150
Ministry of Fisheries and Marine Resources	8,420	-
Ministry of Gender Equality & Child welfare	39,379	-
Ministry of Health and Social Services	2,539,299	633,838
Ministry of Information & Communication Technology	26,775	24,382
Ministry of land Reform	740	-
Ministry of Public Enterprises	(27,391)	-
Ministry of Safety and Education	(245,277)	19,263
Ministry of Urban and Rural Development	19,304	25,800
Ministry of Veteran Affairs	52,963	-
Ministry of Youth, National Service, Sport and Culture	318	-
Mobile Telecommunications	57,692	7,020
Motor Vehicle Accident Fund	74,206	-
Municipality of Swakopmund	(1,147)	(14,616)
NAMFISA	2,795	108,934
Namibia Broadcasting Corporation	(26,480)	488,983
Namibia Football Association	82,201	82,201
Namibia Statistics Agency	49,983	49,983
Namibia Training Authority	1,690,050	6,245,470
Namibia Training Authority	(84,337)	-
Namibia University of Science and Technology	32,069	79,174
Namibia Water Corporation	161,242	111,465
Namibia Water Corporation	(1,004,306)	(10,916,303)
Namibian Police	1,867	-
Namport	-	7,800
Nampost Courier	(94,285)	(773,390)
Nampost Philately	16,775	-
Nampower	(348,449)	18,802
Nampower	-	(3,724,913)
New Era Publication Corporation	22,490	146,619
New Era Publication Corporation	(22,925)	(23,327)
Office of President	293,608	325,369

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022
30. Related parties (continued)		
Office of the Governor - Hardap Region	83,099	9,120
Office of the Judiciary- Executive Director	(11,000)	-
Office of the Prime Minister	7,680	800
Office of the Vice President	-	6,080
Okakarara Vocational Training Center	16,250	9,890
Omuthiya Town council	26,664	122,074
Ongwediva Town Council	(14,625)	-
Opuwo Town Council	5,943	-
Parliament of Namibia National Assembly	5,130	51,800
Road Fund Administration	1,062	4,678
Road Fund Administration	-	(528,848)
Social Security Commission	5,100	-
Telecom Namibia	34,114	17,720
Telecom Namibia	(373,610)	(4,065,119)
TransNamib Retirement Fund	9,223	-
University of Namibia	44,273	180,747
The Namibian	-	(28,736)
	(66,669,440)	**(5,363,900)**

The related party schedule has been amended since the prior year to improve the effectiveness of disclosures in the financial statements.

Compensation to directors and other key management		
Short-term employee benefits	881,975	2,352,586

31. Directors' emoluments

2023

Directors' emoluments	**Emoluments**	**Total**
Services as director or prescribed officer		
Directors	881,975	881,975

2022

Directors' emoluments	**Emoluments**	**Total**
Services as director or prescribed officer		
Directors	866,082	866,082

32. Comparative figures

The comparative figures for Note 19: Contract liability has been restated to provide information in a more relevant format. Unallocated receipts have been excluded from the current year opening balance as it is taken into consideration within the deposits received and deposits applied.

The effects of the reclassification on the Statement of financial position and Statement of profit or loss are nil.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

32. Comparative figures (continued)

Contract liability note		
Prior year closing balance	64,216,942	-
Current year opening balance	39,655,442	-
Change in disclosure	**24,561,500**	-
Statement of cash flow		
Contract liability deposits held/ (deposits invoiced)	(20,898,701)	-

The following notes have also been amended since the prior year to improve the relevance and effectiveness of disclosures in the financial statements:

Note 6: Right-of-use asset and lease liability.

Note 20: Revenue

Note 24: Finance cost

Note 26: Cash generated from/(used in) operations.

Note 28: Commitments.

Note 30: Related parties.

33. Going concern and subsequent events

NWR has been recording significant improvements in it's financial performance over the past year. As per the table below, NWR's financial performance, in particular it's bottom-line (profit/loss), has been improving steadily. Another indicator NWR's improving financial performance is the current ratio, which has been gradually improving.

Financial year	Revenue	Expenditure	Profit/(loss)	Average occupancy (%)	Cost of sales (%)	Employee cost	Number of employees
FY2018	360,246,721	385,162,827	(24,916,106)	50	38	139,513,176	907
FY2019	396,661,688	374,211,409	22,450,279	49	37	136,583,733	909
FY2020 (COVID 19)	176,827,923	350,460,249	(173,632,326)	21	39	157,253,099	811
FY2021 (COVID 19)	170,062,019	266,975,128	(96,913,109)	21	37	86,794,040	686
FY2022	295,772,763	330,824,649	(35,051,886)	39	35	98,472,536	644
FY2023	391,868,914	345,587,397	46,281,517	42	39	110,629,018	602

NWR's total assets exceeds the total liabilities by N$631m, which means NWR are technically solvent. Despite an improving trend, our current liabilities of N$142m (2022: N$166m; 2021: N$254m) still exceeds the current assets of N$25m (2022: N$57m; 2021: N$203m). This is mainly due to an increase in advance deposits, which are deposits received in advance for future bookings and are beneficial to the business.

Management remain confident in NWR's financial stability as the consistent improvement over the past three years has reduced the risk to a minimal level.

NWR has successfully settled the DBN loan in 2023, and remains fully compliant with all current tax obligations. The cash flow statement demonstrates NWR's ability to cover day-to-day operational expenses.

For the 2022/2023 financial year, NWR has observed an average occupancy improvement of 42% and achieved a total pre-audited profit of approximately $46m.

The approved budget for FY2024 forecasts a total revenue of N$465m, representing a 19% improvement compared to FY2022. This positive projection and NWR's growth strategies for the coming years aligns with NWR's Integrated Strategic Business Plan (ISBP) which has been submitted on 07 February 2024 to the shareholder for approval.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2023	2022

33. Going concern and subsequent events (continued)

Management has taken proactive measures to improve NWR's financial stability. NWR's successful debt settlement, tax compliance status, positive cash flow management and strong operational performance are all indicators to our improved financial performance and strive towards long-term sustainability.

Three years ratio trend analysis	**2021 - Ratio/ N$ m**	**2022 - Ratio/ N$ m**	**2023 - Ratio/ N$ m**	**Budget 2024 - Ratio/ N$ m**
Net profit/ (loss) for the year	0.57	0.11	0.12	0.05
Net profit/ (loss) for the year	(97)	(33)	50	25
Solvency ratio:	**1.74**	**3.28**	**5.41**	**3.07**
Total assets	740	768	774	939
Total liabilities	425	234	143	306
Total assets exceeds total liabilities by:	315	534	631	633
Current ratio:	**0.2**	**0.66**	**0.82**	**0.98**
Current assets	51	109	117	124
Current liabilities	254	166	142	126
Current liabilities exceeds current assets by:	203	57	25	2
Total equity	315	534	624	633
Debt to equity ratio	**1.35**	**0.44**	**0.23**	**0.48**
Total revenue	169	296	395	465
Average occupancy (%)	21	39	42	44

Detailed Income Statement

Figures in Namibia Dollar	Note(s)	2023	2022
Revenue			
Accomodation revenue		203,499,489	144,376,773
Conference fees		2,202,122	2,837,824
Deposits forfeited		3,915,959	5,013,324
Food & beverage revenue		105,545,148	81,508,637
Game drives		26,548,660	16,024,269
General income		6,052,872	12,061,913
Rental income		7,746,397	10,890,504
Namleisure membership		1,001,474	908,308
Tuition fees		1,741,280	1,076,657
Retail department		28,721,261	19,611,138
	20	**386,974,662**	**294,309,347**
Cost of sales			
Opening stock		(4,771,075)	(3,795,285)
Purchases		(67,370,242)	(42,935,304)
Closing stock		6,691,791	4,771,075
	21	**(65,449,526)**	**(41,959,514)**
Gross profit		**321,525,136**	**252,349,833**
Other operating income			
Gain on disposal / scrapping of property, plant and equipment		1,391,752	356,347
Expenses (Refer to page 61)		**(269,103,069)**	**(272,716,961)**
Operating profit (loss)	22	**53,813,819**	**(20,010,781)**
Investment income	23	3,502,500	1,107,069
Finance costs	24	(11,034,802)	(16,148,174)
Profit (loss) for the year		**46,281,517**	**(35,051,886)**

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

Detailed Income Statement

Figures in Namibia Dollar	Note(s)	2023	2022
Other operating expenses			
Advertising		(1,088,664)	(889,974)
Auditor's remuneration - external audit	22	(1,264,300)	(1,190,150)
Bad debts		(2,789,721)	3,360,936
Bank charges		(2,110,926)	(2,061,552)
Cleaning		(7,227,136)	(9,096,156)
Commission paid		(4,610,614)	(3,404,289)
Complimentary food & accommodation		(129,687)	(97,368)
Computer maintenance, support, training and internet data / mailband lease		(5,357,801)	(3,906,155)
Consulting fees		(2,336,860)	(1,448,750)
Consumables		(2,907)	-
Depreciation and amortisation		(32,103,362)	(36,996,532)
Donations		(24,623)	-
Employee costs		(110,629,018)	(98,472,536)
Entertainment		(166,875)	(43,405)
Equipment and renatl (short term lease)		(6,568,310)	(4,057,743)
Fines and penalties		23,490,947	-
First Aid and fire fighting		(214,353)	(364,582)
Game drive expenses		(685,943)	(4,892,765)
General expenses		(1,644,212)	(1,129,690)
Insurance		(3,492,521)	(3,052,277)
Legal fees		(675,575)	(3,379,371)
Licensing fees		(2,822,470)	(4,558,345)
MD's Functions		-	(85,350)
Motor vehicle expenses		(18,343,958)	(15,196,025)
Municipal expenses		(40,573,897)	(39,595,750)
Packaging		(542,040)	(406,886)
Pest control		(370,143)	(624,776)
Plants and decorations		(19,229)	(7,381)
Pool cleaning		(890,498)	(734,868)
Postage and courier		(674,062)	(507,526)
Printing and stationery		(823,688)	(626,713)
Promotions - Trade fairs		(470,319)	(308,837)
Property rental		(5,213,608)	229,386
Repairs and maintenance		(26,770,376)	(22,908,132)
Security		(4,118,166)	(6,040,533)
Staff meals and staff welfare		(3,096,839)	(2,179,998)
Subscriptions		(1,334,031)	(5,557,702)
Subsistence and travel - local		(867,373)	(211,214)
Telephone and fax		(1,535,798)	(1,742,502)
Training and levies		(533,252)	(198,070)
Travel - overseas		(470,861)	(333,380)
		(269,103,069)	**(272,716,961)**

Schedule of Properties

Land held	Situated	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	Registration Division A, Etosha	+- 50 Ha	Transferred, not yet registered at Deed Office	30 000 000	36 000 000
Duwiseb Castle - Portion1 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 Otjozondjupa region	98,4668 Ha	T34/2009	18 000 000	212 000 000
Gross Barmen - Portion A of the Farm Gross Barmen No.7	Registration Divison J, Okahandja Otjozondjupa region	1,5343 Ha	T34/2009	Not valued	Not valued
Gross Barmen - Portion 1 of Gross Barmen No.7	Registration Divison J, Okahandja Otjozondjupa region	1,523 square meters	T34/2009	Not valued	Not valued
Halali - Farm Halali No.1378	Registration Division B, Kunene Region	68.0485 Ha	T4501/2010	51 400 000	92 600 000

Schedule of Properties

Land held	Situated	Size	Title Deed	Land	Improvements
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
Mile 72 - Portion 3 of the farm Kap 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
Owner occupied properties					
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

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

Schedule of Properties

Land held	Situated	Size	Title Deed	Land	Improvements
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
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 meters	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

Schedule of Properties

Land held	Situated	Size	Title Deed	Land	Improvements
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 meters and 2958 square meters	T6090/2009	Not valued	Not valued
				451 070 000	**1 319 430 000**
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 v Osoina 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**
				520 270 000	**1 481 230 000**

MAD CREATIVE
INVESTMENT CC 2024