GONDWANA HOLDINGS LIMITED

AND ITS SUBSIDIARIES

COMPANY REGISTRATION NUMBER: 2017/1055

GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 OCTOBER 2021

GONDWANA HOLDINGS LIMITED AND ITS SUBSIDIARIES
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The following supplementary information does not form part of the Annual Financial Statements and is unaudited:

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GENERAL INFORMATION

Country of incorporation and domicile:	*Namibia*
Directors:	*F Amuenje* *SS Galloway* *M Goldbeck* *C J Gouws* *L J Gouws* *T T Hiwilepo* *A G I Noirfalise* *J Visser* *G J Joubert* *D Namalenga* *J Y Mnyupe*
Company registration:	*2017 / 1055*
Secretary:	*F Schrywer* *42 Nelson Mandela Avenue* *PO Box 80205* *Windhoek* *Namibia*
Registered office:	*42 Nelson Mandela Avenue* *PO Box 80205* *Windhoek* *Namibia*
Auditors:	*Ernst & Young* *Registered Accountants and Auditors* *Chartered Accountants (Namibia)*

GONDWANA HOLDINGS LIMITED AND ITS SUBSIDIARIES
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DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act of Namibia, to maintain adequate accounting records and are responsible for the content and integrity of the group and company's annual financial statements and related financial information included in this report. It is their responsibility to ensure that the group and company's annual financial statements fairly present the state of affairs of the group and 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, and in the manner required by the Companies Act of Namibia. The external auditors are engaged to express an independent opinion on the annual financial statements.

The group and company's annual financial statements are prepared in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of Namibia and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The directors have reviewed the group and company's cash flow forecast for the year to 31 October 2022 and, in the light of this review and the current financial position they are satisfied that the group and company has or will have access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the group and company's annual financial statements. The group and company's annual financial statements have been examined by the company's external auditors and their report is presented on pages 5 to 6.

The group and company's annual financial statements set out on pages 7 to 94, which have been prepared on the going concern basis, were approved by the board of directors and were signed on its behalf by:

Director	**Director**
26 April 2022	26 April 2022
Date	**Date**
Windhoek	*Windhoek*

GONDWANA HOLDINGS LIMITED AND ITS SUBSIDIARIES

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CORPORATE GOVERNANCE

ETHICAL STANDARDS

Gondwana Holdings Limited and its subsidiaries have adopted a code of ethics. This incorporates the group and company's operating, financial and behavioral policies in a set of integrated values, including the ethical standards required of employees of the company in their interaction with one another and with all stakeholders. Detailed policies and procedures are in place for the company and its subsidiaries covering the regulation and reporting of transactions in securities of the company by directors and officers.

STAKEHOLDERS

The group has formalised its stakeholder philosophy and introduced structures of corporate governance to manage the interface with the various stakeholder groups. There are responsive systems of governance and practice which the board and management regard as entirely appropriate in place.

EMPLOYEES

The group applies various participative practices in its relationships with non-management employees, primarily in respect of operating matters and plans. Divisional management are encouraged to enhance the motivation and commitment of all employees by providing opportunities for involvement in business performance improvement, on the basis of mutual information sharing. The group designs employment policies which are appropriate to its business and markets, and which attract, retain and motivate the quality of staff necessary to compete. These policies are required to provide equal employment opportunities, without discrimination.

DIRECTORATE

The Board of Directors of Gondwana Holdings Limited and its subsidiaries is constituted with an equitable ratio of executive to non-executive directors and meet at least quarterly. Gondwana Holdings Limited's chairman is elected on an annual basis.

PEOPLE COMMITTEE

The board maintains a People Committee comprising non-executive directors, with the exception of the membership of the managing director. It is responsible for reviewing the compensation arrangements for all personnel. This committee also reviews management incentive schemes, retirement and termination entitlements and fringe benefit policies.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GONDWANA HOLDINGS LIMITED AND ITS SUBSIDIARIES

Opinion

We have audited the consolidated and separate annual financial statements of Gondwana Holdings Limited and its subsidiaries ('the Group') set out on pages 7 to 94, which comprise the directors' report, the consolidated and separate statement of financial position as at 31 October 2021, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at 31 October 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate annual financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of consolidated and separate 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 general information on page 2, the directors' responsibilities and approval on page 3, the corporate governance statement on page 4, the company detailed statement of comprehensive income on page 95 as well as the company tax computation on page 96. The other information does not include the consolidated and separate annual financial statements and our auditor's report thereon. Our opinion on the consolidated and separate annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 Consolidated and Separate Annual financial statements

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

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

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Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual financial statements

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

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

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

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

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

Ernst & Young

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

Windhoek

26 April 2022

GONDWANA HOLDINGS LIMITED AND ITS SUBSIDIARIES
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DIRECTORS' REPORT

The directors herewith submit their report on the consolidated and separate annual financial statements of Gondwana Holdings Limited for the year ended 31 October 2021.

DIRECTORS

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

Directors	*Role*	*Nationality*
F Amuenje	*Non-executive*	*Namibian*
SS Galloway	*Non-executive – Chairperson*	*Namibian*
M Goldbeck	*Executive*	*Namibian*
C J Gouws	*Non-executive*	*Namibian*
L J Gouws	*Non-executive*	*South African*
T T Hiwilepo	*Non-executive*	*Namibian*
A G I Noirfalise	*Executive*	*Belgium*
J Visser	*Executive*	*Namibian*
G J Joubert	*Executive*	*Namibian*
D Namalenga	*Non-executive*	*Namibian*
J Y Mnyupe	*Non-executive*	*Namibian*

PRINCIPAL ACTIVITIES OF THE GROUP

The principal activities of the group are to operate lodges as well as vehicle rental and destination management services, including production of fruit, vegetables, meat and milk products for lodge consumption, owning of property and investment in wholly owned property-owning companies. The group also operates a game and nature conservation trust.

OPERATING RESULTS

The operating results are set out in the Group and Company Statement of Profit or Loss and Other Comprehensive Income.

The Group recorded a net loss before taxation of (N$ 115 463 158) (2020: Loss (N$ 137 058 999)) while the Company recorded a net loss before taxation of (N$ 345 417) (2020: Loss (N$ 62 274)).

DIVIDENDS

No dividends were declared during the year under review (2020: Nil).

SHARE CAPITAL

There have been no changes to the authorised or issued share capital during the year under review. Full details of the company's authorised and issued share capital at 31 October 2021 are set out on note 16 to the consolidated and separate financial statements.

DIRECTORS' REPORT (continued)

SUBSEQUENT EVENTS

The directors are not aware of any matter or circumstance arising since the statement of financial position date and the date of this report, except for on-going impact of Covid-19 and management's future refer to note 37.

GOING CONCERN

The consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. For the impact of Covid-19, refer to note 37.

AUDITORS

Ernst & Young will continue in office as auditors for the group and company in accordance with section 278 of the Companies Act of Namibia.

INTERESTS IN SUBSIDIARIES

Gondwana Holdings Limited holds interest in several subsidiaries and a joint venture, whose results have been included in the group financial statements. Details of material interests in subsidiary companies and the joint venture are presented in consolidated financial statements in notes 8 and 9.

GONDWANA HOLDINGS LIMITED AND ITS SUBSIDIARIES

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GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

AS AT 31 OCTOBER 2021

GROUP STATEMENT OF FINANCIAL POSITION

	Notes	2021	2020
		N$	N$
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	801 267 437	811 686 586
Right of use asset	4	13 591 753	11 464 591
Intangible assets	5	26 436 281	27 153 403
Goodwill	6	11 745 082	24 049 082
Other financial assets	7	474	474
Investment in joint venture	9	7 004 896	6 979 301
Loans to related parties	10	821 966	762 497
Deferred tax asset	11	64 418 944	33 410 604
		925 286 833	915 506 538
CURRENT ASSETS			
Current tax receivable		1 885 769	2 504 258
Inventories	12	15 039 795	15 603 031
Biological assets	13	216 661	226 000
Trade and other receivables	14	18 238 369	18 823 736
Cash and cash equivalents	15	9 930 076	6 562 569
		45 310 670	43 719 594
TOTAL ASSETS		970 597 503	959 226 132
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	16	66 357	66 357
Share premium	16	132 301 614	132 301 614
Revaluation reserve	17	200 879 872	200 934 275
Shareholders' reserve	18	17 364 558	17 364 558
Retained earnings		33 838 177	117 272 499
		384 450 578	467 939 303
NON-CURRENT LIABILTIES			
Deferred tax liability	11	39 754 946	40 736 216
Interest bearing liabilities - secured	19.1	306 549 795	312 681 809
Interest bearing liabilities - unsecured	19.2	603 113	514 433
Lease liabilities	20	13 969 047	11 369 109
Deferred interest liability	36	2 089 000	-
		362 965 901	365 301 567
CURRENT LIABILITIES			
Bank overdrafts	15	125 873 994	56 755 636
Short-term portion of interest-bearing liabilities: secured	19.1	34 725 470	23 003 284
Short-term portion of interest-bearing liabilities: unsecured	19.2	427 217	432 389
Short-term portion of lease liabilities	20	502 728	545 311
Current tax payable		11 185	695 667
Trade and other payables	21	61 456 749	43 647 263
Dividend payable	33	183 681	905 712
		223 181 024	125 985 262
TOTAL EQUITY AND LIABILITIES		970 597 503	959 226 132

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GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2021	2020
		N$	N$
REVENUE	22	164 052 929	153 465 803
COST OF SALES	23	(49 181 087)	(48 296 736)
GROSS PROFIT		114 871 842	105 169 067
Other operating income	24	8 091 284	9 614 199
Movement in credit loss allowance	14	548 748	(666 603)
Operating expenses	25	(194 334 134)	(226 525 404)
Operating loss		(70 822 260)	(112 408 741)
Investment income	26	15 983	208 236
Other non-operating loss	6	(12 304 000)	-
Finance income	27	17 307	66 052
Finance cost	28	(32 336 320)	(25 153 847)
Share of profit from joint venture	9	(33 868)	229 301
Loss before taxation		(115 463 158)	(137 058 999)
Taxation	29	31 974 433	43 664 461
Loss for the year		(83 488 725)	(93 394 538)
Loss for the year attributable to:			
Owners of parent		(83 488 725)	(93 394 538)
Non-controlling interest		-	-
		(83 488 725)	(93 394 538)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gains on property revaluation		-	30 258 370
Income tax relating to items that will not be reclassified	29	-	(626 806)
Total items that will not be reclassified to profit or loss		-	29 631 564
Total comprehensive loss		(83 488 725)	(63 762 974)
Total comprehensive loss attributable to:			
Owners of parent		(83 488 725)	
Non-controlling interest		-	-
		(83 488 725)	(63 762 974)
Consolidated earnings per share			
Basic and diluted earnings per share (cents)			
Continuing operations	30	(125.82)	(140.75)

GONDWANA HOLDINGS LIMITED AND ITS SUBSIDIARIES

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GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Revaluation reserves	Shareholders' reserve	Retained earnings	Total
	N$	N$	N$	N$	N$	N$
Balance at 01/11/2019	66 357	132 301 614	171 353 956	17 364 558	210 615 792	531 702 277
Total comprehensive loss	-	-	29 631 564	-	(93 394 538)	(63 762 974)
Revaluation reserve release	-	-	(51 245)	-	51 245	-
Balance at 31/10/2020	66 357	132 301 614	200 934 275	17 364 558	117 272 499	467 939 303
Total comprehensive loss	-	-	-	-	(83 488 725)	(83 488 725)
Revaluation reserve release	-	-	(54 403)	-	54 403	-
Balance at 31/10/2021	66 357	132 301 614	200 879 872	17 364 558	33 838 177	384 450 578
Notes	16	16	17	18		

GONDWANA HOLDINGS LIMITED AND ITS SUBSIDIARIES
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GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS
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GROUP STATEMENT OF CASH FLOWS

	Notes	2021	2020
		N$	N$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		199 769 304	213 604 909
Payments to suppliers		(126 507 761)	(186 572 249)
Payments to employees		(93 396 891)	(111 818 248)
Cash utilised from operations	32	(20 135 348)	(84 785 588)
Taxation paid	34	(81 170)	(3 573 192)
Investment income received	26	15 983	208 236
Finance income received	27	17 307	66 052
Finance cost paid		(30 247 320)	(25 153 847)
Net cash outflow from operating activities		(50 430 548)	(113 238 339)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of joint venture	9	-	(6 750 000)
Investment in joint venture	9	(59 469)	-
Loan advanced to related party		(59 469)	-
Purchase of property, plant and equipment	3	(21 791 835)	(65 383 301)
Proceeds on disposal of property, plant and equipment		2 144 880	2 885 221
Net cash outflow from investing activities		(19 765 893)	(69 248 080)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease payments	20	(506 059)	(485 130)
Dividends paid	33	(722 031)	(819 902)
Proceeds from borrowings	35	26 918 528	271 757 574
Repayment of borrowings	35	(21 244 848)	(154 756 643)
Net cash inflow from financing activities		4 445 590	115 695 899
NET DECREASE IN CASH AND CASH EQUIVALENTS		(65 750 851)	(66 790 520)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	15	(50 193 067)	16 597 453
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	15	(115 943 918)	(50 193 067)

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COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	2021	2020
		N$	N$
ASSETS			
NON-CURRENT ASSETS			
Investment in subsidiaries	8	56 666	56 666
Loans to related parties	10	156 918 509	157 259 255
		156 975 175	157 315 921
CURRENT ASSETS			
Trade receivables	14	6 566	6 566
Cash and cash equivalents	15	416 249	1 142 951
		422 815	1 149 517
TOTAL ASSETS		157 397 990	158 465 438
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	16	66 357	66 357
Share premium	16	83 665 179	83 665 179
Retained earnings		73 482 773	73 828 190
		157 214 309	157 559 726
CURRENT LIABILITIES			
Dividend payable	33	183 681	905 712
TOTAL EQUITY AND LIABILITIES		157 397 990	158 465 438

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COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2021	2020
		N$	N$
OTHER INCOME		-	-
COST OF SALES		-	-
GROSS PROFIT		-	-
Operating expenses	25	(345 417)	(62 274)
Operating loss		(345 417)	(62 274)
Loss before taxation		(345 417)	(62 274)
Taxation	29	-	-
Loss for the year		(345 417)	(62 274)
Other comprehensive income		-	-
Total comprehensive loss		(345 417)	(62 274)

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COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Retained earnings	Total
	N$	N$	N$	N$
Balance at 31/11/2019	66 357	83 665 179	73 890 464	157 622 000
Total comprehensive loss	-	-	(62 274)	(62 274)
Balance at 31/10/2020	66 357	83 665 179	73 828 190	157 559 726
Total comprehensive loss	-	-	(345 417)	(345 417)
Balance at 31/10/2021	66 357	83 665 179	73 482 773	157 214 309
Notes	16	16		

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COMPANY STATEMENT OF CASH FLOWS

	Notes	2021	2020
		N$	N$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		-	-
Cash paid to suppliers		(345 417)	(62 274)
Cash utilised by operations	32	(345 417)	(62 274)
Net cash outflow from operating activities		(345 417)	(62 274)
CASH FLOW FROM INVESTING ACTIVITIES			
Loan repayment received from related party		340 746	60 807
Net cash inflow from investing activities		340 746	60 807
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	33	(722 031)	(819 902)
Net cash outflow from financing activities		(722 031)	(819 902)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(726 702)	(821 369)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	15	1 142 951	1 964 320
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	15	416 249	1 142 951

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, 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 Namibian Companies Act, No 28 of 2004.

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 Namibian dollars, which is the group and company's functional and presentation currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

1.2 Significant accounting judgements and estimates

Judgements made by management

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

Loans, receivables and impairment of financial assets

The group and company assess its loans and receivables for impairment at each statement of financial position date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the group and company makes judgements as to whether there is observable data indicating and estimated future cash flows from a financial asset.

The impairment for loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlated with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss estimated period.

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

The impact of Covid-19 on the recoverability of receivables has been considered. While the methodologies and assumptions applied in the base expected credit loss (ECL) calculations remained unchanged from those applied in the prior financial year, the group has incorporated estimates, assumptions and judgements specific to the impact of the Covid-19 pandemic. Whilst no material recoverability issues have been identified, there is a risk that the economic impacts of Covid-19 could be deeper or more prolonged than anticipated, which could possibly result in higher credit losses than those modelled under the base case. Refer to note 14 for further details on ECL.

Impairment of non-financial assets

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions.

1. ACCOUNTING POLICIES (continued)

1.2 Significant accounting judgements and estimates (continued)

Impairment of non-financial assets

The group and company review and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

The assumptions underpinning the value-in-use calculations used to evaluate the supportability of goodwill and intangible assets were adjusted to reflect reasonable estimates of the impact of Covid-19 and the increased risks associated with the estimated cash flows. There is an increased level of uncertainty around key assumptions in the current environment. This has the potential to impact the value-in-use assessment moving forward and potentially the carrying value of the respective intangible assets and goodwill. Refer to note 5 and 6 for further details on goodwill and intangible assets.

Valuations of land and buildings

Use is made of independent professionally qualified valuers. Valuations are currently performed on a three-year rotation cycle basis. Valuations are based on assumptions regarding discount rates, vacancy factors, structural conditions and inflation rates, and are performed by independent external valuers. Refer to note 3 for the valuation methodology applied.

There has been no change in the valuation methodology used for land and buildings as a result of Covid-19. The property valuations reflect the external valuers' assessment of the impact of the Covid-19 at the valuation date, hence the increased uncertainty in these key valuation assumptions.

The general risk environment in which the group operates has heightened largely due to the Covid-19 pandemic. For some of the groups' properties, the pandemic has had a significant impact on valuations.

Leases

Determining the lease terms

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. The renewal period for leases of land with longer non-cancellable periods (i.e., 10 to 25 years) are not included as part of the lease term as these are not reasonably certain to be exercised as these depend on future continued relationship with the community who owns the communal land, the minimum fixed lease payments for renewal periods are also not available hence no lease liabilities for these could be recognised. All future cash outflows have been included in the lease liability. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affect this assessment and that is within the control of the lessee. Refer to note 20 for further details on leases.

1. ACCOUNTING POLICIES (continued)

1.2 Significant accounting judgements and estimates (continued)

Taxation

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The group recognised a deferred tax asset, primarily relating to historical and current year tax losses. The recoverability of this deferred tax asset is dependent on the generation of sufficient future taxable income to utilise those tax losses. Covid-19 has increased the uncertainty in determining certain key assumptions underlying this assessment. The key assumption subject to this increased uncertainty include future revenue depended on tourist travels and the Covid-19 situation worldwide. Refer to note 11 for further details on deferred taxation.

1.3 Property, plant and equipment

The cost of an item of plant and equipment is recognised as an asset when:

- *The cost of the item can be measured reliably; and*
- *It is probable that future economic benefits associated with the item will flow to the group.*

Capital work in progress is stated at cost, net of accumulated impairment losses, if any. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add or to replace part of it.

Cost incurred to service an item of property, plant and equipment are expensed.

If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment. Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all property, plant and equipment other than land, to write down the cost, less residual value, on a straight-line basis over their useful lives as follows:

Item	***Depreciation rate***
Land	*Indefinite*
Buildings	*0 – 5% per annum (weighted average)*
Plant, machinery and equipment	*10 – 15% per annum (weighted average)*
Motor vehicles	*14 – 25% per annum (weighted average)*
Furniture and fittings	*10 – 15% per annum (weighted average)*
Computer equipment	*30% per annum*
Linen and crockery	*20% per annum*
Powerlines	*10% per annum*
Office and communication equipment	*15% per annum*

1. ACCOUNTING POLICIES (continued)

1.3 Property, plant and equipment (continued)

The residual value of the useful life of each asset are reviewed at each financial year-end.

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income in the year the asset is derecognised.

Where the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is written down to its recoverable amount through the statement of profit or loss and other comprehensive income.

Land is subsequently measured at the revaluation model. Properties are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Buildings are not depreciated where the residual value is higher than the carrying value. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in Other Comprehensive Income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. However, where management have assessed the residual value of the asset to be greater than its carrying value, no depreciation is recognised and no such transfer is made. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

1.4 Financial instruments

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

Broadly, the classified possibilities, which are adopted by the group and company, 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); or*

1. ACCOUNTING POLICIES (continued)

1.4 Financial instruments

Financial assets which are debt instruments: (continued)

- *Fair value through other comprehensive income. (This category applied only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or*

- *Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or*

- *Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).*

Financial liabilities:

- *Amortised cost; or*

- *Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or*

- *Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).*

Trade receivables

Classification

Trade receivables 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 group's business model is to collect the contractual cash flows on trade receivables.

Recognition and measurement

Trade receivables are recognised when the group and company become 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.

1. ACCOUNTING POLICIES (continued)

1.4 Financial instruments (continued)

Trade receivables (continued)

Impairment

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

The group measures the loss allowance for expected credit losses on trade 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 group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast director of conditions at the reporting date, including the time value of money, where appropriate. The customer base is widespread and does not show significantly different loss patterns for different customer segments. Provision matrix was used in the current year. Details of the provision matrix is presented in note 14. 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 profit or loss as a movement in credit loss allowance. Trade receivables are grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

Definition of default

The group considers a default event if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into consideration). Irrespective of this, the group considers that default has occurred when a customer's account is more than 30 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

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

Credit risk

Details of credit risk are included in the financial instruments and risk management note (note 37.1 (e)).

1. ACCOUNTING POLICIES (continued)

1.4 Financial instruments (continued)

Loans to related parties and other receivables

Classification

Loans to related parties and other receivables are classified as financial assets subsequently measured at amortised cost.

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Impairment

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.4 Financial instruments (continued)

Loans to related parties and other receivables (continued)

Significant increase in credit risk

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

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

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

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

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

Definition of default

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

Irrespective of the above analysis, the group considers that default has occurred when a loan instalment is more than 60 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

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

Measurement and recognition of expected credit losses

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

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

1. ACCOUNTING POLICIES (continued)

1.4 Financial instruments (continued)

Loans to related parties and other receivables (continued)

Measurement and recognition of expected credit losses (continued)

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

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

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

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

Details of credit risk related to loans to related parties are included in the financial instruments and risk management (note 39.1 (e)).

Other financial assets

Other financial assets are equity instruments and are measured at fair value through profit or loss where any change in fair value is recognised in profit or loss.

Interest bearing borrowings and loans from related parties

Classification

Loans from related parties and interest-bearing borrowings are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Interest-bearing borrowings and loans from related parties are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 28). Borrowings expose the group to liquidity risk and interest rate risk. Refer to note 39.1(c) for details of risk exposure and management thereof.

1. ACCOUNTING POLICIES (continued)

1.4 Financial instruments (continued)

Trade and other payables

Classification

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

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs. Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 39.1 (c) for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise of cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to insignificant risk of change in value.

For the purpose of the consolidated statement of cashflows cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

Derecognition of financial assets

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

Derecognition of financial liabilities

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

Bank overdrafts

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

1. ACCOUNTING POLICIES (continued)

*1.4 **Financial instruments (continued)***

Fair value methods and assumptions

The fair value of financial instruments traded in an organised financial market is measured at the applicable quoted prices.

The fair value of financial instruments not traded in an organised financial market, is determined using a variety of methods and assumptions that are based on market conditions and risk existing at statement of financial position date, including independent appraisals and discounted cash flow methods.

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair value.

*1.5 **Tax***

Current income tax

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 statement of financial position date.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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).

Deferred tax liabilities are measured at the rate substantively enacted at statement of financial position date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- *when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;*

- *in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.*

1. ACCOUNTING POLICIES (continued)

1.5 Tax (continued)

Deferred income tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The group offsets tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax expenses

Current and deferred taxes are recognised as income or an expense and include 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, directly in equity; or*
- *a business combination.*

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

Value-added tax

Revenues, expenses and assets are recognised net of the amount of value-added tax except:

- *where the value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of the acquisition of the asset or as part of the expense item as applicable; and*
- *receivables and payables that are stated with the amount of value-added tax included.*

The net amount of value-added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

GONDWANA HOLDINGS LIMITED AND ITS SUBSIDIARIES
COMPANY REGISTRATION NUMBER 2017/1055
GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021
SUMMARY OF ACCOUNTING POLICIES

1. ACCOUNTING POLICIES (continued)

1.6 ***Leases IFRS 16***

The group assess whether a contract is or contains a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases relate to short-term and low value leases for which the IFRS 16 recognition exemption is applied.

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

Lease payment included in the measurement of the lease liability comprise:

- *fixed lease payment (including in-substance fixed payments), less any incentives;*
- *variable lease payments that depend on an index or rate, initially measure using the index or rate at the commencement date;*
- *the amount expected to be payable by the lessee under residual value guarantees;*
- *the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and*
- *payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.*

The lease liability is presented as a separate line in the consolidated and separate 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 the lease payments made.

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

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

The group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

1. ACCOUNTING POLICIES (continued)

1.6 Leases IFRS 16 (continued)

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The group applies IAS 36 to determine whether a right-of-use asset is impaired and account for any identified impairment loss as described in the "Property, plant and equipment" policy.

Variable rents that do not depend on an index or rate are not included in the measurement of these liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payment occurs and are included in the line "Other expenses" in the statement of profit or loss. As practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The group has not used this practical expedient.

1.7 Share capital, equity and reserves

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.

Non-distributable reserves

Existing revaluation reserves are treated as non-distributable. Transfers to retained earnings only takes place upon the underlying asset being retired or disposed of.

Revaluation reserves arising from assets used by the entity may be transferred to retained earnings. The amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. However, where management have assessed the residual value of the asset to be greater than its carrying value, no depreciation is recognised and no such transfer is made. Transfers from the revaluation surplus to retained earnings are directly done in equity.

1.8 Intangible assets

An intangible asset is recognised when:

- *it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and*
- *the cost of the asset can be measured reliably. Intangible assets are initially recognised at cost if acquired separately or internally generated or at fair value (which is regarded as their cost) if acquired as part of a business combination. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.*

1. ACCOUNTING POLICIES (continued)

1.8 Intangible assets (continued)

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

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

The expenditure capitalised includes the cost of material, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss in the period in which it is incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Intangible assets are carried at cost less any accumulated amortization and any impairment losses. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired.

For all other intangible assets' amortisation is provided on a straight-line basis over their useful life tested for impairment. The amortisation period and the amortisation method for intangible assets are reviewed every period-end, with the effect of any changes in estimate being accounted for on a prospective basis. Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life. Internally generated brands, customer lists and items similar in substance are not recognised as intangible assets.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other subsequent expenditure is expensed as incurred. Amortisation commences when the project generating the intangible asset has been completed.

Intangible asset acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date, which is regarded as their cost. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided to write down the intangible assets on a straight-line basis, to their residual values. The foreseeable lives the intangible assets range between 5 and 10 years.

Intangible asset acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

1. ACCOUNTING POLICIES (continued)

1.8 Intangible assets (continued)

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

The useful lives of intangible assets have been assessed as follows. Amortised over straight-line method with no residual value.

Item of intangible asset	***Average useful life***
Computer software	*5 years*
Leasehold right	*Indefinite (refer to note 5)*

1.9 Inventories

Inventory is valued at the lower of cost and net realisable value.

Cost in each category is determined as follows:

- *Raw material at actual cost on a weighted average cost basis.*
- *Own manufactured products at direct raw material and labour cost plus an appropriate portion of production overheads on a weighted average cost basis.*
- *Consumable and trading stock at actual cost on a weighted average cost basis.*
- *Transfers from biological asset to inventory are valued at cost which is equal to fair value less cost to sell of the biological asset.*

1.10 Biological assets

Biological assets comprise of livestock and game. These are carried at fair value. Management assesses the fair value at each year-end. Changes in fair value are recognised through profit and loss.

1.11 Agricultural produce

Vegetables and agricultural products produced by the group are initially measured at its fair value less cost to sell at the time of harvest and recorded in inventories until used internally for making food for guests at various lodges. Vegetables and fruit produced by the group are subsequently measured at net realisable value. The net realisable value is determined based on market prices in the local area.

1.12 Dividend distribution

The company's dividend policy is to consider a final dividend in respect of each financial year up to a maximum of 33% of the net profit after tax for that year, subject to project financing and contractual operating requirements and availability of cash resources.

1. ACCOUNTING POLICIES (continued)

1.13 Employee benefits

Short-term employee benefits

Liabilities which relate to short-term employee benefits are not discounted and are recognised as current liabilities within trade and other payables.

A defined contribution plan is one under which the group and company pay fixed contributions into a separate entity and there is no legal or constructive obligation to pay any further contributions should that plan hold insufficient assets to fund all employee benefits relating to employee services in the current or prior periods. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

The cost of short-term employee benefits is recognised in the period in which the service is rendered. Short-term costs include salaries, wages, annual and sick leave costs, bonus and other profit-sharing costs and defined contribution costs.

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

The expected cost of profit sharing, and 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.

1.14 Consolidation of subsidiaries

Basis of consolidation

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

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

All inter-company transactions and balances between group companies are eliminated in full on consolidation.

Acquisitions and disposals

Subsidiaries are fully consolidated into the group's financial statements from the effective date of acquisition to the effective date of disposal or when control ceases.

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

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

1. ACCOUNTING POLICIES (continued)

1.15 Investments in subsidiaries

Investments in subsidiaries in the company annual financial statements are carried at cost less any accumulated impairment losses.

1.16 Joint ventures

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

Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. Profits or losses on transactions between the company and a joint venture are eliminated to the extent of the company's interest therein. After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on its investment in its joint ventures. At each reporting date, the group determines whether there is objective evidence that the investment in the joint venture is impaired.

If there is such evidence, the group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as "share of profit of joint venture" in the statement of profit or loss. When the company loses joint control, the group proportionately reclassified the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.17 Impairment of non-financial assets

The group assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

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

- *tests intangible assets with an indefinite useful life or intangible assets not yet available for use of impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual year and at the same time every year.*

- *tests goodwill acquired in a business combination for impairment annually.*

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

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

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

1. ACCOUNTING POLICIES (continued)

1.17 ***Impairment of non-financial assets (continued)***

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

1.18 ***Government grants***

Grants that compensate the group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case the grant is recognised when it becomes receivable.

1.19 ***Revenue recognition***

The group's key sources of income include: sale of accommodation, sale of food and beverages. The accounting for each of these elements is discussed below:

Sale of accommodation

The contract to provide accommodation is established when the customer books accommodation. The performance obligation is to provide the right to use accommodation for a given number of nights, and the transaction price is the room rate for each night determined at the time of the booking.

The performance obligation is met when the customer is given the right to use the accommodation, and so revenue is recognised for each night as it takes place, at the room rate for that night. Customers may pay in advance for accommodation. In this case the company has received consideration for services not yet provided. This is treated as a contract liability until the performance obligation is met. The contract liability is disclosed in the trade and other payables note 21 as deposits on accommodation and tour packages.

Sale of food and beverages

The contract is established when the customer orders the food or drink item, and the performance obligation is the provision of food and drink by the lodge. The performance obligation is satisfied when the food and drink is delivered to the customer, and revenue is recognised at this point at the price for the items purchased. Payment is made on the same day and consequently there are no contract assets or liabilities.

Sale of tour packages

Gondwana arranges leisure travel packages for tourists at lodges that it owns as well as lodges that are owned by external parties. It also provides car rental services to tourists. This division primarily carries out an intermediation activity in the sale of travel-related products and managing the booking of the hotel rooms.

Revenue is recognised when services are provided to the customer thus, from the date of commencement of the travel experience since it's understood that in this moment the performance obligation is fulfilled. Revenue is recognised as the amount of service fees receivable as determined based on the agreement entered with the principal party.

Customers pay in advance for the bookings. In this case the company has received consideration for services not yet provided. This is treated as a contract liability until the performance obligation is met. Contract liabilities are disclosed under note 21 trade and other payables as deposits on accommodation and tour packages.

1. ACCOUNTING POLICIES (continued)

1.19 Revenue recognition (continued)

Car rental services

The contract is established when the customer hires the vehicle, the performance obligation is the provision of the vehicle, and this is satisfied when the vehicle is delivered to the customer. Revenue is recognised at a point in time. The customer pays for the car rental vehicle as and when the service is availed.

Other revenue

Telephone, laundry, souvenirs, fuel, activities and other represents other services provided to customers. Revenue is recognised for at the time of rendering the service or at the point of sale.

Dividend income

Is recognised when the right to receive dividends is established.

1.20 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest of the instrument and continued unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate. Interest income is included in “finance income” in profit or loss.

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 January 2021 or later periods:

New/Revised International Financial Reporting Standards	***Effective date: Year beginning on or after***	***Expected impact***
IFRS 17 – Insurance Contracts *IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.*	*1 January 2023*	*Unlikely there will be a material impact*
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) *The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.*	*1 January 2023*	*Unlikely there will be a material impact*

2. STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE (continued)

New/Revised International Financial Reporting Standards	***Effective date: Year beginning on or after***	***Expected impact***
Reference to the Conceptual Framework (Amendments to IFRS 3) *The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.*	*1 January 2022*	*Unlikely there will be a material impact*
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16) *The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.*	*1 January 2022*	*Unlikely there will be a material impact*
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) *The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).*	*1 January 2022*	*Unlikely there will be a material impact*
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) *The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added.* *To support the amendment, International Accounting Standards Board (IASB) has also developed guidance and examples to explain and demonstrate the application of the "four-step materiality process" described in IFRS Practice Statement 2.*	*1 January 2023*	*Unlikely there will be a material impact*

2. *STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE (continued)*

New/Revised International Financial Reporting Standards	Effective date: Year beginning on or after	Expected impact
Definition of Accounting Estimates (Amendments to IAS 8) The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimates that results from new information or new developments is not the correction of an error.	1 January 2023	Unlikely there will be a material impact
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.	1 January 2023	Unlikely there will be a material impact
Annual improvements to IFRS Standards 2018 – 2020 (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture) The amendments consist of the following four standards:		
IFRS 1 First-time Adoption of International Financial Reporting Standards The amendment provides additional relief to a subsidiary which becomes a first-time adopter later that its parent in respect of accounting for cumulative translation difference.	1 January 2022	Unlikely there will be a material impact
IFRS 9 Financial Instruments The amendment concerns fees in the "10 per cent" test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.	1 January 2022	Unlikely there will be a material impact
IFRS 16 Leases The amendment removes the illustration of the reimbursement of leasehold improvement. As the amendment to IFRS 16 only regards an illustrative example, no effective is stated.	As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.	Unlikely there will be a material impact
IAS 41 Agriculture The amendment removes the requirement in IAS 41 for the entities to exclude cash flows for taxation when measuring fair value.	1 January 2022	Unlikely there will be a material impact

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3. PROPERTY, PLANT AND EQUIPMENT

Group	Capital work in progress	Land and buildings	Plant, machinery and equipment	Motor vehicles	Furniture & fittings	Computer equipment	Linen and crockery	Power-lines	Total
	N$	N$	N$	N$	N$	N$	N$	N$	N$
Year ended 31/10/2021									
Opening net carrying amount	10 496 690	683 716 159	14 638 549	53 672 232	35 180 237	1 276 467	11 738 980	967 272	811 686 586
Transfer work in progress	(2 193 921)	1 610 998	562 449	-	20 474	-	-	-	-
Additions	128 155	-	49 146	21 450 108	-	164 426	-	-	21 791 835
Disposals	(2 694)	-	(22 800)	(1 874 290)	-	-	-	-	(1 899 784)
Depreciation	-	(472 407)	(3 553 333)	(14 321 604)	(7 351 333)	(891 921)	(3 553 863)	(166 739)	(30 311 200)
Closing net carrying amount	8 428 230	684 854 750	11 674 011	58 926 446	27 849 378	548 972	8 185 117	800 533	801 267 437
At 31/10/2021									
At cost / valuation	8 428 230	692 689 351	28 807 192	100 669 868	49 432 274	5 238 707	17 884 097	2 552 694	905 702 413
Accumulated depreciation	-	(7 834 601)	(17 133 181)	(41 743 422)	(21 582 896)	(4 689 735)	(9 698 980)	(1 752 161)	(104 434 976)
Net carrying amount	8 428 230	684 854 750	11 674 011	58 926 446	27 849 378	548 972	8 185 117	800 533	801 267 437

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Group	Capital work in progress	Land and buildings	Plant, machinery and equipment	Motor vehicles	Furniture & fittings	Computer equipment	Linen and crockery	Power-lines	Total
	N$	N$	N$	N$	N$	N$	N$	N$	N$
Year ended 31/10/2020									
Opening net carrying amount	60 160 479	574 452 529	15 593 379	53 695 556	29 618 772	2 337 901	9 462 649	1 134 009	746 455 274
Transfer work in progress	(58 024 652)	58 024 652	-	-	-	-	-	-	-
Additions	8 360 863	21 851 572	2 451 060	15 196 917	11 808 562	548 947	5 165 380	-	65 383 301
Revaluation	-	30 258 377	-	-	-	-	-	-	30 258 377
Disposals	-	-	-	(2 852 526)	-	-	-	-	(2 852 526)
Depreciation	-	(870 971)	(3 405 890)	(12 367 715)	(6 247 097)	(1 610 381)	(2 889 049)	(166 737)	(27 557 840)
Closing net carrying amount	10 496 690	683 716 159	14 638 549	53 672 232	35 180 237	1 276 467	11 738 980	967 272	811 686 586
At 31/10/2020									
At cost / valuation	10 496 690	691 078 353	28 252 597	82 013 879	49 411 800	5 074 289	17 884 097	2 552 694	886 764 399
Accumulated depreciation	-	(7 362 194)	(13 614 048)	(28 341 647)	(14 231 563)	(3 797 822)	(6 145 117)	(1 585 422)	(75 077 813)
Net carrying amount	10 496 690	683 716 159	14 638 549	53 672 232	35 180 237	1 276 467	11 738 980	967 272	811 686 586

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Group only

Land and buildings consist of the following:

- *Portion 2 of Farm Kanebis No 5, registration division "V", measuring 40 hectares and portion 1 of Farm Kanebis No 5, registration division "V", measuring 6 000 hectares at a cost of N$ 528 960. The land was revalued in 2020 to N$ 400 per hectare amounting to N$ 2 416 000. The buildings relating to this land were valued at N$ 65 799 650. The valuation was performed by Mr P J Scholtz, a qualified property valuator. The depreciated replacement valuation was used for all buildings and the comparable sales value was used for the land.*

- *Portion of Farm Witklip number 68, situated between Outjo and Khorixas. The property was revalued to N$ 29 555 000 by P J Scholtz a qualified property valuator in April 2020 as noted above and on the same basis.*

- *Hakusembe River Lodge is built on a right of leasehold with the Government of Namibia applicable for another 16 years on a renewable basis. The buildings and property rights were valued by Mr P J Scholtz a registered valuator at N$ 14 295 000 in 2020.*

- *Chobe River Camp is built on a right of leasehold with the Government of Namibia applicable for another 8 years with an expected extension period. The building and property rights were valued by Mr P J Scholtz a registered valuator at N$ 13 761 930 in 2020.*

- *Zambezi Mubala Lodge is built on a right of leasehold with the Government of Namibia applicable for another 13 years with an expectation to extend.*

- *Zambezi Mubala Camp is built on a right of leasehold with the Government of Namibia applicable for another 16 years with an expected extension period.*

- *Farm Dieprivier No 972, held by title deed 6007/2011, situated in the Khomas region, measuring 12583 hectares. During April 2020 a registered valuator, Mr P J Scholtz, set a value of N$ 103 895 000 on the property. The property has been mortgaged in favour of Bank Windhoek as security on a combined first covering mortgage bond of N$ 72 000 000.*

- *Portion 8 of the farm Dabib No 112, Mariental district in the Hardap region, measuring 9656 hectares. The property was revalued during April 2020 by a registered valuator, Mr P J Scholtz, placing a value of N$ 74 605 000 on the property.*

- *Erf 805 (a portion of Erf 78), Klein Windhoek measuring 1365 square metres with improvements thereon. The property was mortgaged by a combined first covering mortgage bond of N$ 72 000 000 in favour of Bank Windhoek and is held under Title Deed T2961/05. The property was valued by Mr P J Scholtz at N$ 8 550 000 using market value.*

- *The property at Section 1 and 2 Madiba's Corner, Klein Windhoek.*

- *Portion 1 of Farm Eldorado No 449, registration division "A", measuring 402.5459 hectares with improvements thereon. The property is held under Title Deed T1401/1980. The property was revalued in April 2020 by Mr P J Scholtz to N$ 58 770 000.*

- *Portion 1 of Farm Holoogberg No 107, registration division "T", measures 468 hectares. The property was revalued in April 2020 by Mr P J Scholtz to N$ 187 200. A combined first covering bond of N$ 72 000 000 was registered in favour of Bank Windhoek. Cession of adequate fire cover held.*

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group only

- *Portion 8 of portion A, and portion 11 (Dieprivier) (of portion A) of the Farm Holoog No 106, registration division "T", measuring 10575,6842 ha. The property was valued in April 2020 by Mr P J Scholtz, a registered property valuator at N$ 400 per hectare. A combined first covering mortgage bond was registered in favour of Bank Windhoek.*

- *Farm Altdorn No 3, registration division "V", measuring 13 231 hectares and farm No 376, registration division "V", measuring 2 423 hectares, both held by deed of transfer T 1189/2000. The property was valued during April 2020 by Mr P J Scholtz, a registered property valuator at N$ 400 per hectare.*

- *Remaining extent of farm Karios No 8, registration division "V", measuring 5 412 hectares and Portion 1 of farm Karios No 8, registration division "V", measuring 6 999 hectares, both held by deed of transfer T 7622/1996. The property was valued in April 2020 by Mr P J Scholtz, a registered property valuator at N$ 400 per hectare. A combined first covering bond of N$ 72 000 000 has been registered in favour of Bank Windhoek as security.*

- *Farm Augurabis No 109, registration division "T", measuring 11 634 hectares, held by deed of transfer T 6887/1995. The property was valued in April 2020 by Mr P J Scholtz, a registered property valuator at N$ 400 per hectare. A combined first covering bond of N$ 72 000 000 was registered in favour of Bank Windhoek.*

- *Farm Holoogberg No 107, registration division "T", measuring 12 119 hectares, held by deed of transfer T 2536/1995. The property was valued in April 2020 by Mr P J Scholtz, a registered property valuator at N$ 400 per hectare. A combined first covering bond of N$ 72 000 000 was registered in favour of Bank Windhoek.*

- *Farm Stamprivier No 108, registration division "T", measuring 15 759 hectares, held by deed of transfer T 7098/1996. The property was valued in April 2020 by Mr P J Scholtz, a registered property valuator at N$ 400 per hectare. A combined first covering bond of N$ 72 000 000 was registered in favour of Bank Windhoek.*

- *Property comprises remainder of Portion A of farm Holoog No 106, registration division "T", measuring 8 423 hectares, held by deed of transfer T 5576/1999. The property was valued in April 2020 by Mr P J Scholtz, a registered property valuator at N$ 400 per hectare.*

- *Property comprises remaining portion of farm Frankfurt No 7, registration division "V", measuring 7 324 hectares and portion 2 of farm Karios No 8, registration division "V", measuring 3 000 hectares, both held by deed of transfer T 1352/2000. The property was valued in April 2020 by Mr P J Scholtz, a registered property valuator at N$ 400 per hectare.*

- *Portion 1 of Erf no 146 registered in the Municipality of Swakopmund, division "F", measuring 450 square meters held by virtue of title transfer no T3260/2001.*

- *Erf 149 and Erf 146 situated in the Municipality of Swakopmund have been consolidated into Erf 5738. A first bond of N$ 50 000 000 has been registered in favour of The Development Bank of Namibia.*

- *Remainder of Erf no 146 in the Municipality of Swakopmund registered in division "F", measuring 901 square meters. Both Erf no 146 and Erf no 149 properties were valued in April 2020 by Mr P J Scholtz, a registered property valuator. The properties were valued at N$ 70 530 000.*

- *Portion 2 of Farm Leverbreek No 110, registered in division "T" measuring 5999,9949 hectares, held by deed of transfer no T1091/2003. The farms were valued in April 2020 by Mr P J Scholtz, a registered property valuator at N$ 400 per hectare.*

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3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group only

- *Portion 1 of Farm Chamaites No 113, registered division "T" measuring 2440,6351 hectares, held by deed of transfer no T1091/2003. The farms were valued in April 2020 by Mr P J Scholtz, a registered property valuator at N$ 400 per hectare.*

- *Farm Elizabeth No 383 registered division "T" measuring 5764,3730 hectares, held by deed of transfer no T3730/1990. The farms were valued in April 2020 by Mr P J Scholtz, a registered property valuator at N$ 400 per hectare.*

- *Certain piece of land situated in the district of Wankie, being stand 1388 Victoria Falls Township Lands measuring 91144 square meters, held by Title Deed no 973/2012.*

- *Remaining portion 1 of Erf 78, Klein Windhoek, measuring 1368 square meters. The property is mortgaged by a combined first covering mortgage bond of N$ 72 000 000 in favour of Bank Windhoek. The property was valued in April 2020 by Mr P J Scholtz at N$ 5 950 000 using market valuation.*

- *The building acquired through the acquisition of the subsidiary, Namushasha Country Lodge (Pty) Ltd, consists of a lodge built on the land belonging to the Government of the Republic of Namibia, occupied in accordance with a right of leasehold with the government with an extension period. The first right of leasehold expires in 2025. The buildings were valued in April 2020 by Mr P J Scholtz, a registered valuator at N$ 24 260 000.*

- *The building acquired through the acquisition of subsidiary; Antigua Island Investments (Pty) Ltd consists of a lodge built on the land belonging to the Government of the Republic of Namibia. The right of use is based on the concession agreement which is for 20 years expiring in 2033.*

- *Omarunga comprise of a lodge erected on property pertaining to the right of leasehold issued by the Ministry of Lands, Resettlement and Rehabilitation in 2017. The lease is for a period of 10 years expiring in 2027.*

- *King Nehale Lodge consist of a lodge built on a right of leasehold with the conservancy applicable for 24 years on a renewable basis.*

- *Property comprising of Erf no 337, (a portion of Erf no 6) Prosperita, situated in the Municipality of Windhoek registration division "K", Khomas region measuring 1016 square meters and held by deed of transfer no T 0833/2020.*

- *Property comprising of Erf no 76, Sungate measuring 1,2585 hectares situated in the Municipality of Windhoek, registration division "K" Khomas region, held by deed of transfer no T 9016/2018.*

- *Property comprising of Erf no 75, Sungate measuring 5862 hectares situated in the Municipality of Windhoek, registration division "K" Khomas region, held by deed of transfer no T 4804/2014.*

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3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group only

If land and building in Gondwana group were measured using the cost model, the carrying amounts would be as follows:

	2021	2020
	N$	N$
Cost		
Cost	490 611 874	489 000 876
Accumulated depreciation	(7 754 596)	(7 282 189)
	482 857 278	481 718 687

Details of valuation

Properties across the group are valued by an independent third party at least once in a 3-year cycle. The valuation is based on the depreciated replacement method, for lodges market value for admin properties in Windhoek and comparable sales value for land. The valuations were last performed by Mr P J Scholtz, a qualified property valuator.

The valuer has experience in the location and categories of properties being valued. All properties are otherwise valued by the directors during the period in which they are not independently valuated. The properties were last valued in 2020.

It is the policy of the group that revaluations on land and buildings are independently performed every 3 years unless the properties have been previously acquired within the previous 3 years, in that case management believes that their fair values do not differ significantly to their carrying amounts at year-end.

Valuation technique and significant unobservable inputs

Valuations performed in 2020 were done by a qualified and independent valuator of properties, Mr P J Scholtz. Three methods of valuations were applied, market value for the properties in Windhoek, depreciated replacement values for buildings on lodges and comparable sales values for land.

The properties in Windhoek were valued based on potential rental income generated capitalised at a market return of 9%. The rental income was determined at a rate of N$ 165 per square meter less cost of approximately 15%. The location of the property was also taken into consideration.

The lodge buildings were valued at depreciated replacement value. The replacement values were determined using the square meters of the buildings constructed, plus a value for the land. The cost of constructions used varied between N$ 500 per square meter to N$ 9 500 per square meter depending on the actual construction, location of the construction and considering complexity of the construction. Each constructed area was separately assessed applying an appropriate rate per square meter constructed. A value was added to the building value when constructed on right of leasehold land to take into account the fair value of the building.

The values obtained were adjusted for a depreciation factor. The factor applied ranged from 20% to 40% depending on the age of the lodge and the actual physical condition of the lodge, noting that continuous maintenance is executed on all lodges.

The underlying land was valued at a comparable sales value. These values varied significantly based on the location of the land. Land values for commercial farm and land ranged from N$ 500 per hectare to N$ 75 000 per hectare. These values also varied depending on access to key tourism sites such as access to National Parks.

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group only

Valuation technique and significant unobservable inputs (continued)

Property at Swakopmund was valued based on the potential bed night income generated, capitalised at a market return of 12%. The bed night rate was determined at a rate of N$ 1 880 to N$ 3 010 per room which was annualised taking into account the occupation rate less cost of approximately 65%.

Fair value hierarchy

All properties are classified as level 3 in terms of the fair value hierarchy.

4. RIGHT-OF-USE ASSETS

Group

Right-of-use assets comprise the following:	N$
Year ended 31 October 2021	**Land**
Opening net carrying amount	11 464 591
Depreciation	(936 252)
Remeasurement	3 063 414
Closing net carrying amount	13 591 753
At 31 October 2021	
Cost	15 462 957
Accumulated depreciation	(1 871 204)
Net carrying amount	13 591 753
Year ended 31 October 2020	
Recognised on adoption of IFRS 16 (1 November 2019)	12 399 543
Depreciation	(934 952)
Closing net carrying amount	11 464 591
At 31 October 2020	
Cost	12 399 543
Accumulated depreciation	(934 952)
Net carrying amount	11 464 591

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5. INTANGIBLE ASSETS

Group

Reconciliation of intangible assets

	Leasehold right	(*) Computer software	Total
	N$	N$	N$
Cost			
At 1 November 2019	25 686 365	3 497 143	29 183 508
Additions	-	-	-
Acquisition of a subsidiary	-	-	-
Balance at 31 October 2020	25 686 365	3 497 143	29 183 508
Additions	-	-	-
Acquisition of a subsidiary	-	-	-
Balance at 31 October 2021	25 686 365	3 497 143	29 183 508
Amortisation and Impairment			
At 1 November 2019	-	1 304 286	1 304 286
Amortisation	-	725 819	725 819
Impairment	-	-	-
Balance at 31 October 2020	-	2 030 105	2 030 105
Amortisation	-	717 122	717 122
Impairment	-	-	-
Balance at 31 October 2021	-	2 747 227	2 747 227
Net book value			
At 31 October 2021	25 686 365	749 916	26 436 281
At 31 October 2020	25 686 365	1 467 038	27 153 403
Remaining useful life	-	1 year	-

Additional information:

For more detail related to the above, refer to notes below.
(*) Internally generated.

5. INTANGIBLE ASSETS (continued)

Amortisation / impairment

The computer software relates to a shopping cart portal developed which links directly into the reservation's system.

The useful lives of intangible assets have been assessed as follows: Amortised over straight-line method with no residual value.

Item of intangible asset	***Average useful lives***
Leasehold right	*Indefinite (*)*
Computer software	*5 years*

(*) Certain assets, including buildings, right of leasehold assets and goodwill relate to assets of which control is governed by underlying access to communal land. The access and right to this communal land are governed by joint venture agreements with respective conservancies and the applicable right of leasehold. Management has assessed all underlying structures and agreements in place and has assessed that access to these areas will be under the group's control for at least 25 years, but with the intention of keeping control indefinitely through the renewal option. Therefore, management have assessed that no depreciation and amortisation is applicable on these assets as the leasehold right useful lives is estimated as indefinite based on the substance over form of this purchased right. In addition to this, the applicable lodges are being revalued on a 3-yearly basis. Management also reassesses arrangement with each lodge on an annual basis to ensure that conditions have not changed and therefore assessing that no impairment is applicable.

	2021	*2020*
Group	*N$*	*N$*
Leasehold right		
Opening net carrying amount	*9 638 572*	*9 638 572*
Closing net carrying amount	*9 638 572*	*9 638 572*

This relates to Zambezi Mubala Safari Lodge comprising of a Safari Lodge situated on the Zambezi river. Leasehold right granted by Ministry of Lands And Resettlement to Kalizo Fishing and Photographic Safaris (Pty) Ltd (a subsidiary), Kalimbeza area in respect of tourism for a remaining period of 13 years with an expectation to renew. Area measuring approximately 5 hectares.

Opening net carrying amount	*6 974 470*	*6 974 470*
Closing net carrying amount	*6 974 470*	*6 974 470*

Comprise of Camp Chobe Safaris situated in the Zambezi region. Leasehold right granted by Ministry of Lands And Resettlement to Camp Chobe Safaris (Pty) Ltd, Ngoma Village in Ngoma Communal Area, in respect of tourism for a remaining period of 8 years with an expectation to renew. Area measuring approximately 18.3 hectares.

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	2021	2020
	N$	N$

5. INTANGIBLE ASSETS (continued)

Opening net carrying amount	5 000 000	5 000 000
Acquired during the year	-	-
Closing net carrying amount	5 000 000	5 000 000

This relates to Palmwag Lodge situated in the Northwest of Namibia, the group acquired the right of use based on the concession agreement for a remaining period of 13 years.

Opening net carrying amount	4 073 323	4 073 323
Closing net carrying amount	4 073 323	4 073 323

This relates to Omarunga Camp situated in the Kunene region. Leasehold right granted by Ministry of Lands and Resettlement in respect of tourism for a remaining period of 6 years with an expectation to renew.

Right of leasehold and computer software	26 436 281	27 153 403

6. GOODWILL

Group	Goodwill
	N$
Cost	
Balance at 31 October 2020	24 049 082
Balance at 31 October 2021	24 049 082
Impairment	
At 1 November 2020	-
Impairment	12 304 000
Balance at 31 October 2021	12 304 000
Net book value	
At 31 October 2021	11 745 082
At 31 October 2020	24 049 082

6. GOODWILL (continued)

Group (continued)

For more details relating to goodwill refer to the explanations below:

	2021 N$	2020 N$
Goodwill acquired		
- Antigua Island Investment (Pty) Ltd	10 895 663	10 895 663
- Woestynplaas (Pty) Ltd	849 419	849 419
- Cardboard Box	-	11 782 000
- New African Frontiers	-	522 000
	11 745 082	24 049 082
Opening balance	24 049 082	24 049 082
Impairment of goodwill	(12 304 000)	-
Closing balance	11 745 082	24 049 082

Antigua Island Investment (Pty) Ltd

The total value of Antigua Island Investments (Pty) Ltd including goodwill as disclosed in the annual financial statements is N$ 43 million as at 31 October 2021 including capital work in progress. This is a separately identifiable cash generating unit. The prior year goodwill assessment was compared to active results for the year, and the cash generating unit were better than as per assessments. In assessing the recoverable amount, being the value in use of the cash generating unit, budgeted profits for 2022 were used, adjusted for update expectations based on provisional bookings and estimated bed nights and considering the current economic environment. In determining the discounted cash flow of the Palmwag Lodge (Antigua Island Investments (Pty) Ltd). The following were key assumptions:

- Tourism will return to normality within the next 1 year, keeping expected bed nights conservative.
- Growth rate of 3% per annum, discount has been determined based on a value in use calculation using cash flow projections from financial budget approved by senior management, covering a 12-year period.
- A post tax weighted average cost of capital of 8.84% was used as the discount factor, which was based on the current debt equity ratio weighting, taking a pre-tax 7.5% debt rate (in line with prime lending rate) and 18.5% cost of equity, based on the pre-covid return on equity of the group which was also in line with market capitalisation at that time.
- Except for inflation, no direct growth rate was applied. Actual expected occupancy was used as revenue generator. This was levelled out at an expected maximum expected level.
- The underlying term of the right-of-leasehold was used as the period for the discounted cash flow, as this was the basis of acquisition when acquiring the asset originally. The period ends in 2033, with a right of renewal, which was not taken into account.
- The terminal value was taken as the actual cost (not adjusted for inflation) invested in the actual physical asset of the company, as this is the minimum expected sales value of the underlying asset at the end of the original lease period. Value for goodwill or right-of-leasehold were not considered.

Based on the above assumptions, the net present value of the investment amounts to N$ 50.5 million which exceeds the current carrying value of the cash generating unit of N$ 43 million. In addition, management performed some sensitivity analysis, should there be a situation where the recovery in tourism is slower than expected. The directors were still satisfied that no impairment is applicable.

6. GOODWILL (continued)

Cardboard Box

Cardboard Box was acquired in 2018. Cardboard Box is a separate cash generating unit. The value of the unit as was disclosed in the financial statements consisted of goodwill. In the prior year, management did an assessment of the cash generating unit based on a return to Tourism within 2 years, a finite period of 5 years for purposes of the assessment of the present value of the unit and other market related drivers. The assessment indicated the present value to exceed the recorded value. Therefore, no impairment was applicable in the prior year.

In the current year under review, the actual results of Cardboard Box were significantly worse than the anticipated results as per the above assessment. As such, management considered the impairment of goodwill.

In this assessment, management considered the following:

- *The purchase price was based on the earning potential of the unit. Before Covid-19, the business had not reached its potential under the Gondwana banner and management had finetuned the processes. It was expected that the unit would now generate significant profits. As Covid-19 hit, along with everything else in Tourism, Cardboard Box incurred significant losses.*
- *In the current year, Covid-19 has endured. The result was significant losses for the unit, even significantly exceeding the expected conservative scenario.*
- *Although the business basis of the unit is still relevant and management believe that the actual travel shop principle will generate profits for the future, the fact that the unit has not generated profits since inception (largely due to Covid-19) but also the prolonged effect of Covid-19 has resulting in the questionability of the value of the originally acquired Cardboard Box still being present and relevant. The business principle has been taken over and will be utilised, but due to the prolonged effect of Covid-19 the value of the original business is no longer the driver behind the expected profits, as the revenues that were generated in the past could not be continued, and that future revenues of the business can no longer be considered as a result of the business taken over but rather of the change in the landscape and how the unit has adjusted.*

As a result, due to the prolonged effect of Covid-19, and the negative results in the current year, management have determined that the goodwill should be fully impaired. This is due to the fact that the recoverable amount, being the value-in-use of the cash generating unit, of the originally recognised goodwill amounts to zero based on the assessment above. In this assessment, the same inputs as used for Antigua Island Investments (Pty) Ltd, were applied. The same considerations were made in terms of the New African Frontiers Goodwill. Therefore, the income statement charge in the current year for the impairment of goodwill relating to Cardboard Box amounts to N$ 11 782 000, and N$ 522 000 for New African Frontiers.

Woestynplaas (Pty) Ltd and New African Frontiers

The goodwill relating to these investments is not significant for the group, therefore no additional disclosure is provided. Management have assessed that no impairment is applicable to Woestynplaas (Pty) Ltd. Management have assessed that as a result of the same reasons as noted for Carboard Box, New African Frontiers is to be fully impaired. Thus, the total impaired for the year amounts to N$ 12 304 000.

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7. OTHER FINANCIAL ASSETS

Group	Percentage holding	2021	2020
	%	N$	N$
31 October 2021			
Investments in financial assets			
- Naukluft Electricity Investments (Pty) Ltd	12%	474	474
		474	474

The investment in Naukluft Electricity Investments (Pty) Ltd represents the shares held in the private regional electricity distributor supplying electricity to some of the group's lodges.

8. INVESTMENT IN SUBSIDIARIES

Company

The following table lists the entities which are controlled directly by the company. All subsidiaries are wholly owned, and the share capital consists of ordinary shares at N$ 1.00 each

Investment in subsidiaries	% Holding 2021	% Holding 2020	Number of shares held	Shares at cost 2021	Shares at cost 2020
				N$	N$
Gondwana Collection Namibia (Pty) Ltd	100%	100%	100	100	100
Nature Investments (Pty) Ltd	100%	100%	56 566 099	56 566	56 566
TOTAL				56 666	56 666

9. INVESTMENT IN JOINT VENTURE

Group

Investment in joint venture	Nature of business	% Ownership interest 2021	% Ownership interest 2020	Carrying amount 2021	Carrying amount 2020
				N$	N$
Island Marble Investments (Pty) Ltd	Property owning	50.00%	50.00%	7 004 896	6 979 301

The group has a 50% interest in Island Marble Investments (Pty) Ltd, a company incorporated in Namibia. The joint venture is a property holding company. The property is used as an administrative building by the group. The group's interest in Island Marble Investments (Pty) Ltd is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below.

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9. INVESTMENT IN JOINT VENTURE (continued)

Group (continued)
Summarised financial information:

Summarised statement of financial position:

	2021	2020
	N$	N$
Assets:		
Non-current assets	14 000 312	14 000 000
Shareholder's loan	21 919	24 919
Cash and cash equivalents	2 548	22 644
Total assets	14 024 779	14 047 563
Liabilities:		
Other current liabilities	123 923	88 961
Total liabilities	123 923	88 961
Net assets	13 900 856	13 958 602
Group's share in equity – 2021: 50% (2020: 50%)	6 950 427	6 979 301
Loan to Joint Venture	59 469	-
Intra group rent	(5 000)	-
Group's carrying amount of the investment	7 004 896	6 979 301
Income	10 000	22 500
Operating expenses	(94 906)	(62 961)
Tax release/(charge)	27 169	(26 857)
Loss for the year and total comprehensive income	(57 737)	(67 318)
Group's share of loss	(28 868)	(33 659)
Intra group rent	(5 000)	-
Excess on acquisition of joint venture	-	262 960
Total share of profit from joint venture	(33 868)	229 301
Carrying value		
Cost of investment	6 750 000	6 750 000
Equity accounted earnings to date	(67 533)	(33 659)
Loan to Joint Venture	59 469	
Recognising excess with acquisition	262 960	262 960
Carrying value of investments in joint venture	7 004 896	6 979 301

The group joint venture had no contingent liabilities or capital commitments.

	2021	2020
	N$	N$

10. LOANS TO RELATED PARTIES

Group

Loans to related parties comprises:

	2021 N$	2020 N$
Island Marble Investments (Pty) Ltd	59 469	-
Naukluft Electricity Investments (Pty) Ltd	762 497	762 497
	821 966	762 497

Company

	2021 N$	2020 N$
Gondwana Collection Namibia (Pty) Ltd	45 742 803	46 144 356
Nature Investments (Pty) Ltd	111 175 706	111 175 706
	156 918 509	157 320 062

The related party loans are unsecured and bears no interest.

The carrying values of the amounts owed by related parties approximates their fair values.

Loans to related parties are regarded as long-term. These loans have a low credit risk as the counterparties are profitable entities generating enough cash to meet their obligations. This is expected to continue in the future and thus the expected credit loss allowance is assessed to be immaterial.

11. DEFERRED TAXATION

Group

	2021 N$	2020 N$
Opening balance	7 325 612	51 382 367
Temporary differences on property, plant and equipment	6 186 160	18 301 115
Temporary differences on revaluation of property (OCI)	-	626 806
Temporary differences on prepayments	(159 607)	274 471
Temporary differences on non-refundable deposits (#)	(1 992 826)	2 057 215
Temporary differences on livestock	(2 988)	(27 440)
Temporary difference on right-of-use asset	680 691	3 668 670
Temporary differences of lease liabilities	(818 353)	(3 812 615)
Temporary differences on provision for credit losses	131 700	(159 984)
Assessable losses	(36 014 387)	(64 984 993)
Deferred tax closing balance	(24 663 998)	7 325 612

(#) Temporary difference and deferred tax arise from deposits on accommodation and tour packages that are non-refundable.

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	2021	2020
	N$	N$

11. DEFERRED TAXATION (continued)

Group

Deferred tax comprises of:

	2021 N$	2020 N$
Accelerated wear, tear and building allowances and leasehold improvement allowances	81 689 533	75 503 373
Assessed loss recognised	(103 571 086)	(67 556 700)
Income received in advance	(3 050 244)	(1 057 419)
Prepayments	508 360	667 967
Right-of-use asset	4 349 360	3 668 670
Lease liabilities	(4 630 968)	(3 812 615)
Provision for expected credit losses	(28 285)	(159 984)
Livestock	69 332	72 320
	(24 663 998)	7 325 612

The balance above is disclosed in the statement of financial position as follows:

	2021 N$	2020 N$
Deferred tax asset	(64 418 944)	(33 410 604)
Deferred tax liability	39 754 946	40 736 216
	(24 663 998)	7 325 612

The entities within the group have assessable losses of N$ 323 659 653 (2020: N$ 211 114 688) that are available for offsetting against future taxable income of the companies in which the losses arose.

Management have assessed the approved financial forecasts of the group and have determined that the group will earn sufficient taxable income in the future to utilise all tax losses once the effect of the Covid-19 pandemic decreases.

The table below presents estimated timing of recovery of deferred tax balance:

	2021 N$	2020 N$
Within 12 months	(2 431 441)	(424 751)
After 12 months	(22 232 557)	7 750 363
Deferred tax liability closing balance	(24 663 998)	7 325 612

Company

No deferred taxation has been provided for.

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	2021	2020
	N$	N$

12. INVENTORIES

Group

Merchandise for resale	4 804 365	7 289 943
Food and beverages	3 083 242	2 657 457
Camping equipment	5 127 480	3 359 036
Consumables	2 024 708	2 296 595
	15 039 795	15 603 031

There was no provision for obsolete inventory in the current year (2020: 0).

13. BIOLOGICAL ASSETS

Group

Livestock and game	216 661	226 000

The fair values are based on market price of livestock and game of similar age, weight and market value.

14. TRADE AND OTHER RECEIVABLES

Group

Financial instruments

Trade debtors	10 753 872	3 062 981
Credit loss allowance	(117 855)	(666 603)
Staff loans (!)	16 106	10 097
Deposits	459 046	473 482
Insurance refundable (*)	573 244	315 206
Other (#)	2 916 092	3 735 119
Total financial instruments	14 600 505	6 930 282

(*) Relates to insurance receivable for staff or tourists that have been injured or suffered a loss.
(!) Expected credit losses for staff loans are considered to be immaterial.
(#) Relates to debit balances reclassified from trade payables.

Non-financial instruments

Prepaid suppliers	1 588 625	2 087 397
Value added tax receivable	2 049 239	9 806 057
Total non-financial instruments	3 637 864	11 893 454
	18 238 369	18 823 736

	2021	2020
	N$	N$

14. TRADE AND OTHER RECEIVABLES (continued)

Company

Financial instruments

Trade receivables	6 566	6 566

The book value of trade receivables approximates their fair values due to the short-term nature of the instruments.

At each reporting period, trade receivables are assessed for impairment based on various factors that include the ageing of trade receivables, projected future settlements based on history, probability of default and other pertinent information. The group's historical credit loss data indicates that the expected credit loss for trade receivables is very low as majority of trade receivables relate to corporates and travel agencies with very low credit risk and with which the group has long standing relationships.

In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation.

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetimes expected credit losses are estimated using a provision matrix, which is presented below.

The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as the reporting date.

During the current year the matrix percentages adjusted downwards, due to the fact that the basis of underlying debtors changed. Due to Covid-19, the risk profile changed on the underlying balances, as the base was reset. This is evidenced by the ageing of the debtors.

The loss allowance provision for the group is determined as follows:

		Estimated gross carrying amount at default 2021	Loss allowance (lifetime expected credit loss) 2021	Estimated gross carrying amount at default 2020	Loss allowance (lifetime expected credit loss) 2020
		N$	N$	N$	N$
Not past due	0,625% (2020: 2,189%)	9 097 678	(56 828)	271 177	(5 937)
Above 30 days	1,679% (2020: 5,884%)	1 150 411	(19 311)	635 984	(37 419)
Past due	8,248% (2020: 28,91%)	505 783	(41 716)	2 155 820	(623 247)
		10 753 872	(117 855)	3 062 981	(666 603)

	2021	2020
	N$	N$

14. TRADE AND OTHER RECEIVABLES (continued)

Reconciliation of loss allowance:

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

	2021 N$	2020 N$
Opening balance	666 603	-
Movement in provision	(548 748)	666 603
Closing balance	117 855	666 603

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following balances from the statement of financial position:

	2021 N$	2020 N$
Group		
Bank	9 930 076	6 562 569
Bank overdraft	(125 873 994)	(56 755 636)
	(115 943 918)	(50 193 067)
Company		
Bank	416 249	1 142 951

The carrying amount of cash and cash equivalents approximate their fair value at the reporting date.

Overdraft security

Group

The Bank Windhoek Limited overdraft for the group has been secured by the following:

- Unlimited suretyship by Gondwana Holdings Limited, Registration Number 2017/1055 supported by security in own name.

16. SHARE CAPITAL

	2021 N$	2020 N$
Group		
Authorised:		
500 000 000 (2020: 500 000 000) ordinary shares of N$ 0.001 each	500 000	500 000
Issued:		
66 356 809 (2020: 66 356 809) ordinary shares of N$ 0.001 each	66 357	66 357

The unissued shares are under the control of the directors until the next Annual General Meeting.

	2021 N$	2020 N$
Share premium:	132 301 614	132 301 614

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	2021	2020
	N$	N$

16. SHARE CAPITAL (continued)

Company

	2021 N$	2020 N$
Authorised:		
500 000 000 (2020: 500 000 000) ordinary shares of N$ 0.001 each	500 000	500 000
Issued:		
66 356 809 (2020: 66 356 809) ordinary shares of N$ 0.001 each	66 357	66 357

The unissued shares are under the control of the directors until the next Annual General Meeting.

	2021 N$	2020 N$
Share premium:	83 665 179	83 665 179

17. REVALUATION RESERVES

Group

	2021 N$	2020 N$
Opening balance	200 934 275	171 353 956
Revaluation adjustment on property	-	29 631 564
Revaluation reserve release	(54 403)	(51 245)
Closing balance	200 879 872	200 934 275

The revaluation reserve comprises the fair value adjustments relating to land and buildings. For properties that were previously revalued the residual values are estimated to be more than the carrying amounts hence depreciation is nil, except for the Camp Chobe Safaris where the buildings are depreciated. Camp Chobe Safaris was acquired by Gondwana in 2017. The buildings were revalued for the first time in 2020 since acquisition.

18. SHAREHOLDERS' RESERVE

Group

	2021 N$	2020 N$
Closing balance	17 364 558	17 364 558

In 2009/2010 the group structure was adjusted. All shares in all companies were transferred to Nature Investments (the then holding company) and shares were issued at nominal value to all investors in lieu of investments in the separate companies.

This is effectively a share/investment swap. The shares issued out of Nature Investments were agreed by all shareholders and were based on investment done by each investor, based on value, whether through acquisition of shares or provision of loan accounts, to make sure that this was done fairly. However, what remained was a shareholder's loan account (note, that these were taken into account when issuing shares out of Nature Investments) which were at that time shown as owing to specific shareholders. Thus, in essence these shareholders loans were no longer owing to the original investors as contribution by them, but due to the restructuring were owing back to all the shareholders in their respective shareholding after the restructuring.

There was no intention to repay these loans and there was no expectation to pay these back. Therefore, these loans were transferred as a shareholder's reserve, as they are effectively equity and not a shareholder's loan as there was no claim for repayment and these were as such equity.

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	2021	2020
	N$	N$
19. LONG-TERM LIABILITIES		
19.1 Interest-bearing liabilities - secured		
Group		
Bank Windhoek Namibia Limited	255 000 006	255 000 006
Less: short-term portion	-	-
Long-term portion	255 000 006	255 000 006

The group borrowed N$ 255 000 006 long-term loan from Bank Windhoek Namibia Limited. The loan is repayable over 5 years, the initial 24 months only interest is payable in monthly installments. The capital and interest payable over 4 equal annual installments of approximately N$ 31 471 839 each at the effective date, 1 November, commencing 1 November 2022, to be calculated over a 4 year annual payment schedule with a balloon payment of the outstanding amount at the end of year 5 and, failing repayment of some, an option to refinance the outstanding capital, interest and costs owing at such time, subject to formal credit application to and approval by the bank and all credit criteria being met.

Interest is calculated at prime lending rate plus 0,5% (at present 8%) for the first 12 months and thereafter, as payments are effected annually, the banks effective annual rate will apply and be calculated at the bank's prime rate plus 0,80% per annum, which interest rate may be adjusted by the bank from time to time in accordance with the conditions of the loan agreement.

The loan is secured as follows:

- *Unlimited suretyship by Nature Investments (Pty) Ltd, Reg No 96/307, supported by security in own name.*
- *Limited suretyship for N$ 72 000 000 by each of the fellow subsidiaries:*

  Gondwana Travel Centre (Pty) Ltd, Reg No 2007/02/03;
  Namib Desert Investments (Pty) Ltd, Reg No 2004/0264;
  Eden East Farming and Tourism (Pty) Ltd, Reg No 99/255;
  Canyon Investments (Pty) Ltd, Reg No 97/105;
  Violet Investments (Pty) Ltd, Reg No 97/201;
  Combretum Investments (Pty) Ltd, Reg No 96/417;
  RAL Boerdery (Pty) Ltd, Reg No 97/195;
  Acacia Investments (Pty) Ltd, Reg No 96/416.

- *A combined first covering mortgage bond of N$ 72 000 000 over the following properties:*

  Erf No 805 (a portion of portion 1 of Erf No 78) Klein Windhoek, Namibia in the name of Gondwana Travel Centre (Pty) Ltd, Reg No 2007/0203;
  Remaining extent of portion 1 of Erf No 78, Klein Windhoek, Namibia in the name of Gondwana Travel Centre (Pty) Ltd, Reg No 2007/0203;
  Farm Dieprivier No 972, Hardap Region, Namibia in the name of Namib Desert Investments (Pty) Ltd, Reg No 2004/0264;
  Remainder of portion A of Farm Holoog No 106, Registration Division "T", Namibia in the name of Eden East Farming and Tourism (Pty) Ltd, Reg No 99/255;
  Portion 1 of the Farm Holoogberg No 107, Registration Division "T", Namibia in the name of Canyon Investments (Pty) Ltd, Reg No 97/106;
  Farm Augurabis No 109, Registration Division "T", Namibia in the name of Violet Investments (Pty) Ltd, Reg No 97/201;
  Remaining extent of the Farm Kairos No 8, Registration Division "V", Namibia in the name of Combretum Investments (Pty) Ltd, Reg No 96/417;
  Farm Holoogberg No. 107, Registration Division "T", Namibia in the name of Acacia Investments (Pty) Ltd, Reg No 97/195; and

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	2021	2020
	N$	N$

19. LONG-TERM LIABILITIES (continued)

19.1 Interest-bearing liabilities - secured

Group (continued)

- Combined Registered Cession of Comprehensive Insurance Policy of N$ 273 790 000 over the above-mentioned properties to be obtained.
- Unlimited suretyship by Gondwana Holdings Ltd, Reg No 2017/1055 for Nature Investments (Pty) Ltd, Reg No 96/307, supported by security in own name; and
- Unlimited suretyship by Gondwana Collection Namibia (Pty) Ltd, Reg No 2017/0459 for Nature Investments (Pty) Ltd, Reg No 96/307, supported by security in own name.

	2021	2020
Sunset Solar Namibia CC	-	67 483
Less: Short-term portion	-	(67 483)
Long-term portion	-	-

The loan was for the sunset solar which borne interest at 4%. Fixed monthly installments amounted to N$ 33 518 (2020: N$ 33 518). The loan was fully repaid in the year under review.

	2021	2020
Standard Bank Namibia Limited – installment sale	19 343 112	18 634 943
Less: Repayable within 12 months	(11 599 826)	(9 413 684)
Long-term portion	7 743 286	9 221 259

The balance consists of various installment sales in the name of Gondwana Collection Namibia (Pty) Ltd, secured by movable assets purchased therewith, attracting interest at prime related rates, with monthly installments totaling N$ 1 192 827 (2020: N$ 862 362). Interest is charged at prime related rates.

	2021	2020
Bank Windhoek Namibia Limited – installment sale	8 678 187	671 458
Less: Repayable within 12 months	(3 438 887)	(529 016)
Long-term portion	5 239 300	142 442

The balance consists of various installment sales in the name of Gondwana Collection Namibia (Pty) Ltd, secured by movable assets purchased therewith, attracting interest at prime related rates, with monthly installments totaling N$ 256 447 (2020: N$ 58 063). Interest is charged at prime related rates.

	2021	2020
Millennium Challenge Account	6 369 056	6 692 384
Payable within 12 months	(383 433)	(308 230)
Long-term portion	5 985 623	6 384 154

The loan does not attract interest, is repayable over a period of 20 years with installments based on revenue generated and is secured by the concession assets purchased with the loan.

	2021	2020
	N$	N$

19. LONG-TERM LIABILITIES (continued)

19.1 Interest bearing liabilities – secured (continued)

Group (continued)

	2021 N$	2020 N$
First National Bank of Namibia Limited - instalment sale		
- Gondwana Collection Namibia (Pty) Ltd	19 798 593	22 377 263
Less: Repayable within 12 months	(8 015 130)	(8 137 262)
Long-term portion	11 783 463	14 240 001

The balance consists of various installment sales in the name of Gondwana Collection Namibia (Pty) Ltd, secured by movable assets purchased therewith, attracting interest at prime related rates, with monthly installments totaling N$ 796 674 (2020: N$ 781 741). Interest is charged at prime related rates.

	2021 N$	2020 N$
Development Bank of Namibia	31 616 624	31 709 642
Less: Repayable within 12 months	(11 220 738)	(4 485 381)
Long-term portion	20 395 886	27 224 261

This loan is secured by the Swakopmund property Erf 5378 as disclosed in Note 3. The loan carries interest at prime less 1%. The loan is repayable in 32 (2020: 60) monthly installments. Repayments amount to N$ 928 916 (2020: N$ 928 916) per month.

	2021 N$	2020 N$
Salambala Conservancy	469 687	531 914
Less: Repayable within 12 months	(67 456)	(62 228)
	402 231	469 686

The loan is repayable in 73 (2020: 85) monthly installments of variable minimum payments. The liability is secured by the right of leasehold on which the Chobe Camp is situated. Interest is prime less 1%, payable at prime less 1% as per the schedule of operating fees in the Joint Venture Agreement between the company and Salambala.

	2021 N$	2020 N$
Group total – long-term portion	306 549 795	312 681 809
Group total – short-term portion	34 725 470	23 003 284
	341 275 265	335 685 093

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		2021	2020
		N$	N$
19.	LONG-TERM LIABILITIES (continued)		
19.2	Interest bearing liabilities - unsecured		
	Ruth Albrecht Trust - Anib Lodge (Pty) Ltd	1 030 330	946 822
	Less: Short-term portion	(427 217)	(432 389)
	Long-term portion	603 113	514 433
	Total long-term portion	603 113	514 433
	Total short-term portion	427 217	432 389
		1 030 330	946 822

The above loans bear interest at 10% fixed rate.

The monthly instalment on the Ruth Albrecht Trust loan amounts to N$ 72 187 (2020: N$ 72 187).

Ruth Albrecht Trust - Trustees

- H Pritzen - shareholder
- C J Gouws - shareholder and director

The carrying amount of the long-term liabilities approximates its fair value.

20. LEASE LIABILITIES

The group leases various community land and these rental contracts are typically made for fixed periods of 15 years to 25 years.

Variable lease payments

Certain ground leases contain variable payment terms that are linked to the EBITDA or revenue generated by the lodge. Due to the variable nature of EBITDA the variable lease payments cannot be predicted with reasonable assurance, and as such these variable leases are not considered in determining the lease liability.

Variable lease payments are included in other operating expenses. Refer to note 25.

	N$ 2021 Land	N$ 2020 Land
Year ended 31 October 2020		
Opening balance / Recognised on adoption of IFRS 16 (1 November 2019)	11 914 420	12 399 543
Remeasurement	3 063 414	-
Finance cost	1 122 433	1 117 265
Lease payments	(1 628 492)	(1 602 388)
Closing net carrying amount	14 471 775	11 914 420

20. *LEASE LIABILITIES (continued)*

Group (continued)

During the current year a lease modification was accounted for as a result of increase in scope and payment changes that occurred. At the effective date of the modification, the lease liability was remeasured.

The difference on the original and modified lease liability was accounted for as an adjustment to the right-of-use asset. The right-of-use asset and lease liability was subsequently remeasured based on the revised terms of the modification effective date until year-end.

	N$ 2021 Land	N$ 2020 Land
Lease liabilities		
Lease liabilities recognised in the statement of financial position are analysed as:		
Non-current portion	13 969 047	11 369 109
Current portion	502 728	545 311
	14 471 775	11 914 420
Total cash flow payments in respect of leases		
Principal portion of the lease liabilities (included in cash flows from financing activities)	506 059	485 130
Interest portion of the lease liabilities (included in finance cost cash flows)	1 628 492	1 117 265
Short-term lease payments	224 838	780 256
Variable lease payments that are not included in the measurement of the lease liabilities	1 986 098	3 809 814
Total cash outflow payments for leases	4 345 487	6 192 465

Group lease creditors	Interest rate (%)	2021 N$	2020 N$
Caprivi Communal Land Board (Mashi Conservancy) (N$ 8 100 monthly)	9.25	280 121	348 691
Mashi Conservancy N$ 20 000 monthly (2020: N$14 500 monthly)	7.50	3 614 800	633 928
Zambezi Communal Land Board (Ngoma Communal Area) N$ 5482 (2020: N$ 5 220) monthly	9.25	370 877	401 324
Ngoma Family Trust and Salambala Conservancy (N$ 12 000 monthly)	9.25	693 746	770 794
Mbunza Traditional Authority N$ 3 050 (2020: N$ 2 773) monthly	9.25	310 321	318 113
A F van Niekerk (N$ 1 200 monthly)	9.25	138 070	139 727
Balance carried forward		5 407 935	2 612 577

20. LEASE LIABILITIES (continued)

Group lease creditors	Interest rate (%)	2021	2020
		N$	N$
Balance brought forward		5 407 935	2 612 577
The Brehmen Trust (N$ 1 200 monthly)	9.25	137 481	139 191
Sesfontein, Anabeb and Tora Conservancy (N$ 37 735 monthly)	9.25	3 224 302	3 374 792
King Nehale Conservancy (N$ 39 542 monthly)	9.25	4 479 097	4 539 924
Zambezi Communal Land Board (Kalundu Communal area) (N$ 5 479 monthly)	9.25	626 550	634 470
Zambezi Communal Land Board (Kalimbeza Communal area) (N$ 6 043 monthly)	9.25	596 410	613 466
		14 471 775	11 914 420

21. TRADE AND OTHER PAYABLES

	2021	2020
Group		
Financial instruments		
Trade creditors	18 915 261	15 885 851
Bed levy accrual	360 859	77 517
Conservancy levies	1 335 125	941 389
CFFR recovery loan repayable 50%	2 464 900	-
Accruals	3 439 447	2 319 018
Permit entrance fees	789 281	537 612
Other	946 514	824 266
Total financial instruments	28 251 387	20 585 653
Non-financial instruments		
Salary related accruals	5 198 635	2 912 651
Refundable deposits on accommodation and tour packages	18 438 011	16 787 634
Non-refundable deposits on accommodation and tour packages	9 532 012	3 304 432
Value added taxation accrual	36 704	56 893
Total non-financial instruments	33 205 362	23 061 610
	61 456 749	43 647 263

The directors believe that the above amounts present the fair value of trade and other payables.

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		2021	2020
		N$	N$

21. TRADE AND OTHER PAYABLES (continued)

Reconciliation of deposits on accommodation and tour packages:

	2021	2020
Balance at the beginning of the year	20 092 066	28 941 759
Revenue recognised in respect of opening balances	(15 099 474)	(16 019 372)
Revenue recognised in respect of deposits received during the year	(77 347 186)	(58 109 018)
Deposits received during the year	100 324 617	65 278 697
Balance at the end of the year	27 970 023	20 092 066

22. REVENUE

Group

		2021	2020
Revenue from contracts with customers		164 052 929	153 465 803

Set out below is the disaggregation of the group's revenue from contracts with customers:

		2021	2020
Accommodation		67 771 377	64 957 312
Activities		10 441 501	8 228 049
Bar		11 461 823	10 367 731
Car rental		13 231 846	3 909 953
Fuel		7 812 746	5 977 076
Laundry and other		3 907 729	4 867 222
Package tour sales		9 059 560	15 867 452
Restaurant		34 129 192	33 548 155
Souvenirs / telephone cards		6 237 155	5 742 853
Total revenue from contracts with customers		164 052 929	153 465 803
Primary geographical markets			
Namibia		164 052 929	153 465 803
Total revenue from contracts with customers		164 052 929	153 465 803
Timing of revenue recognition			
Good transferred at a point in time		87 221 992	72 641 270
Services transferred overtime		76 830 937	80 824 533
Total revenue from contracts with customers		164 052 929	153 465 803
Liabilities related to contracts with customers			
Deposits on accommodation and tour packages	21	27 970 023	20 092 066

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	2021	2020
	N$	N$

23. COST OF SALES

Group

	2021 N$	2020 N$
Accommodation	3 317 286	2 983 544
Activities	2 176 704	1 737 337
Bar	5 500 700	4 826 288
Car rental	559 984	311 765
Fuel	7 313 604	5 588 006
Other	3 045 742	2 645 483
Package tour sales	7 782 594	8 207 720
Restaurant	16 175 612	16 271 526
Souvenirs / telephone cards	3 308 861	5 725 067
Total cost of sales	49 181 087	48 296 736

24. OTHER OPERATING INCOME

Group

	2021 N$	2020 N$
Donations income	2 085 125	1 051 232
Profit on sale of assets	245 090	32 695
Gondwana card income	2 616 114	1 220 348
HR training	540 155	460 291
Insurance refunds	517 243	10 193
HQ contributions received	302 216	230 914
Social Security Commission – Covid-19 Relief Funding	-	3 172 633
CRRRF Recovery Relief Funding	1 129 297	1 335 603
Namibia Training Authority refunds received	376 947	1 502 131
Other	279 097	598 159
	8 091 284	9 614 199

25. OPERATING EXPENSES

Operating profit for the year is stated after charging the following amongst others:

Group

	2021 N$	2020 N$
Auditor's remuneration		
- audit fees	1 118 280	949 845
Increase in accrual	-	972 000
	1 118 280	1 921 845

25. OPERATING EXPENSES (continued)

Operating profit for the year is stated after charging the following amongst others:

	2021 N$	2020 N$
Group		
Employee costs		
Salaries, wages and other benefits	83 887 450	96 550 037
Directors' fees	7 457 498	9 001 898
Directors' costs for other services	-	90 417
Directors' costs on special project	12 228	142 748
Retirement benefit plans: defined contribution expense	2 039 715	6 033 148
	93 396 891	111 818 248
Variable lease payments	1 986 098	3 809 814
Short-term leases	224 838	780 256
	2 210 838	4 590 070
Depreciation and amortisation		
Depreciation on property, plant and equipment	30 311 200	27 557 840
Amortisation of intangible assets	717 122	725 819
Depreciation of right-of-use assets	936 252	934 952
	31 964 574	29 218 611

Breakdown of expenses by nature – Group

	2021 N$	2020 N$
Administration fees	29 241	14 741
Advertising	4 842 438	9 559 815
Bank charges	4 353 761	4 187 192
Bad debts	539 043	1 675 381
Commission paid	869 206	1 468 670
Computer expenses	1 833 584	2 363 338
Depreciation, amortisation and impairment	31 964 574	29 218 611
Donations	2 104 562	1 614 531
Repairs and maintenance	3 728 073	9 817 618
Short-term leases on premises	224 838	780 256
Employee costs	93 396 891	111 818 248
Security	794 650	1 136 765
Consulting and professional fees – legal fees	2 845 994	414 949
Variable lease payments	1 986 098	3 809 814
Other expenses	44 821 181	48 645 475
	194 334 134	226 525 404

Breakdown of expenses by nature – Company

	2021 N$	2020 N$
Bank charges	4 495	2 469
Consulting and professional fees – other	340 922	59 805
	345 417	62 274

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		2021	2020
		N$	N$
25.	OPERATING EXPENSES (continued)		
	Major components of other expenses:		
	Licences, subscription, membership fees	4 027 809	3 367 939
	Electricity and water	13 214 351	13 038 010
	Fuel and oil	5 780 529	5 914 849
	Motor vehicle expenses	5 410 884	4 994 984
		28 433 573	27 315 782
26.	INVESTMENT INCOME		
	Group		
	Dividend income from investments (*)	15 983	208 236

(*) These are non-taxable distributions received on the investment account.

		2021	2020
27.	FINANCE INCOME		
	Group		
	Bank	17 307	66 052
		17 307	66 052
28.	FINANCE COST		
	Group		
	Bank loans and overdraft	28 314 414	18 904 306
	Interest-bearing borrowings	2 855 843	4 920 907
	Lease liabilities	1 122 433	1 117 265
	Other	43 630	211 369
		32 336 320	25 153 847
29.	TAXATION		
	Group		
	Major components of income tax expense for the year		
	Consolidated profit or loss		
	Current income tax:		
	Current income tax charge	15 177	1 019 100
	Deferred tax:		
	Relating to origination and reversal of temporary differences	(31 989 610)	(44 683 561)
	Income tax expense reported in the statement of profit or loss	**(31 974 433)**	**(43 664 461)**

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		2021	2020
		N$	N$
29.	TAXATION (continued)		
	Group (continued)		
	Consolidated other comprehensive income		
	Deferred tax related to items recognised in OCI during the year:		
	Revaluation of properties	-	626 806
	Deferred tax charged to OCI	-	626 806
	Reconciliation between accounting profit and tax expenses:		
	Loss before income tax	(115 463 158)	(137 058 999)
	Tax at the applicable tax rate of 32% (2020: 32%)	(36 948 210)	(43 858 880)
	Dividends received	(5 114)	(66 635)
	Expenses incurred in the production of exempt income	117 808	27 958
	Donations received	(667 240)	(336 394)
	Donations paid	673 460	516 650
	Impairment loss	3 937 280	-
	Legal fees	910 718	132 786
	Land tax	8 788	1 752
	Penalties	(12 760)	25 556
	Share of profit/(loss) from joint venture	10 837	(73 376)
	Capital profit	-	(33 878)
	Income tax expense reported in the statement of profit or loss	(31 974 433)	(43 664 461)

Company

No taxation has been provided for as the company's expenses and income are exempt from tax. N$ 345 417 relates to expenses which have not been claimed for tax purposes as the company has no taxable income.

30. EARNINGS PER SHARE

	2021	2020
Group		
Basic and diluted earnings (cents per share)	(125.82)	(140.75)

Basic earnings per share is based on net (loss)/profit attributable to equity shareholders of the company as per the Statement of Profit or Loss and Other Comprehensive Income of (N$ 83 488 725) (2020: N$ 93 394 538) and a weighted average number of ordinary shares outstanding during the year of 66 356 809 shares (2020: 66 356 809 shares). It is calculated by dividing the net profit/(loss) attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is equal to earning per share because there are not dilutive potential ordinary shares in issue.

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	2021	2020
	N$	N$
31. RELATED COMPANIES' TRANSACTIONS		
Group		
Transactions with related companies:		
Ruth Albrecht Trust		
- interest paid	83 507	86 744
Naukluft Electricity Investments (Pty) Ltd		
- electricity charge	1 051 189	1 212 654
Fisher Quarmby & Pfeifer		
- bond registration and other	688 682	876 233
Wine bar		
Purchases	737 891	609 890
Compensation to directors and key management		
- salary and other short-term employee benefits	39 521	9 235 063
Conserv Engineering Services CC		
- repairs and maintenance	138 663	398 314

All transactions are performed on an arm's length basis.

Group and company

Related parties are identified as follows:

- Acacia Investments (Pty) Ltd – subsidiary of a subsidiary
- Altdorn Farming and Tourism (Pty) Ltd – subsidiary of a subsidiary
- Anib Lodge (Pty) Ltd – subsidiary of a subsidiary
- Antigua Island Investments (Pty) Ltd – subsidiary of a subsidiary
- Bahnhof Properties Swakopmund (Pty) Ltd – subsidiary of a subsidiary
- Camp Chobe Safaris (Pty) Ltd – subsidiary of a subsidiary
- Canyon Investments (Pty) Ltd – subsidiary of a subsidiary
- Combretum Investments (Pty) Ltd – subsidiary of a subsidiary
- Conserv Engineering Services CC – common shareholding, membership
- Eden East Farming and Tourism (Pty) Ltd – subsidiary of a subsidiary
- Etosha Safari Lodge and Camps (Pty) Ltd – subsidiary of a subsidiary

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31. RELATED COMPANIES' TRANSACTIONS (continued)

Group and company

Related parties are identified as follows: (continued)

- Fisher Quarmby & Pfeifer – common shareholders, directors, partners
- Frankfurt Farming and Tourism (Pty) Ltd – subsidiary of a subsidiary
- Gondwana Care Trust – common directorship / trusteeship
- Gondwana Collections Namibia (Pty) Ltd – subsidiary
- Gondwana Travel Centre (Pty) Ltd – subsidiary of a subsidiary
- Holoog Wildtelers (Pty) Ltd – subsidiary of a subsidiary
- Island View Lodge (Pty) Ltd – subsidiary of a subsidiary
- Island Marble Investments (Pty) Ltd – joint venture
- Kalizo Fishing and Photographic Safaris (Pty) Ltd – subsidiary of a subsidiary
- Kanebis Farming and Tourism (Pty) Ltd – subsidiary of a subsidiary
- Namib Desert Investments (Pty) Ltd – subsidiary of a subsidiary
- Namushasha Country Lodge (Pty) Ltd – subsidiary of a subsidiary
- Nature Investments (Pty) Ltd – subsidiary
- Naukluft Electricity Investments – associated company
- R.A.L. Boerdery (Pty) Ltd – subsidiary of a subsidiary
- Springwater Investments (Pty) Ltd – common ultimate shareholding, directorship
- Violet Investments (Pty) Ltd – subsidiary of a subsidiary
- Wine Bar – common shareholders of a subsidiary
- Woestynplaas (Pty) Ltd – subsidiary of a subsidiary
- Oshikateko Investments (Pty) Ltd – subsidiary of a subsidiary

		2021	2020
		N$	N$
32. CASH UTILISED BY OPERATIONS			
Group			
(Loss)/Profit before taxation		(115 463 158)	(137 058 999)
Adjustments for:			
- share of profit/(loss) of joint venture	9	33 868	(229 301)
- investment income	26	(15 983)	(208 236)
- depreciation and amortisation	25	31 964 574	29 218 611
- finance income	27	(17 307)	(66 052)
- finance cost	28	32 336 320	25 153 847
- impairment loss		12 304 000	-
- movement in provision for credit losses	14	(548 748)	666 603
- net gains on disposal of assets	24	(245 090)	(32 695)
		(39 651 524)	(82 556 222)

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		2021	2020
		N$	N$
32.	CASH UTILISED BY OPERATIONS (continued)		
	Group (continued)		
	Working capital adjustments:		
	Decrease in inventories and biological assets	572 575	1 508 296
	Decrease in trade and other receivable	1 134 115	25 961 890
	Increase/(decrease) in trade and other payable	17 809 486	(29 699 552)
		19 516 176	(2 229 366)
	Cash utilised from operations	(20 135 348)	(84 785 588)
	Company		
	Loss before taxation	(345 417)	(62 274)
	Cash utilised by operations	(345 417)	(62 274)

33.	DIVIDENDS PAID		
	Group		
	Balance at the beginning of the year	(905 712)	(1 725 614)
	Dividends	-	-
	Balance at the end of the year	183 681	905 712
		(722 031)	(819 902)
	Company		
	Balance at the beginning of the year	(905 712)	(1 725 614)
	Dividends	-	-
	Balance at the end of the year	183 681	905 712
		(722 031)	(819 902)

During the year under review no dividends were declared. No dividends were declared in 2020 by the group.

34.	TAX PAID		
	Group		
	Balance at the beginning of the year	1 808 591	(745 501)
	Current tax for the year recognised in profit or loss	(15 177)	(1 019 100)
	Balance at end of the year	(1 874 584)	(1 808 591)
		(81 170)	(3 573 192)

35. CHANGES IN LIABILITIES ARISING FROM FINANCIAL ACTIVITIES

Group – 2021	Opening balance	Cash inflow	Cash outflow	Closing balance
	N$	N$	N$	N$
Borrowings – secured	335 685 093	26 835 020	(21 244 848)	341 275 265
Borrowings – unsecured	946 822	83 508	-	1 030 330
	336 631 915	26 918 528	(21 244 848)	342 305 595

Group – 2020	Opening balance	Cash inflow	Cash outflow	Closing balance
	N$	N$	N$	N$
Borrowings – secured	218 482 158	271 757 574	(154 554 639)	335 685 093
Borrowings – unsecured	1 148 826	-	(202 004)	946 822
	219 630 984	271 757 574	(154 756 643)	336 631 915

	2021	2020
	N$	N$
36. DEFERRED INTEREST LIABILITY		
Development Bank of Namibia	2 089 000	-

The amount relates to the Development Bank of Namibia loan as disclosed in note 19.1. A special Covid-19 relief was provided by the bank, whereby the above amount is deferred for payment until December 2023. However, the amount only becomes payable should the company return to pre-Covid-19 profitability in the 2023 financial year. Management expects this to be the case, thereby recording the liability. No terms of repayment have been set and no interest is charged.

37. SUBSEQUENT EVENTS, GOING CONCERN AND COVID-19

As at financial year-end October 2021, the tourism industry faced a second year operating amid tough conditions caused by the pandemic. The Groups financial performance during the financial year improved marginal with occupancy levels remaining low. We had a high proportion of local and regional travelers, who enjoyed a high level of discounting, with a resulting lower yield. We saw some signs of recovery in a period marred by travel restrictions, traveler apprehension and uncertainty. While continuing with drastic cost cutting measures, the Covid-19 pandemic has proven that we are resilient and well-managed. Gondwana survived and protected capacity, the livelihoods of its people, communities and our iconic brand. Part of our recovery relies on the successful vaccination drive and Gondwana will continue to support the initiative. Through educational campaigns, training and support, Gondwana reached an over 60% group vaccination rate in 2021.

Prior to the COVID-19 pandemic, Gondwana had embarked on a growth strategy driven by both new developments and acquisitions. To ensure our sustainability going forward, we will diversify our revenue streams and consider aligned business opportunities. We aim to increase our capacity with non-traditional management agreements with various accommodation providers and increase our profitable market share within the broader tourism value chain in Namibia and beyond.

Continued uncertainty with regards to the duration of the pandemic drove the following strategic management decisions:

1. *IT developments continued aiming at new, alternative, and better yielding revenue streams.*

2. *The completion and opening of the Etosha King Nehale proved to be a huge success and we are leading the way in responsible, community empowerment and cultural tourism with activities for guests, which directly benefits the community hosting and giving the guests an immersive, cultural experience.*

3 *Gondwana continued to engage with government at the highest level from the beginning of the crisis and remained close to assumptions at national and international level.*

4. *We continued with the suspension on all major furniture fittings & equipment repairs, maintenance and replacements, capital upgrades and improvements. To ensure operational standards post-covid, we did routine maintenance and general replacements.*

5. *All operational expenses were reduced and/or delayed for a second year except where such expenses supported capacity preservation or alternative revenue streams, yield improvements and/or developing possible alternative source markets.*

37. SUBSEQUENT EVENTS, GOING CONCERN AND COVID-19 (continued)

6. We continued to protect capacity and retain staff that would drive market capture and drive revenue generation as restrictions were lifted. Speed and effectiveness of restart were considered a key opportunity to differentiate Gondwana from peers and grow loyalty amongst a deprived user base.

7. Brand development and preservation as well as the social and environmental values that underpin the Gondwana Brand were prioritized and marketing as well as communication strategies continued to receive expense priority and support.

8. Focussed stakeholder engagement strategies were employed to secure brand identity, influence policy environment, mitigated exposure risks and to secure customer, capital provider and market confidence.

9. The review of a robust risk management process and continuous scenario planning continued. We focused on what we can control to ensure financial sustainability and cash flows.

10. Employee costs savings continued. Full salaries and wages were paid as from June 2021, but all other employee savings stayed in place. We continued with an embargo on all new appointments and/or replacements and a focus on unlocking operational efficiencies with cross-skill training of employees. Further savings included the suspension of company pension fund contributions, the management of work schedules, overtime restrictions and managing leave schedules.

11. Gondwana operates several joint venture properties within conservancies and rural communities. All minimum contractual community contributions were honoured to ensure continued impact on sustainability and to avoid any contractual risks to long term assets. Our responsibility towards our communities goes beyond merely the provision of employment.

12. Corporate governance structures remained firmly in place while all non-executive directors' and board committee fees were waived for a second year.

13. Management remains firm in the stance that the group has a valid and comprehensive business interruption insurance policy with an international brand Insurer that is a result of a comprehensive risk management strategy that has been implemented over decades and informed by several historic events. This policy and the extend of the cover it provides is subsequently the subject of ongoing litigation in the Namibian High Court. The purpose of such business interruption insurance is to protect the group against any lost revenue following a catastrophic event. We will continue to pursue this claim.

14. Worst case scenario considerations, continuous scenario and cash flow planning inform various management plans that would enable additional credit lines and sources of capital as well as possible operational measures should international travel continue to be negatively influenced by possible further waves or restrictions.

Management's outlook is of the belief, that the tourism industry's recovery depends on the economic performance of major markets, Namibia's ability to vaccinate its population, and the local players' efforts to win back international travellers. Trends indicate that there is a big appetite internationally for travel to Namibia. Due to Namibia's low population density, Namibia is an ideal travel destination in these trying times. Management is cautiously optimistic about our prospects as the global economy improves. Estimates, driven by bookings, indicate an uptake in turnover as from July 2022. We developed our human and technology skills which will ensure that we can act quickly when markets return. We will continue to focus our strategic decisions considering the cost of additional capital employed versus the opportunity cost in response to opportunities that may present themselves. As a key industry player and a responsible corporate citizen, we will continue to maximize both shareholder and stakeholder value.

Subsequent to the financial year-end of 31 October 2021, the following significant events occurred:

- *The outbreak of the Omicron Covid-19 variant in November 2021. This had a short-term impact of cancellation and deferral of bookings. The effect has since lapsed. The financial impact of this could not be assessed.*
- *The group entered into a 50/50 joint venture agreement to manage the Am Weinberg Hotel commencing 1 March 2022. There was no direct financial implication for the group other than normal working capital for operations. The joint venture is expected to have a positive impact on the group results. The joint venture will be operated in a separate company in which the group has a 50% shareholding.*

Other than the above, no other significant subsequent events occurred.

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38. CAPITAL RISK MANAGEMENT - GROUP

Capital management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to reduce debt.

The group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt. During 2021 the group's strategy, which was unchanged for 2020 was applied.

The gearing ratios at 31 October 2021 and 2020 was as follows:

	2021	2020
	N$	N$
Total borrowings	484 740 364	405 301 971
Less: cash and bank balances	(9 930 076)	(6 562 569)
Net debt	474 810 288	398 739 402
Total equity	384 450 578	467 939 303
Total capital	859 260 866	866 678 705
Gearing ratio	55%	46%

39. ***FINANCIAL RISK MANAGEMENT*** - GROUP

39.1 Overview

The group's activities expose it to a variety of financial risks: Credit risk, liquidity risk and market risk. Market risk is further divided into currency risk, interest rate risk and price risk. There were no significant changes in the manner which risk is managed in comparison to the previous period.

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

a) Market risk

i) Foreign exchange risk

The group is exposed to minimal foreign exchange risk, as none of the purchases is paid for in foreign currency and revenue is generally in local currency. The group has one foreign exchange account with Standard Bank Namibia Limited. The effect of this is not considered significant.

39. ***FINANCIAL RISK MANAGEMENT - GROUP (continued)***

39.1 Overview (continued)

a) Market risk (continued)

ii) Price risk

Based on past experience, the group experiences only inconsequential fluctuations in product prices. The objective is to be profitable and remain competitive. Management sets prices a year in advance during the budgeting process.

Sensitivity analysis

The table below summarises the impact of increases/decreases of the average cost and selling prices of products on the group's post-tax profit for the year. The analysis is based on the assumption that cost and selling prices had increased/decreased by 10% with all other variables held constant.

	Effect on loss after tax and equity 2021		**Effect on loss after tax and equity 2020**	
	10% increase	*10% decrease*	*10% increase*	*10% decrease*
	N$	*N$*	*N$*	*N$*
Loss after tax and equity	*7 811 285*	*(7 811 285)*	*7 151 497*	*(7 151 497)*

b) Operational risk

i) Interest rate risk

As the group has no significant interest-bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates. The current accounts overdrafts at the banks attract interest at prime related rates.

39. FINANCIAL RISK MANAGEMENT - GROUP (continued)

39.1 Overview (continued)

b) Operational risk (continued)

The long-term liabilities - unsecured attract interest at a fixed rate of 10% per annum, while secured long term liabilities attract interest at prime related rates. Other loans to related parties carry no interest.

Group	2021	2020
	N$	N$
First National Bank Namibia Limited / Standard Bank Namibia		
- current accounts	(125 873 994)	(56 755 636)
Lease liabilities	(14 471 775)	(11 914 420)
Interest bearing liabilities – secured	(341 275 265)	(335 685 093)
Interest bearing liabilities – unsecured	(1 030 330)	(946 822)
Deferred interest liability	(2 089 000)	-

The group's trade and other receivables and trade and other payables do not expose the group to any significant interest rate risks due to their short-term non-interest nature.

The following table below summarises the effect interest rate for monetary financial instruments:

	2021	2020
	%	%
Current bank account	prime related	prime related
Instalment sales	prime related	prime related
Lease liabilities	9.25%	9.25%
Long-term liabilities – secured	prime related	prime related
Long-term liabilities – unsecured	10 % fixed	10 % fixed

The increase in 100 basis points in the interest rate would affect the group's loss after tax and equity by (N$ 3 296 234) (2020: (N$ 2 756 053)).

The decrease in 100 basis point in the interest rate would affect the group's loss after tax and equity by N$ 3 296 234 (2020: N$ 2 756 053).

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the business, the group aims at maintaining flexibility in funding by keeping committed credit lines available.

39. ***FINANCIAL RISK MANAGEMENT*** *- GROUP (continued)*

39.1 Overview (continued)

c) Liquidity risk (continued)

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

In order to manage liquidity risk, management performs cash flow forecasts which take cognisance of group debt financing plans, covenant compliance, internal ratio targets and any external regulatory or legal requirements that may be in place.

A rolling cash flow forecast is maintained individually at operating entity level and consolidated by company finance. The forecast is regularly performed to monitor group's liquidity requirements and to ensure there is sufficient cash to meet operational and capital needs while maintaining sufficient headroom on undrawn committed borrowing facilities which the group has access to. This cash flow management process ensures that the group does not breach borrowing limits or covenants on any of its facilities, where applicable.

The table below analyses the group financial liabilities, respectively, into relevant maturity groupings based on the remaining period until contractual maturity date as at the statements of financial position. These amounts are the contractual undiscounted cash flows of the liabilities. The amounts due within 12 months equal their carrying balances in these financial statements as the impact of discounting is not significant, with the exception of borrowings.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position at the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

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39. ***FINANCIAL RISK FACTORS*** *- GROUP (continued)*

39.1 Overview (continued)

c) Liquidity risk (continued)

	Notes	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
		N$	N$	N$	N$	N$	N$
At 31/10/2021							
Non-current liabilities							
Long-term liabilities – secured and unsecured	19	-	61 812 646	322 680 170	4 451 891	388 944 707	307 152 908
Deferred interest liability	36	-	-	2 089 000	-	2 089 000	2 089 000
Lease liabilities	20	-	1 714 310	6 848 163	18 794 987	27 357 460	13 969 047
Current liabilities							
Bank overdraft	15	125 873 994	-	-	-	125 873 994	125 873 994
Trade and other payables	21	28 251 387	-	-	-	28 251 387	28 251 387
Dividends payable	33	183 681	-	-	-	183 681	183 681
Long-term liabilities - secured and unsecured	19	59 532 255	-	-	-	59 532 254	35 152 687
Lease liabilities	20	1 691 227	-	-	-	1691 227	502 728
		215 532 544	63 526 956	331 617 333	23 246 878	633 923 710	513 175 432

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39. **FINANCIAL RISK FACTORS** - GROUP (continued)

39.1 Overview (continued)

c) Liquidity risk (continued)

	Notes	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
		N$	N$	N$	N$	N$	N$
At 31/10/2020							
Non-current liabilities							
Long-term liabilities – secured and unsecured	19	-	58 690 142	333 589 631	4 466 989	396 746 762	313 196 242
Lease liabilities		-	1 611 979	6 365 395	13 293 080	21 270 454	11 369 109
Current liabilities							
Bank overdraft	15	56 755 636	-	-	-	56 755 636	56 755 636
Trade and other payables	21	20 585 653	-	-	-	20 585 653	20 585 653
Dividends payable	33	905 712	-	-	-	905 712	905 712
Long-term liabilities - secured and unsecured	19	48 199 943	-	-	-	48 199 943	23 435 673
Lease liabilities	20	1 611 979	-	-	-	1 611 979	545 311
		128 058 923	60 302 121	339 955 026	17 760 069	546 076 139	426 793 336

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39. **FINANCIAL RISK MANAGEMENT** - GROUP (continued)

39.1 Overview (continued)

d) Categories of financial instruments

Group 2021	Notes	Financial assets at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and non-financial and liabilities	Total
		N$	N$	N$	N$
Assets					
Non-current assets					
Property, plant and equipment	3	-	-	801 267 437	801 267 437
Right-of-use asset	4	-	-	13 591 753	13 591 753
Goodwill	6	-	-	11 745 082	11 745 082
Intangible assets	5	-	-	26 436 281	26 436 281
Deferred tax asset	11	-	-	64 418 944	64 418 944
Other financial assets (*)	7	-	-	474	474
Investment in joint venture	9	-	-	7 004 896	7 004 896
Loan to related party	10	821 966	-	-	821 966
		821 966	-	924 464 867	925 286 833
Current assets					
Current tax receivable		-	-	1 885 769	1 885 769
Biological assets	13	-	-	216 661	216 661
Inventories	12	-	-	15 039 795	15 039 795
Trade and other receivables	14	14 600 505	-	3 637 864	18 238 369
Cash and cash equivalents	15	9 930 076	-	-	9 930 076
		24 530 581	-	20 780 089	45 310 670
Total assets		25 352 547	-	945 244 956	970 597 503
Equity and liabilities					
Equity					
Share capital	16	-	-	66 357	66 357
Share premium	16	-	-	132 301 614	132 301 614
Revaluation reserve	17	-	-	200 879 872	200 879 872
Shareholders' reserve	18	-	-	17 364 558	17 364 558
Retained earnings		-	-	33 838 177	33 838 177
Total equity		-	-	384 450 578	384 450 578

(*) Other financial assets are categorised as FVTPL

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39. **FINANCIAL RISK MANAGEMENT** - GROUP (continued)

39.1 Overview (continued)

d) Categories of financial instruments (continued)

Group 2021	Notes	Financial assets at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and non-financial and liabilities	Total
		N$	N$	N$	N$
Liabilities					
Non-current liabilities					
Interest-bearing liabilities - secured	19.1	-	306 549 795	-	306 549 795
Interest-bearing liabilities - unsecured	19.2	-	603 113	-	603 113
Lease liabilities	20	-	13 969 047	-	13 969 047
Deferred tax liability	11	-	-	39 754 946	39 754 946
Deferred interest liability	36	-	2 089 000	-	2 089 000
		-	323 210 955	39 754 946	362 965 901
Current liabilities					
Short-term portion of interest-bearing liabilities - secured	19.1	-	34 725 470	-	34 725 470
Short-term portion of interest-bearing liabilities - unsecured	19.2	-	427 217	-	427 217
Short-term portion of lease liabilities	20	-	502 728	-	502 728
Dividend payable	33	-	-	183 681	183 681
Current taxation payable		-	-	11 185	11 185
Trade and other payables	21	-	28 251 387	33 205 362	61 456 749
Bank overdrafts	15	-	125 873 994	-	125 873 994
		-	189 780 796	33 400 228	223 181 024
Total liabilities		-	512 991 751	73 155 174	586 146 925
Total equity and liabilities		-	512 991 751	457 605 752	970 597 503

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39. **FINANCIAL RISK MANAGEMENT** - GROUP (continued)

39.1 Overview (continued)

d) Categories of financial instruments (continued)

Group 2020	Notes	Financial assets at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and non-financial and liabilities	Total
		N$	N$	N$	N$
Assets					
Non-current assets					
Property, plant and equipment	3	-	-	811 686 586	811 686 586
Right-of-use asset	4	-	-	11 464 591	11 464 591
Goodwill	6	-	-	24 049 082	24 049 082
Intangible assets	5	-	-	27 153 403	27 153 403
Deferred tax asset	11	-	-	33 410 604	33 410 604
Other financial assets (*)	7	-	-	474	474
Investment in joint venture	9	-	-	6 979 301	6 979 301
Loan to related party	10	762 497	-	-	762 497
		762 497	-	914 744 041	915 506 538
Current assets					
Current tax receivable		-	-	2 504 258	2 504 258
Biological assets	13	-	-	226 000	226 000
Inventories	12	-	-	15 603 031	15 603 031
Trade and other receivables	14	6 930 282	-	11 893 454	18 823 736
Cash and cash equivalents	15	6 562 569	-	-	6 562 569
		13 492 851	-	30 226 743	43 719 594
Total assets		14 255 348	-	944 970 784	959 226 132
Equity and liabilities					
Equity					
Share capital	16	-	-	66 357	66 357
Share premium	16	-	-	132 301 614	132 301 614
Revaluation reserve	17	-	-	200 934 275	200 934 275
Shareholders' reserve	18	-	-	17 364 558	17 364 558
Retained earnings		-	-	117 272 499	117 272 499
Total equity		-	-	467 939 303	467 939 303

(*) Other financial assets are categorised as FVTPL

39. ***FINANCIAL RISK MANAGEMENT*** *- GROUP (continued)*

39.1 Overview (continued)

d) Categories of financial instruments (continued)

Group 2020	*Notes*	*Financial assets at amortised cost*	*Financial liabilities at amortised cost*	*Equity and non-financial assets and non-financial and liabilities*	*Total*
		N$	*N$*	*N$*	*N$*
Liabilities					
Non-current liabilities					
Interest-bearing liabilities - secured	*19.1*	*-*	*312 681 809*	*-*	*312 681 809*
Interest-bearing liabilities - unsecured	*19.2*	*-*	*514 433*	*-*	*514 433*
Lease liabilities	*20*	*-*	*11 369 109*	*-*	*11 369 109*
Deferred tax liability	*11*	*-*	*-*	*40 736 216*	*40 736 216*
		-	*324 565 351*	*40 736 216*	*365 301 567*
Current liabilities					
Short-term portion of interest-bearing liabilities - secured	*19.1*	*-*	*23 003 284*	*-*	*23 003 284*
Short-term portion of interest-bearing liabilities - unsecured	*19.2*	*-*	*432 389*	*-*	*432 389*
Short-term portion of lease liabilities	*20*	*-*	*545 311*	*-*	*545 311*
Dividend payable	*33*	*-*	*-*	*905 712*	*905 712*
Current taxation payable		*-*	*-*	*695 667*	*695 667*
Trade and other payables	*21*	*-*	*20 585 653*	*23 061 610*	*43 647 263*
Bank overdrafts	*15*	*-*	*56 755 636*	*-*	*56 755 636*
		-	*101 322 273*	*24 662 989*	*125 985 262*
Total liabilities		*-*	*425 887 624*	*65 399 205*	*491 286 829*
Total equity and liabilities		*-*	*425 887 624*	*533 338 508*	*959 226 132*

39. **FINANCIAL RISK MANAGEMENT** - GROUP (continued)

39.1 Overview (continued)

d) Categories of financial instruments (continued)

Company 2021	Notes	Financial assets at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and non-financial and liabilities	Total
		N$	N$	N$	N$
Assets					
Non-current assets					
Investment in subsidiary (*)	8	-	-	56 666	56 666
Loan to related party	10	156 918 509	-	-	156 918 509
		156 918 509	-	56 666	156 975 175
Current assets					
Trade and other receivables	14	6 566	-	-	6 566
Cash and cash equivalents	15	416 249	-	-	416 249
		422 815	-	-	422 815
Total assets		157 341 324	-	56 666	157 397 990
Equity and liabilities					
Equity					
Share capital	16	-	-	66 357	66 357
Share premium	16	-	-	83 665 179	83 665 179
Retained earnings		-	-	73 482 773	73 482 773
Total equity		-	-	157 214 309	157 214 309
Current liabilities					
Dividend payable	33	-	-	183 681	183 681
		-	-	183 681	183 681
Total liabilities		-	-	183 681	183 681
Total equity and liabilities		-	-	157 397 990	157 397 990

(*) Investment in subsidiary is categorised as at cost.

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39. **FINANCIAL RISK MANAGEMENT** - GROUP (continued)

39.1 Overview (continued)

d) Categories of financial instruments (continued)

Company 2020	Notes	Financial assets at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and non-financial and liabilities	Total
		N$	N$	N$	N$
Assets					
Non-current assets					
Investment in subsidiary (*)	8	-	-	56 666	56 666
Loan to related party	10	157 259 255	-	-	157 259 255
		157 259 255	-	56 666	157 315 921
Current assets					
Trade and other receivables	14	6 566	-	-	6 566
Cash and cash equivalents	15	1 142 951	-	-	1 142 951
		1 149 517	-	-	1 149 517
Total assets		158 408 772	-	56 666	158 465 438
Equity and liabilities					
Equity					
Share capital	16	-	-	66 357	66 357
Share premium	16	-	-	83 665 179	83 665 179
Retained earnings		-	-	73 828 190	73 828 190
Total equity		-	-	157 559 726	157 559 726
Current liabilities					
Dividend payable	33	-	-	905 712	905 712
		-	-	905 712	905 712
Total liabilities		-	-	905 712	905 712
Total equity and liabilities		-	-	158 465 438	158 465 438

(*) Investment in subsidiary is categorised as at cost.

*39. **FINANCIAL RISK MANAGEMENT** - GROUP (continued)*

39.1 Overview (continued)

e) Credit risk

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

The group is exposed to credit risk on loans to related parties, trade and other receivables, cash and cash equivalents, loan commitments and financial guarantees.

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 group 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 as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

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

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 applies the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 30 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.

*39. **FINANCIAL RISK MANAGEMENT** - GROUP (continued)*

39.1 Overview (continued)

e) Credit risk (continued)

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopts this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis.

Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables 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, 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.

Receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the group.

The group is not exposed to any significant credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2021	2020
	N$	N$
Loans to related parties	821 966	762 497
Trade and other receivables	14 600 505	6 930 282
Cash and cash equivalents	9 930 076	6 562 569
	25 352 547	14 255 348

The group's standard credit terms are 30 days after statement.

39. ***FINANCIAL RISK MANAGEMENT** - GROUP (continued)*

39.1 Overview (continued)

e) Credit risk (continued)

The ageing of the components of trade receivables at year-end was:

	Gross 2021 N$	Impairment 2021 N$	Gross 2020 N$	Impairment 2020 N$
Trade debtors				
Not past due	320 344	(2 001)	11 908	(262)
Past due 0-30 days	8 777 334	(54 827)	259 268	(5 675)
Past due 30-60 days	1 150 410	(19 311)	635 984	(37 419)
Past due 60-90 days	168 792	(13 922)	229 360	(66 308)
Past due 90-120 days	9 495	(783)	576 406	(166 639)
More than 120 days	327 496	(27 011)	1 350 055	(390 300)
Total	10 753 871	(117 855)	3 062 981	(666 603)

Detail of provision matrix is presented in note 14.

The group has not renegotiated the term of receivables and does not hold any collateral or guarantees as security.

Financial assets

The group limits its exposure to credit risk by investing in high-quality credit worthy counterparties. Given these high credit ratings, the directors do not expect any counterparty to fail to meet its obligations.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

39.2 Fair value estimation

Several assets and liabilities of the group are either measured at fair value or disclosure is made of their fair values.

Observable market data is used as inputs to the extent that its available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Information about specific techniques and inputs used in fair value estimation is disclosed in note 39.3.

The group carry certain assets at their fair values, as presented in the table below.

The different levels of fair value hierarchy are defined as follows:

- *Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date;*
- *Level 2: Inputs other than quotes prices included in Level 1 that are observable for the asset or liability either directly or indirectly;*
- *Level 3: Unobservable inputs for the asset or liability.*

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39. FINANCIAL RISK MANAGEMENT - GROUP (continued)

39.3 Fair value information

There were no transfers into or out of Level 3 assets.

Information on the valuation techniques and inputs are disclosed in relevant notes to the Level 3 asset as well as an analysis of the changes in carrying amount.

Level 3 assets	Note	2021	2020
		N$	N$
Land and buildings	3	684 854 750	683 716 159
Other financial assets	7	474	474
		684 855 224	683 716 633

The following table shows the impact on the fair value due to change in a significant unobservable input:

		Fair value measurement Sensitivity to significant	
Unobservable inputs within the income capitalisation approach		Increase in input	Decrease in input
Market rent	The valuer's assessment of the net market income attributable to the property.	Increase	Decrease
Market capitalisation rate	The rate of return, determined through analysis of comparable market-related sales transactions, that is applied to the market rent to assess the property's value.	Decrease	Increase
Unobservable inputs within depreciated replacement cost:			
Construction cost per square meter	The cost of constructing various asset types based on variety of sources including published cost information, the valuer's database of costing information and experience of typical industry rates and indexed historical cost information.	Increase	Decrease
Unobservable inputs within the comparable sales method			
Rate per square meter	The rate per square meter of recently sold properties of similar nature.	Increase	Decrease

39. FINANCIAL RISK MANAGEMENT - COMPANY

39.1 Overview

In the normal course of its operations, the company is exposed to liquidity and credit risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The company manages these risks as follows:

39. ***FINANCIAL RISK MANAGEMENT** - COMPANY (continued)*

39.1 Overview (continued)

b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the business, the company aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analysis the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position at the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Notes	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		N$	N$	N$	N$	N$
At 31/10/2021						
Dividends payable	33	183 681	-	-	-	183 681
		183 681	-	-	-	183 681
At 31/10/2020						
Dividends payable	33	905 712	-	-	-	905 712
		905 712	-	-	-	905 712

39. FINANCIAL RISK MANAGEMENT - COMPANY (continued)

39.1 Overview (continued)

d) Credit risk

The company has no significant concentrations of credit risk. The company has policies that limit the amount of credit risk exposure to any one financial institution, and cash transactions are limited to high credit quality financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2021	2020
	N$	N$
Trade and other receivables	6 566	6 566
Cash and cash equivalents	416 249	1 142 951
	422 815	1 149 517

Included in trade debtors are related party balances as disclosed in the financial statements. These are however not considered material and have been included in the balances above.

Based on past experience, the company believes that no allowance is required in respect of debtors that are past due.

The company has not renegotiated the term of receivables and does not hold any collateral or guarantees as security.

Financial assets

The company limits its exposure to credit risk by investing in high-quality credit worthy counterparties. Given these high credit ratings, the directors do not expect any counterparty to fail to meet its obligations.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

39.2 Fair value estimation

Several assets and liabilities of the group are either measured at fair value or disclosure is made of their fair values.

Observable market data is used as inputs to the extent that its available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Information about specific techniques and inputs used in fair value estimation is disclosed in note 38.3.

39. FINANCIAL RISK FACTORS - COMPANY (continued)

39.3 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 shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, repayment of shareholders loans, issue new shares or sell assets to reduce debt.

The company does not have any external debt.

40. CONTINGENT LIABILITIES

Group

Within the group the following companies have signed limited sureties for other companies in favour of Bank Windhoek Namibia Limited, relating to loan facilities provided by the bank:

Namib Desert Investments (Pty) Ltd
Eden East Farming and Tourism (Pty) Ltd
Violet Investments (Pty) Ltd
R. A. L. Boerdery (Pty) Ltd
Canyon Investments (Pty) Ltd
Combretum Investments (Pty) Ltd
Acacia Investments (Pty) Ltd
Gondwana Travel Centre (Pty) Ltd

Unlimited suretyship by:
Nature Investments (Pty) Ltd, Reg No 96/307, supported by security in own name.

The group guarantees by Gondwana Collection Namibia (Pty) Ltd were as follows held with Bank Windhoek Namibia Limited:

Amount (N$)	***Beneficiary***
400 000	*Total Namibia (Pty) Ltd*
271 596	*Nampower*
604 051	*Nampower*
308 581	*Nampower*
452 822	*Ministry of Environment and Tourism*
200 000	*Vivo Energy Namibia Limited*
250 000	*Northern Fuel Distributors CC*

41. CAPITAL COMMITMENTS

The following have been authorised in terms of a capital budget, but have not been committed in terms of any agreements with external parties:

- *Upgrading of the Palmwag Lodge, comfort rooms, staff village and pool bar* — *N$ 1 650 000*
- *Upgrading of the Etosha Safari Lodge* — *N$ 4 170 000*
- *Canyon Roadhouse fuel station* — *N$ 500 000*

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COMPANY DETAILED STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
	N$	N$
INCOME		
Dividends received	-	-
EXPENDITURE		
Auditor’s remuneration		
- audit services	-	-
Bank charges	4 495	2 469
Professional fees	340 922	59 805
	345 417	62 274
NET LOSS FOR THE YEAR BEFORE TAXATION	(345 417)	(62 274)

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TAXATION COMPUTATION

		N$
NET LOSS AS PER INCOME STATEMENT		*(345 417)*
Add:	*Expenses incurred in the production of exempt income*	*345 417*
TAXABLE INCOME FOR THE YEAR		*-*