GONDWANA HOLDINGS LIMITED

COMPANY REGISTRATION NUMBER: 2017/1055

GROUP ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 OCTOBER 2022

GONDWANA HOLDINGS LIMITED
COMPANY REGISTRATION NUMBER 2017/1055
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

CONTENTS	Page

GONDWANA HOLDINGS LIMITED
COMPANY REGISTRATION NUMBER 2017/1055
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

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
COMPANY REGISTRATION NUMBER 2017/1055
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

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's annual financial statements and related financial information included in this report. It is their responsibility to ensure that the group's annual financial statements fairly present the state of affairs of the group 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 group annual financial statements.

The group'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 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 all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group 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'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's cash flow forecast for the year to 31 October 2023 and, in the light of this review and the current financial position they are satisfied that the group 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's annual financial statements. The group's annual financial statements have been examined by the group's external auditors and their report is presented on pages 5 to 6.

The group's annual financial statements set out on pages 7 to 88, 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**
30 March 2023	30 March 2023
Date	**Date**
Windhoek	*Windhoek*

GONDWANA HOLDINGS LIMITED
COMPANY REGISTRATION NUMBER 2017/1055
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

CORPORATE GOVERNANCE

ETHICAL STANDARDS

Gondwana Holdings Limited has adopted a code of ethics that incorporates the group's operating, financial and behavioural policies in a set of integrated values, including the ethical standards required of employees of the group in their interaction with one another and with all stakeholders. Detailed policies and procedures are in place for the group covering the regulation and reporting of transactions in securities of the group 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 in place which the board and management regard as entirely appropriate.

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 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

Opinion

We have audited the consolidated annual financial statements of Gondwana Holdings Limited ('the Group') set out on pages 7 to 88, which comprise the directors' report, the group statement of financial position as at 31 October 2022, and the group statement of profit or loss and other comprehensive income, group statement of changes in equity and group statement of cash flows for the year then ended, and notes to the consolidated annual financial statements, including a summary of accounting policies.

In our opinion, the consolidated annual financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 October 2022, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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 Annual Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of 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 contents page, the general information, the directors' responsibilities and approval statement and the corporate governance statement, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated annual financial statements and our auditor's report thereon. Our opinion on the consolidated 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 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 annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated 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 annual financial statements that are free from material misstatement, whether due to fraud or error.

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

EY

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial statements , including the disclosures, and whether the consolidated annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Ernst & Young

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

Windhoek, Namibia

30 March 2023

GONDWANA HOLDINGS LIMITED

COMPANY REGISTRATION NUMBER 2017/1055

GROUP ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

DIRECTORS' REPORT

The directors herewith submit their report on the consolidated annual financial statements of Gondwana Holdings Limited for the year ended 31 October 2022.

DIRECTORS

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

Directors	*Role*	*Nationality*	*Appointed*	*Resigned*
F Amuenje	*Non-executive*	*Namibian*	*17-10-2017*	-
SS Galloway	*Non-executive – Chairperson*	*Namibian*	*17-10-2017*	-
M Goldbeck	*Executive*	*Namibian*	*17-10-2017*	-
C J Gouws	*Non-executive*	*Namibian*	*17-10-2017*	-
L J Gouws	*Non-executive*	*South African*	*17-10-2017*	-
T T Hiwilepo	*Non-executive*	*Namibian*	*17-10-2017*	-
A G I Noirfalise	*Executive*	*Belgian*	*17-10-2017*	-
J Visser	*Executive*	*Namibian*	*17-10-2017*	-
G J Joubert	*Executive*	*Namibian*	*17-10-2017*	-
D Namalenga	*Non-executive*	*Namibian*	*11-04-2019*	-
J Y Mnyupe	*Non-executive*	*Namibian*	*12-11-2019*	-

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 Statement of Profit or Loss and Other Comprehensive Income.

The Group recorded a net profit before taxation of N$ 41 854 322 (2021: Loss of N$ 115 463 158).

DIVIDENDS

No dividends were declared during the year under review (2021: Nil).

SHARE CAPITAL

There have been no changes to the authorised or issued share capital during the year under review. Full details of the group's authorised and issued share capital at 31 October 2022 are set out on note 15 to the consolidated annual 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.

GOING CONCERN

The consolidated 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 and an assessment of the future, 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 JOINT VENTURE

Gondwana Holdings Limited holds interest in a joint venture, whose results have been included in the group financial statements. Details of the joint venture are presented in the annual consolidated financial statements in note 8.

GONDWANA HOLDINGS LIMITED

COMPANY REGISTRATION NUMBER 2017/1055

GROUP ANNUAL FINANCIAL STATEMENTS

AS AT 31 OCTOBER 2022

GROUP STATEMENT OF FINANCIAL POSITION

	Notes	2022	2021
		N$	N$
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	868 293 955	801 267 437
Right-of-use asset	4	17 868 730	13 591 753
Intangible assets	5	25 764 135	26 436 281
Goodwill	6	11 745 082	11 745 082
Other financial assets	7	474	474
Investment in joint venture	8	7 011 194	7 004 896
Loans to related parties	9	814 524	821 966
Deferred tax asset	10	55 778 982	64 418 944
		987 277 076	925 286 833
CURRENT ASSETS			
Current tax receivable		1 883 017	1 885 769
Inventories	11	22 899 572	15 039 795
Biological assets	12	224 650	216 661
Trade and other receivables	13	77 501 537	18 238 369
Cash and cash equivalents	14	28 906 905	9 930 076
		131 415 681	45 310 670
TOTAL ASSETS		1 118 692 757	970 597 503
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	15	66 357	66 357
Share premium	15	132 301 614	132 301 614
Revaluation reserve	16	200 822 461	200 879 872
Shareholders' reserve	17	17 364 558	17 364 558
Retained earnings		61 880 256	33 838 177
Equity attributable to equity holders of the parent		412 435 246	384 450 578
Non-controlling interest		305 204	-
Total Equity		412 740 450	384 450 578
NON-CURRENT LIABILTIES			
Deferred tax liability	10	44 531 245	39 754 946
Interest bearing liabilities – secured	18.1	395 311 213	306 549 795
Interest bearing liabilities – unsecured	18.2	-	603 113
Lease liabilities	19	19 210 331	13 969 047
Loans from related parties	20	14 851 167	-
Deferred interest liability	21	2 089 000	2 089 000
		475 992 956	362 965 901
CURRENT LIABILITIES			
Bank overdrafts	14	38 479 278	125 873 994
Short-term portion of interest-bearing liabilities: secured	18.3	81 356 010	34 725 470
Short-term portion of interest-bearing liabilities: unsecured	18.4	603 113	427 217
Short-term portion of lease liabilities	19	370 187	502 728
Current tax payable		15 690	11 185
Trade and other payables	22	108 954 703	61 456 749
Dividend payable	34	180 370	183 681
		229 959 351	223 181 024
TOTAL EQUITY AND LIABILITIES		1 118 692 757	970 597 503

GONDWANA HOLDINGS LIMITED

COMPANY REGISTRATION NUMBER 2017/1055

GROUP ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2022 N$	2021 N$
REVENUE	23	472 993 880	164 052 929
COST OF SALES	24	(115 852 125)	(49 181 087)
GROSS PROFIT		357 141 755	114 871 842
Other operating income	25	12 280 211	8 091 284
Movement in credit loss allowance	13	(5 345)	548 748
Operating expenses	26	(283 178 712)	(194 334 134)
Operating income/(loss)		86 237 909	(70 822 260)
Investment income	27	21 713	15 983
Other non-operating loss	6	-	(12 304 000)
Finance income	28	37 591	17 307
Finance cost	29	(44 456 696)	(32 336 320)
Share of profit/(loss) from joint venture	8	13 805	(33 868)
Profit/(loss) before taxation		41 854 322	(115 463 158)
Taxation	30	(13 564 450)	31 974 433
Profit/(loss) for the year		28 289 872	(83 488 725)
Profit/(loss) for the year attributable to:			
Owners of parent		27 984 668	(83 488 725)
Non-controlling interest		305 204	-
Total comprehensive income/(loss)		28 289 872	(83 488 725)
Consolidated earnings per share			
Basic and diluted earnings per share (cents) for the year attributable to ordinary equity holders of the parent	31	42.17	(125.82)

GONDWANA HOLDINGS LIMITED

COMPANY REGISTRATION NUMBER 2017/1055

GROUP ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Revaluation reserves	Shareholders' reserve	Retained earnings	Total	Non-controlling interest	Total Equity
	N$	N$	N$	N$	N$	N$	N$	N$
Balance at 01/11/2020	66 357	132 301 614	200 934 275	17 364 558	117 272 499	467 939 303	-	467 939 303
Total comprehensive loss	-	-	-	-	(83 488 725)	(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	-	384 450 578
Total comprehensive income	-	-	-	-	27 984 668	27 984 668	305 204	28 289 872
Revaluation reserve release	-	-	(57 411)	-	57 411	-	-	-
Balance at 31/10/2022	66 357	132 301 614	200 822 461	17 364 558	61 880 256	412 435 246	305 204	412 740 450
Note	15	15	16	17				

GONDWANA HOLDINGS LIMITED

COMPANY REGISTRATION NUMBER 2017/1055

GROUP ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

GROUP STATEMENT OF CASH FLOWS

	Notes	2022 N$	2021 N$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		490 123 729	199 769 304
Payments to suppliers		(261 315 772)	(126 507 761)
Payments to employees		(127 514 280)	(93 396 891)
Cash generated/(utilised) from operations	33	101 293 677	(20 135 348)
Investment income received	27	21 713	15 983
Finance income received	28	37 591	17 307
Finance cost paid	29/36	(19 134 992)	(30 247 320)
Taxation paid	35	(140 933)	(81 170)
Net cash inflow/(outflow) from operating activities		82 077 056	(50 430 548)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(110 150 404)	(21 791 835)
Proceeds on disposal of property, plant and equipment		10 168 634	2 144 880
Investment in joint venture	8	7 508	(59 469)
Loan repaid by/(advanced to) related party	9	7 442	(59 469)
Net cash outflow from investing activities		(99 966 820)	(19 765 893)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease payments	19	(229 584)	(506 059)
Loan advanced from related party	20	14 851 167	-
Dividends paid	34	(3 311)	(722 031)
Proceeds from borrowings	36	151 749 538	26 918 528
Repayment of borrowings	36	(42 106 501)	(21 244 848)
Net cash inflow from financing activities		124 261 309	4 445 590
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		106 371 545	(65 750 851)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	14	(115 943 918)	(50 193 067)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	14	(9 572 373)	(115 943 918)

1. ACCOUNTING POLICIES

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

*1.1 **Basis of preparation***

The consolidated 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 functional and presentation currency.

These accounting policies are consistent with the previous period.

*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 assesses 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 profit or loss and other comprehensive income, the group 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 period.

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses 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 13 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 *(continued)*

The group reviews 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 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 19 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 dependend on tourist travels and the Covid-19 situation worldwide. Refer to note 10 for further details on deferred taxation.

Consolidation of entities in which the Group holds 50% of the voting rights

The Group considers that it ultimately controls Gondwana Hospitality Management (Pty) Ltd and Okapuka Hospitality Management (Pty) Ltd even though the voting rights are split equally with third parties. This is because the Group is the operator of the entities through a management agreement which provides it with the current ability to direct the relevant activities which most significantly affect the variable returns of the above entities. The Group operates the entities under its name and reputation through the management agreement and makes the day-to-day operating decision as well as employs all of the staff that is required in Gondwana Collection Namibia (Pty) Ltd which is a 100% owned subsidiary. Therefore, Gondwana Hospitality Management (Pty) Ltd and Okapuka Hospitality Management (Pty) Ltd are consolidated into the Group annual financial statements with 50% of returns being recognised as non-controlling interest.

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.

Costs 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.

1. ACCOUNTING POLICIES (continued)

*1.3 **Property, plant and equipment** (continued)*

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*

The residual value of the useful life of each asset is 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. ACCOUNTING POLICIES (continued)

*1.4 **Financial instruments***

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

Broadly, the classified possibilities, which are adopted by the group, 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*
- *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.

1. ACCOUNTING POLICIES (continued)

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

***Trade receivables** (continued)*

Recognition and measurement

Trade receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

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

Impairment

The group recognises 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 13. 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 writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

1. ACCOUNTING POLICIES (continued)

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

Trade receivables *(continued)*

Credit risk

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

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 recognised 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 recognises 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 installment 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 (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 29). 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 group 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.

Bank overdrafts

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

Derecognition

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.

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.

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 statement of financial position 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 included in profit or loss for the period, except to the extent that the tax arises from:

- *a transaction or event which is recognised, in the same or a different period, 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.

1. ACCOUNTING POLICIES (continued)

1.6 Leases IFRS 16

The group assesses 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 payments included in the measurement of the lease liability comprise:

- *fixed lease payments (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 group 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 payments 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 remeasured some lease liabilities due to changes in rates used to determine future lease payments. The initial discount rate was applied.

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 group statement of financial position. The group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, plant and equipment" policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in the statement of profit or loss. As a 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 take 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 amortisation and any impairment losses. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired.

For all other intangible assets, amortisation is provided on a straight-line basis over their useful life 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 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. Amortisation is provided to write down the intangible assets on a straight-line basis, to their residual values. The foreseeable lives of the intangible assets range between 5 and 10 years.

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 group'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 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 comprise the financial statements of the Company and its subsidiaries as at the reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- *Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);*
- *Exposure, or rights, to variable returns from its involvement with the investee;*
- *The ability to use its power over the investee to affect its returns.*

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- *The contractual arrangement(s) with the other vote holders of the investee;*
- *Rights arising from other contractual arrangements;*
- *Group's voting rights and potential voting rights.*

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated annual financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

1. ACCOUNTING POLICIES (continued)

*1.14 **Consolidation of subsidiaries** (continued)*

***Basis of consolidation** (continued)*

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

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 annual 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.

1.15 ***Investment in associates and joint ventures***

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

1. ACCOUNTING POLICIES (continued)

1.15 ***Investment in associates and joint ventures*** *(continued)*

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or 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 associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1.16 ***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)

*1.16 **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.

*1.17 **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.

*1.18 **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 group 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 22 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 group 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 22 trade and other payables as deposits on accommodation and tour packages.

1. ACCOUNTING POLICIES (continued)

1.18 ***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.

1.19 ***Interest income***

Interest income is recognised on a time-proportion basis using the effective interest method. When a loan and receivable is impaired, the group 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 group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2022 or later periods:

New/Revised International Financial Reporting Standards	***Effective date: Year beginning on or after***	***Expected 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 2024*	*Unlikely there will be a material 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*

2. STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE (continued)

New/Revised International Financial Reporting Standards	***Effective date: Year beginning on or after***	***Expected 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*
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*

2. STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE (continued)

New/Revised International Financial Reporting Standards	***Effective date: Year beginning on or after***	***Expected 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	*1 January 2022*	*Unlikely there will be a material impact*
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.		
IFRS 9 Financial Instruments	*1 January 2022*	*Unlikely there will be a material impact*
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.		
IFRS 16 Leases	*As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.*	*Unlikely there will be a material impact*
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.		
IAS 41 Agriculture	*1 January 2022*	*Unlikely there will be a material impact*
The amendment removes the requirement in IAS 41 for the entities to exclude cash flows for taxation when measuring fair value.		

GONDWANA HOLDINGS LIMITED AND ITS SUBSIDIARIES

COMPANY REGISTRATION NUMBER 2017/1055

GROUP ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

	Capital work in progress N$	Land and buildings N$	Plant, machinery and equipment N$	Motor vehicles N$	Furniture & fittings N$	Computer equipment N$	Linen and crockery N$	Power-lines N$	Total N$
Year ended 31/10/2022									
Opening 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
Additions	772 847	-	3 396 559	91 600 131	11 187 236	1 290 742	1 902 889	-	110 150 404
Derecognition	(1 071 919)	-	-	-	-	-	-	-	(1 071 919)
Transfer work in progress	(4 882 662)	4 571 332	311 330	-	-	-	-	-	-
Disposals	-	-	(13 873)	(5 834 287)	-	-	-	-	(5 848 160)
Depreciation	-	(472 401)	(3 598 474)	(19 110 331)	(8 434 014)	(614 794)	(3 807 050)	(166 743)	(36 203 807)
Closing net carrying amount	3 246 496	688 953 681	11 769 553	125 581 959	30 602 600	1 224 920	6 280 956	633 790	868 293 955
At 31/10/2022									
At cost / valuation	3 246 496	697 413 854	31 675 303	180 467 458	60 920 316	6 497 851	19 686 035	2 552 694	1 002 460 007
Accumulated depreciation	-	(8 460 173)	(19 905 750)	(54 885 499)	(30 317 716)	(5 272 931)	(13 405 079)	(1 918 904)	(134 166 052)
Net carrying amount	3 246 496	688 953 681	11 769 553	125 581 959	30 602 600	1 224 920	6 280 956	633 790	868 293 955

GONDWANA HOLDINGS LIMITED

COMPANY REGISTRATION NUMBER 2017/1055

GROUP ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (continued)

	Capital work in progress N$	Land and buildings N$	Plant, machinery and equipment N$	Motor vehicles N$	Furniture & fittings N$	Computer equipment N$	Linen and crockery N$	Power-lines N$	Total 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

3. PROPERTY, PLANT AND EQUIPMENT (continued)

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)

- *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.*

3. PROPERTY, PLANT AND EQUIPMENT (continued)

- *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.*

3. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	2022	2021
	N$	N$
Cost		
Cost	495 183 206	490 611 874
Accumulated depreciation	(8 226 997)	(7 754 596)
	486 956 209	482 857 278

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)

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

Right-of-use assets comprise the following:	N$
Land	
Year ended 31 October 2022	
Opening net carrying amount	13 591 753
Additions	5 015 107
Depreciation	(1 061 350)
Remeasurement	323 220
Closing net carrying amount	17 868 730
At 31 October 2022	
Cost	20 801 284
Accumulated depreciation	(2 932 554)
Net carrying amount	17 868 730
Land	
Year ended 31 October 2021	
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

5. INTANGIBLE ASSETS

Group

Reconciliation of intangible assets

	Leasehold right N$	(*) Computer software N$	Total N$
Cost			
Balance at 1 November 2020	25 686 365	3 497 143	29 183 508
Additions	-	-	-
Balance at 31 October 2021	25 686 365	3 497 143	29 183 508
Additions	-	-	-
Balance at 31 October 2022	25 686 365	3 497 143	29 183 508
Amortisation and Impairment			
Balance at 1 November 2020	-	2 030 105	2 030 105
Amortisation	-	717 122	717 122
Impairment	-	-	-
Balance at 31 October 2021	-	2 747 227	2 747 227
Amortisation	-	672 146	672 146
Impairment	-	-	-
Balance at 31 October 2022	-	3 419 373	3 419 373
Net book value			
At 31 October 2022	25 686 365	77 770	25 764 135
At 31 October 2021	25 686 365	749 916	26 436 281

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.

	2022 N$	2021 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 12 years with an expectation to renew. Area measuring approximately 5 hectares.

	2022 N$	2021 N$
Leasehold right		
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 7 years with an expectation to renew. Area measuring approximately 18.3 hectares.

GONDWANA HOLDINGS LIMITED

COMPANY REGISTRATION NUMBER 2017/1055

GROUP ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 N$	2021 N$

5. INTANGIBLE ASSETS (continued)

Leasehold right

Opening net carrying amount	5 000 000	5 000 000
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 12 years.

Leasehold right

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 5 years with an expectation to renew.

Right of leasehold and computer software	25 764 135	26 436 281

6. GOODWILL

Opening net carrying amount	11 745 082	24 049 082
Impairment	-	(12 304 000)
Closing net carrying amount	11 745 082	11 745 082

	2022 N$	2021 N$
6. GOODWILL (continued)		
Group (continued)		
For more details relating to goodwill refer to the explanations below:		
Goodwill acquired		
- Antigua Island Investment (Pty) Ltd	10 895 663	10 895 663
- Woestynplaas (Pty) Ltd	849 419	849 419
	11 745 082	11 745 082
Opening balance	11 745 082	24 049 082
Impairment of goodwill	-	(12 304 000)
Closing balance	11 745 082	11 745 082

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$ 44 181 476 as at 31 October 2022 (2021:N$ 43 056 000) 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 2023 to 2033 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.*
- *Average growth rate of 7% (2021: 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 11-year period.*
- *A post tax weighted average cost of capital of 12.82% (2021: 8.84%) was used as the discount factor, which was based on the current debt equity ratio weighting, taking a pre-tax 10.50% 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$ 46 801 061 (2021: N$ 50 510 281) which exceeds the current carrying value of the cash generating unit of N$ 44 181 476 (2021: N$ 43 056 000). 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. Two years ago, 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.

In the prior 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 prior 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 prior 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 prior 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 prior year amounts to N$ 12 304 000.

7. OTHER FINANCIAL ASSETS

	Percentage holding	2022	2021
	%	N$	N$
31 October			
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 JOINT VENTURE

Investment in joint venture	Nature of business	Ownership interest 2022	Ownership interest 2021	Carrying amount 2022	Carrying Amount 2021
		%	%	N$	N$
Island Marble Investments (Pty) Ltd	Property owning	50.00%	50.00%	7 011 194	7 004 896

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 group annual financial statements are set out below.

8. INVESTMENT IN JOINT VENTURE (continued)

Summarised financial information:

Summarised statement of financial position:

	2022 N$	2021 N$
Assets:		
Non-current assets	14 000 000	14 000 312
Shareholder's loan	21 919	21 919
Cash and cash equivalents	467	2 548
Total assets	14 022 386	14 024 779
Liabilities:		
Other current liabilities	103 923	123 923
Total liabilities	103 923	123 923
Net assets	13 918 463	13 900 856
Group's share in equity – 50%	6 959 232	6 950 427
Loan to Joint Venture	51 962	59 469
Intra group rent	-	(5 000)
Group's carrying amount of the investment	7 011 194	7 004 896
Income	20 000	10 000
Operating expenses	(2 081)	(94 906)
Tax (charge)/release	(5 734)	27 169
Profit/(Loss) for the year and total comprehensive income/(loss)	12 185	(57 737)
Group's share of income/(loss)	6 093	(28 868)
Other	7 712	-
Intra group rent	-	(5 000)
Total share of income/(loss) from joint venture	13 805	(33 868)
Carrying value		
Cost of investment	6 750 000	6 750 000
Equity accounted earnings to date	(53 728)	(67 533)
Loan to Joint Venture	51 962	59 469
Recognising excess with acquisition	262 960	262 960
Carrying value of investments in joint venture	7 011 194	7 004 896

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

9. LOANS TO RELATED PARTIES

	2022 N$	2021 N$
Loans to related parties comprises:		
Island Marble Investments (Pty) Ltd	51 962	59 469
Naukluft Electricity Investments (Pty) Ltd	762 497	762 497
Klein Okapuka Close Corporation	65	-
	814 524	821 966

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.

10. DEFERRED TAXATION

	2022 N$	2021 N$
Opening balance	(24 663 998)	7 325 612
Temporary differences on property, plant and equipment	10 209 605	6 186 160
Temporary differences on prepayments	(423 933)	(159 607)
Temporary differences on non-refundable deposits (#)	(1 285 999)	(1 992 826)
Temporary differences on livestock	2 556	(2 988)
Temporary difference on right-of-use asset	1 313 655	680 691
Temporary differences of lease liabilities	(1 563 387)	(818 353)
Temporary differences on provision for credit losses	(1 283)	131 700
Temporary differences on consumables	927 090	-
Assessable losses	4 237 957	(36 014 387)
Deferred tax closing balance	(11 247 737)	(24 663 998)

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

	2022 N$	2021 N$
10. DEFERRED TAXATION (continued)		
Deferred tax comprises of:		
Accelerated wear, tear and building allowances and Leasehold improvement allowances	91 915 567	81 689 533
Assessed loss recognised	(99 333 129)	(103 571 086)
Income received in advance	(4 336 243)	(3 050 244)
Prepayments	84 427	508 360
Right-of-use asset	5 717 996	4 349 360
Lease liabilities	(6 265 765)	(4 630 968)
Provision for expected credit losses	(29 568)	(28 285)
Consumables	927 090	-
Livestock	71 888	69 332
	(11 247 737)	(24 663 998)

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

	2022 N$	2021 N$
Deferred tax asset	(55 778 982)	(64 418 944)
Deferred tax liability	44 531 245	39 754 946
	(11 247 737)	(24 663 998)

The entities within the group have assessable losses of N$ 310 416 028 (2021: N$ 323 659 653) 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.

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

	2022 N$	2021 N$
Within 12 months	(3 133 121)	(2 431 441)
After 12 months	(8 114 616)	(22 232 557)
Deferred tax liability closing balance	(11 247 737)	(24 663 998)

	2022 N$	2021 N$
11. INVENTORIES		
Merchandise for resale	4 814 214	4 804 365
Food and beverages	5 731 003	3 083 242
Camping equipment	9 457 198	5 127 480
Consumables	2 897 157	2 024 708
	22 899 572	15 039 795

There was no provision for obsolete inventory in the current year (2021: Nil)

	2022 N$	2021 N$
12. BIOLOGICAL ASSETS		
Livestock and game	224 650	216 661

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

13. TRADE AND OTHER RECEIVABLES

Financial instruments

	2022 N$	2021 N$
Trade debtors	67 615 964	10 753 872
Credit loss allowance	(123 200)	(117 855)
Staff loans (!)	14 359	16 106
Deposits	628 364	459 046
Insurance refundable (*)	59 791	573 244
Other (#)	953 492	2 916 092
Total financial instruments	69 148 770	14 600 505

(*) 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

	2022 N$	2021 N$
Prepaid suppliers	879 593	1 588 625
Value added tax receivable	7 473 174	2 049 239
Total non-financial instruments	8 352 767	3 637 864
	77 501 537	18 238 369

13. TRADE AND OTHER RECEIVABLES (continued)

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 matric percentages adjusted downwards. This is due to the fact that debtors' balances have normalised again after Covid-19 and the matrix is based on the average of 5 years excluding 2020 as this is a clearly identified outlier.

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

		Estimated gross carrying amount at default 2022 N$	Loss allowance (lifetime expected credit loss) 2022 N$	Estimated gross carrying amount at default 2021 N$	Loss allowance (lifetime expected credit loss) 2021 N$
Not past due	0.06% (2021: 0,63%)	43 385 867	(24 650)	9 097 678	(56 828)
Above 30 days	0.21% (2021: 1,68%)	13 286 193	(27 899)	1 150 411	(19 311)
Past due	0,65% (2021: 8,25%)	10 943 904	(70 651)	505 783	(41 716)
		67 615 964	(123 200)	10 753 872	(117 855)

	2022 N$	2021 N$
13. 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:		
Opening balance	117 855	666 603
Movement in provision	5 345	(548 748)
Closing balance	123 200	117 855

14. 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

Group

	2022 N$	2021 N$
Bank	28 906 905	9 930 076
Bank overdraft	(38 479 278)	(125 873 994)
	(9 572 373)	(115 943 918)

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

Overdraft security

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

- Unlimited Suretyship by Gondwana Holdings Ltd, Reg. No. 2017/1055 and Nature Investments (Pty) Ltd, Reg. No.1996/0307, supported by security in own names;
- Limited Suretyship for N$72 000 000 by each of the following companies, supported by security in own name;
  - Gondwana Travel Centre (Pty) Ltd, Reg. No. 2007/0203
  - Namib Desert Investments (Pty) Ltd, Reg. No. 2004/0264
  - Eden East Farming and Tourism (Pty) Ltd, Reg. No. 1999/0255
  - Canyon Investments (Pty) Ltd, Reg. No. 1997/0105
  - Violet Investments (Pty) Ltd, Reg. No. 1997/0201
  - Combretum Investments (Pty) Ltd, Reg. No.1996/0417
  - R.A.L Boerdery (Pty) Ltd, Reg. No. 1997/0195
  - Acacia Investments (Pty) Ltd, Reg. No.1996/0416
- Negative undertaking in respect of incurring further Liabilities and encumbering of assets by Gondwana Collections Namibia (Pty) Ltd, Reg. No. 2017/0459;
- Negative undertaking in respect of incurring further liabilities and encumbering of assets by all property owning entities;
- Cession of 100% shares by Gondwana Holdings Ltd, Reg. No. 2017/1055 in Gondwana Collection Namibia (Pty) Ltd, Reg. No. 2017/0459;

14. CASH AND CASH EQUIVALENTS (continued)

Overdraft security *(continued)*

- Cession of 100% shares by Nature Investments (Pty) Ltd, Reg. No.1996/0307 held in the following companies:

- Gondwana Travel Centre (Pty) Ltd, Reg. No. 2007/0203
- Namib Desert Investments (Pty) Ltd, Reg. No. 2004/0264
- Canyon Investments (Pty) Ltd, Reg. No. 1997/0105
- Violet Investments (Pty) Ltd, Reg. No. 1997/0201
- Combretum Investments (Pty) Ltd, Reg. No.1996/0417
- R.A.L Boerdery (Pty) Ltd, Reg. No. 1997/0195
- Acacia Investments (Pty) Ltd, Reg. No.1996/0416
- Anib Lodge (Pty) Ltd, Reg. No. 2003/0124
- Etosha Safari Lodge and Camps (Pty) Ltd, Reg. No. 2001/0588
- Oshikateko Investments (Pty) Ltd, Reg. No. 2015/1193
- Antigua Island Investments (Pty) Ltd, Reg. No. 2012/0924
- Camp Chobe Safaris (Pty) Ltd, Reg. No.2011/0028
- Woestynplaas (Pty) Ltd, Reg. No.1989/0537
- Altdorn Farming and Tourism (Pty) Ltd, Reg. No. 1998/0505
- Frankfurt Farming and Tourism (Pty) Ltd, Reg. No. 1998/0506
- Namushasha Country Lodge (Pty) Ltd, Reg. No. 2003/0491
- Kalizo Fishing and Photographic Safaris (Pty) Ltd, Reg. No. 2003/491
- Island View Lodge (Pty) Ltd, Reg. No. 2017/1175
- Holoog Wildtelers (Pty) Ltd, Reg. No. 1988/0249
- Kanebis Farming and Tourism (Pty) Ltd, Reg. No. 1998/0509

- Cession of All Shares and Claims by by Nature Investments (Pty) Ltd, Reg. No.1996/0307 held in Camp Chobe Safaris (Pty) Ltd, Reg. No.2011/0028;

- Cession of 50% shares (500 ordinary) by Nature Investments (Pty) Ltd, Reg. No.1996/0307 held in Woestynplaas (Pty) Ltd, Reg. No.1989/0537;

- Cession of 50% shares (500 ordinary) by Violet Investments (Pty) Ltd, Reg. No. 1997/0201 held in Woestynplaas (Pty) Ltd, Reg. No.1989/0537.

		2022 N$	2021 N$
15.	SHARE CAPITAL		
	Authorised:		
	500 000 000 ordinary shares of N$ 0.001 each	500 000	500 000
	Issued:		
	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.		
	Share premium:	132 301 614	132 301 614

GONDWANA HOLDINGS LIMITED
COMPANY REGISTRATION NUMBER 2017/1055
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 N$	2021 N$
16. REVALUATION RESERVES		
Opening balance	200 879 872	200 934 275
Revaluation reserve release	(57 411)	(54 403)
Closing balance	200 822 461	200 879 872

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.

17. SHAREHOLDERS' RESERVE

	2022 N$	2021 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.

GONDWANA HOLDINGS LIMITED

COMPANY REGISTRATION NUMBER 2017/1055

GROUP ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		Interest rate	Maturity	2022 N$	2021 N$
18.	LONG-TERM LIABILITIES				
18.1	NON-CURRENT INTEREST-BEARING LOANS - SECURED				
	Unlisted Senior Secured Floating rate notes – N$70 000 000 (2021: Nil)	3 month JIBAR + 245 basis points	2025	70 000 000	-
	Bank Windhoek Namibia Limited - N$ 277 785 132 (2021: N$ 255 000 006)	Prime + 0.8	2025	242 791 645	255 000 006
	Development Bank of Namibia Covid Relief Term Loan - N$50 000 000 (2021: Nil)	Fixed 5.925	2027	43 921 825	-
	Development Bank of Namibia - bank loan	Prime -1	2024	9 839 872	20 395 886
	Bank Windhoek Namibia Limited - installment Sale	Prime	2025	18 350 371	5 239 300
	First National Bank of Namibia Limited - installment Sale	Prime + 1	2024	4 886 873	11 783 463
	Standard Bank Namibia Limited - installment Sale	Prime - 0.5	2023	-	7 743 286
	Salambala Conservancy - loan	Prime -1	2027	331 196	402 231
	Millennium Challenge Account	Fixed	2032	5 189 431	5 985 623
				395 311 213	306 549 795
18.2	NON-CURRENT INTEREST-BEARING LOANS - UNSECURED				
	Ruth Albrecht Trust - Anib Lodge (Pty) Ltd	Fixed 9	2023	-	603 113
	Total non-current interest-bearing loans and borrowings			395 311 213	307 152 908

GONDWANA HOLDINGS LIMITED
COMPANY REGISTRATION NUMBER 2017/1055
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		Interest rate	Maturity	2022 N$	2021 N$
18.	LONG-TERM LIABILITIES (continued)				
18.3	CURRENT INTEREST-BEARING LOANS - SECURED				
	Unlisted Senior Secured Floating rate notes – N$70 000 000 (2021: Nil)	3 month JIBAR + 245 basis points	2025	607 386	-
	Bank Windhoek Namibia Limited - N$ 277 785 132 (2021: N$ 255 000 006)	Prime + 0.8	2025	34 993 487	-
	Bank Windhoek Namibia Limited - N$12 000 000 (2021: Nil)	Prime	2027	300 177	-
	Development Bank of Namibia Covid Relief Term Loan	Fixed 5.925	2027	8 227 812	-
	Development Bank of Namibia - bank loan - N$50 000 000 (2021: Nil)	Prime -1	2024	11 806 479	11 220 738
	Bank Windhoek Namibia Limited - installment Sale	Prime	2025	11 788 198	3 438 887
	First National Bank of Namibia Limited - installment Sale	Prime + 1	2024	6 330 103	8 015 130
	Standard Bank Namibia Limited - installment Sale	Prime - 0.5	2023	6 845 417	11 599 826
	Salambala Conservancy - loan	Prime -1	2027	73 518	67 456
	Millennium Challenge Account	Fixed	2032	383 433	383 433
				81 356 010	34 725 470
18.4	CURRENT INTEREST-BEARING LOANS - UNSECURED				
	Ruth Albrecht Trust - Anib Lodge (Pty) Ltd	Fixed 9	2023	603 113	427 217
	Total current interest-bearing loans and borrowings			81 959 123	35 152 687
	Total interest-bearing loans and borrowings			477 270 336	342 305 595

18. LONG-TERM LIABILITIES (continued)

Unlisted Senior Secured Floating rate notes

Through Pledges and Cession through the group, the vehicles acquired with the funds act as security for the notes.

Bank Windhoek Namibia Limited - N$ 277 785 132 (2021: N$ 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 10.50%) 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*

- *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.*

18. LONG-TERM LIABILITIES (continued)

Bank Windhoek Namibia Limited - N$ 12 000 000 (2021: Nil)

As at year end the group borrowed N$12 000 000 loan from Bank Windhoek Namibia Limited. The loan is repayable over 5 years with 59 monthly instalments, with a balloon payment of the outstanding amount in month 60 and failing repayment of same, 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 credit criteria being met. Interest is calculated at prime lending rate at present 10.50%.

The loan is secured as follows:

- *Unlimited suretyship by Gondwana Collection Namibia (Pty) Ltd, Reg. No.2017/0459, unsecured;*
- *Unlimited suretyship by Klein Okapuka CC, Reg. No. CC/96/947, supported by:*
  - *A first covering mortgage bond of N$17 420 000 over portion A of the Farm Klein Okapuka No.51,Khomas Region, Namibia;*
  - *Unlimited suretyship by A Flachberger, supported by security in own names; and*
  - *Cession of Leasehold over Farm Klein Okapuka No.51.*

Development Bank of Namibia - N$50 000 000 (2021: Nil)

This loan is secured by Swakopmund property Erf 5378 as disclosed in Note 3. The loan carries interest at a fixed rate of 5,925%.The loan is repayable in 57 (2021: Nil) monthly installments. Repayments amount to N$1 248 952 (2021: Nil) per month.

Development Bank of Namibia - bank loan

This loan is secured by Swakopmund property Erf 5378 as disclosed in Note 3. The loan carries interest at prime less 1%. The loan is repayable in 20 (2021: 32) monthly instalments. Repayments amount to N$1 090 137 (2021:N$928 916) per month.

Bank Windhoek Namibia Limited - installment Sale

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 instalments totalling N$1 113 540 (2021: N$256 447). Interest is charged at prime related rates.

First National Bank of Namibia Limited - installment Sale

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 instalments totalling N$700 755 (2021: N$ 796 674). Interest is charged at prime related rates.

Standard Bank Namibia Limited - installment Sale

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 totalling N$873 778 (2021: N$ 1 192 827). Interest is charged at prime related rates.

Salambala Conservancy - loan

The loan is repayable in 61 (2021: 73) 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.

18. LONG-TERM LIABILITIES (continued)

Millennium Challenge Account

The loan does not attract interest, is repayable over a period of 9 years with installments based on revenue generated and is secured by the concession assets purchased with the loan.

Ruth Albrecht Trust - Anib Lodge (Pty) Ltd

The loan bears interest at a fixed rate of 9% (2021: 9%). The monthly instalments amount to N$72 187 (2021: 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.

19. 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 26.

	2022 N$	2021 N$
Year ended 31 October		
Land		
Opening balance	14 471 775	11 914 420
Lease liability incurred	5 015 107	-
Remeasurement	323 220	3 063 414
Finance cost	1 681 219	1 122 433
Lease payments	(1 910 803)	(1 628 492)
Closing net carrying amount	19 580 518	14 471 775

GONDWANA HOLDINGS LIMITED
COMPANY REGISTRATION NUMBER 2017/1055
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

19. LEASE LIABILITIES (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.

	2022 N$	2021 N$
Lease liabilities		
Lease liabilities recognised in the statement of financial position are analysed as:		
Land		
Non-current portion	19 210 331	13 969 047
Current portion	370 187	502 728
	19 580 518	14 471 775
Total cash flow payments in respect of leases		
Principal portion of the lease liabilities (included in cash flows from financing activities)	229 584	506 059
Interest portion of the lease liabilities (included in finance cost cash flows)	1 681 219	1 628 492
Short-term lease payments	3 257 781	224 838
Variable lease payments that are not included in the measurement of the lease liabilities	5 096 331	1 986 098
Total cash outflow payments for leases	10 264 915	4 345 487

Lease creditors	**Interest rate (%)**		
Caprivi Communal Land Board - N$ 8 100 per month	9.25	204 933	280 121
Mashi Conservancy - N$ 20 250 per month	7.50	3 642 379	3 614 800
Zambezi Communal Land Board (Ngoma Communal Area) N$ 5 756 – per month	7.50	1 161 271	370 877
Ngoma Family Trust and Salambala Conservancy - N$ 13 910 per month	7.50	2 805 818	693 746
Mbunza Traditional Authority – N$3 522 per month	9.25	417 651	310 321
A F van Niekerk - N$ 1 200 per month	9.25	135 252	138 070
Balance carried forward		8 367 304	5 407 935

19. LEASE LIABILITIES (continued)

Lease creditors	Interest rate (%)	2022 N$	2021 N$
Balance brought forward		8 367 304	5 407 935
The Brehmen Trust - N$ 1 200 per month	9.25	136 608	137 481
Sesfontein, Anabeb and Tora Conservancy – N$37 735 per month	9.25	3 059 285	3 224 302
King Nehale Conservancy – N$39 542 per month	9.25	4 412 400	4 479 097
Zambezi Communal Land Board (Kalundu Communal area) - N$ 5 753 per month	9.25	604 473	626 550
Zambezi Communal Land Board (Kalimbeza Communal area) – N$ 6 346 per month	9.25	819 568	596 410
Omarunga – N$17 369 per month	9.25	2 180 880	-
		19 580 518	14 471 775

20. LOANS FROM RELATED PARTIES

	2022 N$	2021 N$
Mont Vinum Properties (Pty) Ltd	14 851 167	-

The loan received from related party does not bear interest, has no fixed terms of repayment and has no security. The loan is not expected to be repaid within the next 12 months and is therefore disclosed as a non-current liability.

21. DEFERRED INTEREST LIABILITY

	2022 N$	2021 N$
Development Bank of Namibia	2 089 000	2 089 000

The amount relates to the Development Bank of Namibia loan as disclosed in note 18.1. 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.

GONDWANA HOLDINGS LIMITED
COMPANY REGISTRATION NUMBER 2017/1055
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2022 N$	2021 N$
22.	TRADE AND OTHER PAYABLES		
	Group		
	Financial instruments		
	Trade creditors	48 464 521	18 915 261
	Bed levy accrual	1 063 621	360 859
	Conservancy levies	1 803 976	1 335 125
	CFFR recovery loan repayable 50%	3 786 114	2 464 900
	Accruals	3 583 800	3 439 447
	Permit entrance fees	1 246 429	789 281
	Other	1 227 096	946 514
	Total financial instruments	61 175 557	28 251 387
	Non-financial instruments		
	Salary related accruals	6 451 109	5 198 635
	Refundable deposits on accommodation and tour packages	14 125 121	18 438 011
	Non-refundable deposits on accommodation and tour packages	18 258 266	9 532 012
	Value added taxation accrual	7 802 650	36 704
	Income received in advance	1 142 000	-
	Total non-financial instruments	47 779 146	33 205 362
		108 954 703	61 456 749

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

Reconciliation of deposits on accommodation and tour packages:

	2022 N$	2021 N$
Balance at the beginning of the year	27 970 023	20 092 066
Revenue recognised in respect of opening balances	(20 944 309)	(15 099 474)
Revenue recognised in respect of deposits received during the year	(197 268 153)	(77 347 186)
Deposits received during the year	222 625 826	100 324 617
Balance at the end of the year	32 383 387	27 970 023

		2022 N$	2021 N$
23.	REVENUE		
	Revenue from contracts with customers	472 993 880	164 052 929

GONDWANA HOLDINGS LIMITED
COMPANY REGISTRATION NUMBER 2017/1055
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Notes	2022 N$	2021 N$
23. REVENUE (continued)			
Set out below is the disaggregation of the group's revenue from contracts with customers:			
Accommodation		202 516 978	67 771 377
Activities		30 864 550	10 441 501
Bar		25 456 388	11 461 823
Car rental		48 015 384	13 231 846
Conference		4 307 048	-
Fuel		16 750 043	7 812 746
Laundry and other		2 838 644	3 907 729
Package tour sales		36 385 279	9 059 560
Restaurant		95 364 214	34 129 192
Souvenirs / telephone cards		9 812 981	6 237 155
Transfers		682 371	-
Total revenue from contracts with customers		472 993 880	164 052 929
Primary geographical markets			
Namibia		472 993 880	164 052 929
Total revenue from contracts with customers		472 993 880	164 052 929
Timing of revenue recognition			
Good transferred at a point in time		234 091 623	87 221 992
Services transferred overtime		238 902 257	76 830 937
Total revenue from contracts with customers		472 993 880	164 052 929
Liabilities related to contracts with customers			
Deposits on accommodation and tour packages	22	32 383 387	27 970 023
24. COST OF SALES			
Accommodation		7 098 094	3 317 286
Activities		6 021 270	2 176 704
Bar		12 136 095	5 500 700
Car rental		2 078 625	559 984
Conference		1 117 210	-
Fuel		15 627 109	7 313 604
Laundry and other		1 552 116	3 045 742
Package tour sales		24 261 796	7 782 594
Restaurant		39 648 735	16 175 612
Souvenirs / telephone cards		5 357 950	3 308 861
Transfers		953 125	-
Total cost of sales		115 852 125	49 181 087

GONDWANA HOLDINGS LIMITED

COMPANY REGISTRATION NUMBER 2017/1055

GROUP ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 N$	2021 N$
25. OTHER OPERATING INCOME		
Donations income	2 751 326	2 085 125
Profit on sale of assets	4 320 474	245 090
Gondwana card income	2 671 060	2 616 114
HR training	38 343	540 155
Insurance refunds	221 225	517 243
HQ contributions received	621 498	302 216
CRRRF Recovery Relief Funding	1 321 214	1 129 297
Namibia Training Authority refunds received	-	376 947
Other	335 071	279 097
	12 280 211	8 091 284

26. OPERATING EXPENSES

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

	2022 N$	2021 N$
Auditor's remuneration		
- audit fees	1 601 760	1 118 280
Employee costs		
Salaries, wages and other benefits	102 974 370	83 887 450
Directors' fees	8 027 749	7 457 498
Directors' costs for other services	189 985	-
Directors' costs on special project	-	12 228
Retirement benefit plans: defined contribution expense	9 834 160	2 039 715
	121 026 264	93 396 891
Variable lease payments	5 096 331	1 986 098
Short-term leases	3 257 781	224 838
	8 354 112	2 210 936
Depreciation and amortisation		
Depreciation on property, plant and equipment	36 203 807	30 311 200
Amortisation of intangible assets	672 146	717 122
Depreciation of right-of-use assets	1 061 350	936 252
	37 937 303	31 964 574

		2022 N$	2021 N$
26.	OPERATING EXPENSES (continued)		

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

Breakdown of expenses by nature

	2022 N$	2021 N$
Administration fees	98 576	29 241
Advertising	7 160 020	4 842 438
Bank charges	7 781 671	4 353 761
Bad debts	57 669	539 043
Commission paid	3 373 508	869 206
Computer expenses	2 256 756	1 833 584
Depreciation, amortisation and impairment	37 937 303	31 964 574
Donations	2 551 248	2 104 562
Repairs and maintenance	16 508 986	3 728 073
Short-term leases on premises	3 257 781	224 838
Employee costs	121 026 264	93 396 891
Security	854 369	794 650
Consulting and professional fees – legal fees	5 848 627	2 845 994
Variable lease payments	5 096 331	1 986 098
Other expenses	69 369 603	44 821 181
	283 178 712	194 334 134

Major components of other expenses:

	2022 N$	2021 N$
Licences, subscription, membership fees	4 429 637	4 027 809
Electricity and water	15 673 255	13 214 351
Fuel and oil	11 790 768	5 780 529
Motor vehicle expenses	13 439 997	5 410 884
	45 333 657	28 433 573

27. INVESTMENT INCOME

	2022 N$	2021 N$
Dividend income from investments (*)	21 713	15 983

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

28. FINANCE INCOME

	2022 N$	2021 N$
Bank	37 591	17 307

29. FINANCE COST

	2022 N$	2021 N$
Bank loans and overdraft	35 895 889	28 314 414
Interest-bearing borrowings	6 848 562	2 855 843
Lease liabilities	1 681 219	1 122 433
Other	31 026	43 630
	44 456 696	32 336 320

GONDWANA HOLDINGS LIMITED
COMPANY REGISTRATION NUMBER 2017/1055
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 N$	2021 N$
30. TAXATION		
Major components of income tax expense for the year		
Current income tax charge	148 190	15 177
Deferred tax:		
Relating to origination and reversal of temporary differences	13 416 260	(31 989 610)
Income tax expense reported in the statement of profit or loss	13 564 450	(31 974 433)
Reconciliation between accounting profit and tax expenses:		
Income/(loss) before income tax	41 854 322	(115 463 158)
Tax at the applicable tax rate of 32%	13 393 383	(36 948 210)
Assessable losses previously not recognised, recognised now	(1 495)	-
Dividends received	(6 949)	(5 114)
Expenses incurred in the production of exempt income	35 192	117 808
Donations received	(294 089)	(667 240)
Donations paid	238 830	673 460
Impairment loss	-	3 937 280
Legal fees	202 642	910 718
Land tax	1 324	8 788
Penalties	30	(12 760)
Share of profit/(loss) from joint venture	(4 418)	10 837
Income tax charge reported in the statement of profit or loss	13 564 450	(31 974 433)

	2022	2021
31. EARNINGS PER SHARE		
Basic and diluted earnings (cents per share)	42.17	(125.82)

Basic earnings per share is based on net income/(loss) attributable to equity shareholders of the company as per the Group Statement of Profit or Loss and Other Comprehensive Income (income N$ 27 984 668) (2021: loss N$ 83 488 725) and a weighted average number of ordinary shares outstanding during the year of 66 356 809 shares (2021: 66 356 809 shares). It is calculated by dividing the net income/(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 basic earnings per share because there are no potentially dilusive ordinary shares in issue.

32. RELATED COMPANIES' TRANSACTIONS

Transactions with related companies:

	2022 N$	2021 N$
Ruth Albrecht Trust		
- interest paid	78 091	83 507
Naukluft Electricity Investments (Pty) Ltd		
- electricity charge	1 179 089	1 051 189
Fisher Quarmby & Pfeifer		
- bond registration and other	551 875	688 682
Wine bar		
- purchases	1 884 255	737 891
Compensation to directors and key management		
- salary and other short-term employee benefits	8 217 734	7 469 725
Conserv Engineering Services CC		
- repairs and maintenance	248 377	138 663
Hannes Gouws & Partners Incorporated		
- legal fees – insurance claim	894 240	-
Mont Vinum Properties (Pty) Ltd		
- rent paid	2 716 602	-

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

Related parties are identified as follows:

- Conserv Engineering Services CC – common shareholding, membership
- Fisher Quarmby & Pfeifer – common shareholders, directors, partners
- Gondwana Care Trust – common directorship / trusteeship
- Hannes Gouws & Partners Incorporated – common shareholder / director LJ Gouws
- Island Marble Investments (Pty) Ltd – joint venture
- Naukluft Electricity Investments – associated company
- Ruth Albrecht Trust – Common shareholder / director/trustee – CJ Gouws
- Springwater Investments (Pty) Ltd – common ultimate shareholding, directorship
- Wine Bar – common shareholders of a subsidiary
- Mont Vinum Properties (Pty) Ltd – non-controlling interest shareholder

	Notes	2022 N$	2021 N$
33. CASH GENERATED/(UTILISED) BY OPERATIONS			
Profit/(Loss) before taxation		41 854 322	(115 463 158)
Adjustments for:			
- impairment loss	6	-	12 304 000
- share of (profit)/loss of joint venture	8	(13 805)	33 868
- movement in provision for credit losses	13	5 345	(548 748)
- net gains on disposal of assets	25	(4 320 474)	(245 090)
- depreciation and amortisation	26	37 937 303	31 964 574
- investment income	27	(21 713)	(15 983)
- finance income	28	(37 591)	(17 307)
- finance cost	29	44 456 696	32 336 320
- derecognition of capital work in progress	3	1 071 919	-
		120 932 002	(39 651 524)
Working capital adjustments:			
(Increase)/decrease in inventories and biological assets		(7 867 766)	572 575
(Increase)/decrease in trade and other receivables		(59 268 513)	1 134 115
Increase in trade and other payables		47 497 954	17 809 486
		(19 638 325)	19 516 176
Cash generated/(utilised) from operations		101 293 677	(20 135 348)

34. DIVIDENDS PAID

	2022 N$	2021 N$
Balance at the beginning of the year	(183 681)	(905 712)
Dividends	-	-
Balance at the end of the year	180 370	183 681
	(3 311)	(722 031)

During the year under review no dividends were declared. No dividends were declared in 2021 by the group.

35. TAX PAID

Group

	2022 N$	2021 N$
Balance at the beginning of the year	1 874 584	1 808 591
Current tax for the year recognised in profit or loss	(148 190)	(15 177)
Balance at end of the year	(1 867 327)	(1 874 584)
	(140 933)	(81 170)

GONDWANA HOLDINGS LIMITED
COMPANY REGISTRATION NUMBER 2017/1055
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

36. CHANGES IN LIABILITIES ARISING FROM FINANCIAL INSTRUMENTS

2022

	SECURED INTEREST-BEARING LIABILITIES											UNSECURED INTEREST BEARING LIABILITIES	Total Secured and unsecured interest-bearing liabilities
	Unlisted Senior Secured Floating rate notes	Bank Windhoek Namibia Limited - N$ 12 000 000 (N$ nil)	Development Bank of Namibia - bank loan	Bank Windhoek Namibia Limited - + N$ 277 785 132 (2021: 255 000 006)	Development Bank of Namibia Covid Relief Term Loan - N$50 000 000 (N$2021: nil)	Bank Windhoek Namibia Limited - installment Sale	First National Bank of Namibia Limited - installment Sale	Standard Bank Namibia Limited - installment Sale	Salambala Conservancy - loan	Millennium challenge account	Total Secured liabilities	Ruth Albrecht Trust	
Opening balances at 01 November 2021	-	-	31 616 624	255 000 006	-	8 678 187	19 798 593	19 343 112	469 687	6 369 056	341 275 265	1 030 330	342 305 595
Cashflow changes:													
Loans received	70 000 000	300 177	-	-	50 298 537	31 150 824	-	-	-	-	151 749 538	-	151 749 538
Repayment of principal	-	-	(9 970 273)	-	-	(9 690 442)	(8 581 617)	(12 497 695)	(64 973)	(796 192)	(41 601 192)	(505 309)	(42 106 501)
Non-cashflow changes:													
Finance charges accrued	607 386	-	-	22 785 126	1 851 100	-	-	-	-	-	25 243 612	78 092	25 321 704
Closing balance at 31 October 2022	70 607 386	300 177	21 646 351	277 785 132	52 149 637	30 138 569	11 216 976	6 845 417	404 714	5 572 864	476 667 223	603 113	477 270 336

GONDWANA HOLDINGS LIMITED
COMPANY REGISTRATION NUMBER 2017/1055
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

36. CHANGES IN LIABILITIES ARISING FROM FINANCIAL INSTRUMENTS

2021

	SECURED INTEREST-BEARING LIABILITIES												UNSECURED INTEREST BEARING LIABILITIES	Total Secured and unsecured interest-bearing liabilities
	Unlisted Senior Secured Floating rate notes	Bank Windhoek Namibia Limited - N$ 12 000 000 (N$ nil)	Development Bank of Namibia - bank loan	Bank Windhoek Namibia Limited -+ N$ 277 785 132 (2021: 255 000 006)	Development Bank of Namibia Covid Relief Term Loan - N$50 000 000 (N$2021: nil)	Bank Windhoek Namibia Limited - installment Sale	First National Bank of Namibia Limited - installment Sale	Standard Bank Namibia Limited - installment Sale	Salambala Conservancy - loan	Millennium challenge account	Sunset Solar	Total Secured liabilities	Ruth Albrecht Trust	
Opening balances at 01 November 2020	-	-	31 709 642	255 000 006	-	671 458	22 377 263	18 634 943	531 914	6 692 384	67 483	335 685 093	946 822	336 631 915
Cashflow changes:														
Loans received	-	-	-	-	-	9 123 840	5 433 207	12 277 973	-	-	-	26 835 020	83 508	26 918 528
Repayment of principal	-	-	(93 018)	-	-	(1 117 111)	(8 011 877)	(11 569 804)	(62 227)	(323 328)	(67 483)	(21 244 848)	-	(21 244 848)
Closing balance at 31 October 2021	-	-	31 616 624	255 000 006	-	8 678 187	19 798 593	19 343 112	469 687	6 369 056	-	341 275 265	1 030 330	342 305 595

37. COVID-19 IMPACT, GOING CONCERN AND SUBSEQUENT EVENTS

The year started with another set back when the Covid-19 Omicron variant emerged, and the western governments once again locked us out from travel. The group stayed true to its values while assessing its opportunities. We invested aggressively in our car rental business and entered into management agreements which are light capital investments. By staying its course, protecting its people and taking up opportunities, the group was ready when the tourists returned and occupancy increased. All of the above together with our strong brand allowed the group to survive Covid-19 and return to profitability for the year.

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 had 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 and it stipulates the calculation of such protection is a significant amount. We will continue to pursue the claim.

Embarking on a journey into a record-breaking year, our focus remains on further strategic growth and restructuring our balance sheet. We are looking into unlocking more internal synergies through our brand, gaining access to new markets and diversifying beyond tourism. Management is optimistic about our future and is of the belief that the entity is a going concern for the foreseeable future.

There are no significant subsequent events to report on.

38. CAPITAL RISK MANAGEMENT

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 2022 the group's strategy, which was unchanged for 2021 was applied.

The gearing ratios at 31 October 2022 and 2021 are as follows:

	2022 N$	2021 N$
Total borrowings	552 270 299	484 740 364
Less: cash and bank balances	(28 906 905)	(9 930 076)
Net debt	523 363 394	474 810 288
Total equity	412 435 246	384 450 578
Total capital	935 798 640	859 260 866
Gearing ratio	56%	55%

39. FINANCIAL RISK MANAGEMENT

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 are 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 (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.

	2022		**2021**	
	10% increase	10% decrease	10% increase	10% decrease
	N$	N$	N$	N$
Effect on profit and loss after tax and impact on equity	24 285 639	(24 285 639)	7 811 285	(7 811 285)

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 (continued)*

39.1 Overview *(continued)*

b) Operational risk *(continued)*

The long-term liabilities - unsecured attract interest at a fixed rate of 9% per annum, while secured long term liabilities attract interest at prime related rates as well as a fixed rate of 5.925%. Other loans to related parties carry no interest.

Group	2022 N$	2021 N$
First National Bank Namibia Limited / Standard Bank Namibia Limited		
- current accounts	(38 479 278)	(125 873 994)
Lease liabilities	(19 580 518)	(14 471 775)
Interest bearing liabilities – secured	(476 667 223)	(341 275 265)
Interest bearing liabilities – unsecured	(603 113)	(1 030 330)
Deferred interest liability	(2 089 000)	(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 effective interest rate for monetary financial instruments:

	2022 %	2021 %
Current bank account	prime related	prime related
Instalment sales	prime related	prime related
Lease liabilities	7.5 - 9.25%	7.5 - 9.25%
Long-term liabilities – secured	prime related	prime related
Long-term liabilities – secured	5.925% fixed	-
Long-term liabilities – unsecured	9% fixed	9% fixed

The increase in 100 basis points in the interest rate would affect the group's income after tax and equity by N$ 3 640 245 (2021: N$ 3 296 234).

The decrease in 100 basis point in the interest rate would affect the group's income after tax and equity by N$ 3 640 245 (2021: N$ 3 296 234).

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 (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 into relevant maturity groupings based on the remaining period until contractual maturity date as at 31 October. 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.

39. *FINANCIAL RISK MANAGEMENT (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 31/10/2022							
Non-current liabilities							
Long-term liabilities – secured and unsecured	18	-	485 014 634	29 689 435	3 745 662	518 449 731	395 311 312
Lease liabilities	19	-	3 952 825	4 488 507	30 171 810	38 613 142	19 210 331
Loan from related party	20	-	-	-	14 851 167	14 851 167	14 851 467
Deferred interest liability	21	-	2 089 000	-	-	2 089 000	2 089 000
Current liabilities							
Bank overdraft	14	38 479 278	-	-	-	38 479 278	38 479 278
Long-term liabilities - secured and unsecured	18	96 782 735	-	-	-	96 782 735	81 959 123
Lease liabilities	19	1 913 344	-	-	-	1 913 344	370 187
Trade and other payables	22	61 175 557	-	-	-	61 175 557	61 175 557
Dividends payable	34	180 370	-	-	-	180 370	180 370
		198 531 284	491 056 459	34 177 942	48 768 639	772 534 324	613 626 625

39. FINANCIAL RISK MANAGEMENT (continued)

***39.1 Overview** (continued)*

***c) Liquidity risk** (continued)*

	Notes	Less than 1 year N$	Between 1 and 2 years N$	Between 2 and 5 years N$	Over 5 years N$	Total N$	Carrying amount N$
At 31/10/2021							
Non-current liabilities							
Long-term liabilities – secured and unsecured	18	-	61 812 646	322 680 170	4 451 891	388 944 707	307 152 908
Lease liabilities	19	-	1 714 310	6 848 163	18 794 987	27 357 460	13 969 047
Deferred interest liability	21	-	-	2 089 000	-	2 089 000	2 089 000
Current liabilities							
Bank overdraft	14	125 873 994	-	-	-	125 873 994	125 873 994
Long-term liabilities - secured and unsecured	18	59 532 255	-	-	-	59 532 255	35 152 687
Lease liabilities	19	1 691 227	-	-	-	1 691 227	502 728
Trade and other payables	22	28 251 387	-	-	-	28 251 387	28 251 387
Dividends payable	34	183 681	-	-	-	183 681	183 681
		215 532 544	63 526 956	331 617 333	23 246 878	633 923 711	513 175 432

GONDWANA HOLDINGS LIMITED
COMPANY REGISTRATION NUMBER 2017/1055
GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

39. FINANCIAL RISK MANAGEMENT (continued)

***39.1 Overview** (continued)*

d) Categories of financial instruments

2022	Notes	Financial assets at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and non-financial liabilities	Total
		N$	N$	N$	N$
Assets					
Non-current assets					
Property, plant and Equipment	3	-	-	868 293 955	868 293 955
Right-of-use asset	4	-	-	17 868 730	17 868 730
Intangible assets	5	-	-	25 764 135	25 764 135
Goodwill	6	-	-	11 745 082	11 745 082
Other financial assets (*)	7	-	-	474	474
Investment in joint venture	8	-	-	7 011 194	7 011 194
Loan to related party	9	814 524	-	-	814 524
Deferred tax asset	10	-	-	55 778 982	55 778 982
		814 524	-	986 462 552	987 277 076
Current assets					
Current tax receivable		-	-	1 883 017	1 883 017
Inventories	11	-	-	22 899 572	22 899 572
Biological assets	12	-	-	224 650	224 650
Trade and other Receivables	13	69 148 770	-	8 352 767	77 501 537
Cash and cash equivalents	14	28 906 905	-	-	28 906 905
		98 055 675	-	33 360 006	131 415 681
Total assets		98 870 199	-	1 019 822 558	1 118 692 757
Equity and liabilities					
Equity					
Share capital	15	-	-	66 357	66 357
Share premium	15	-	-	132 301 614	132 301 614
Revaluation reserve	16	-	-	200 822 461	200 822 461
Shareholders' reserve	17	-	-	17 364 558	17 364 558
Retained earnings		-	-	61 880 256	61 880 256
		-	-	412 435 246	412 435 246
Non-controlling interest		-	-	305 204	305 204
Total equity		-	-	412 740 450	412 740 450

(*) Other financial assets are categorised as FVTPL

39. FINANCIAL RISK MANAGEMENT (continued)

***39.1 Overview** (continued)*

***d) Categories of financial instruments** (continued)*

2022	*Notes*	*Financial assets at amortised cost N$*	*Financial liabilities at amortised cost N$*	*Equity and non-financial assets and non-financial liabilities N$*	*Total N$*
Liabilities					
Non-current liabilities					
Deferred tax liability	*10*	*-*	*-*	*44 531 245*	*44 531 245*
Interest-bearing liabilities - secured	*18.1*	*-*	*395 311 213*	*-*	*395 311 213*
Lease liabilities	*19*	*-*	*19 210 331*	*-*	*19 210 331*
Loans from related parties	*20*		*14 851 167*	*-*	*14 851 167*
Deferred interest liability	*21*	*-*	*2 089 000*	*-*	*2 089 000*
		-	*431 461 711*	*44 531 245*	*475 992 956*
Current liabilities					
Bank overdrafts	*14*	*-*	*38 479 278*	*-*	*38 479 278*
Short-term portion of interest-bearing liabilities - secured	*18.3*	*-*	*81 356 010*	*-*	*81 356 010*
Short-term portion of interest-bearing liabilities - unsecured	*18.4*	*-*	*603 113*	*-*	*603 113*
Short-term portion of lease liabilities	*19*	*-*	*370 187*	*-*	*370 187*
Trade and other payables	*22*	*-*	*61 175 557*	*47 779 146*	*108 954 703*
Dividend payable	*34*	*-*	*-*	*180 370*	*180 370*
Current taxation payable		*-*	*-*	*15 690*	*15 690*
		-	*181 984 145*	*47 975 206*	*229 959 351*
Total liabilities		*-*	*613 445 856*	*92 506 451*	*705 952 307*
Total equity and liabilities		*-*	*613 445 856*	*505 246 901*	*1 118 692 757*

39. FINANCIAL RISK MANAGEMENT (continued)

***39.1 Overview** (continued)*

***d) Categories of financial instruments** (continued)*

2021	Notes	Financial assets at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and non-financial 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
Intangible assets	5	-	-	26 436 281	26 436 281
Goodwill	6	-	-	11 745 082	11 745 082
Other financial assets (*)	7	-	-	474	474
Investment in joint venture	8	-	-	7 004 896	7 004 896
Loan to related party	9	821 966	-	-	821 966
Deferred tax asset	10	-	-	64 418 944	64 418 944
		821 966	-	924 464 867	925 286 833
Current assets					
Current tax receivable		-	-	1 885 769	1 885 769
Inventories	11	-	-	15 039 795	15 039 795
Biological assets	12	-	-	216 661	216 661
Trade and other receivables	13	14 600 505	-	3 637 864	18 238 369
Cash and cash equivalents	14	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	15	-	-	66 357	66 357
Share premium	15	-	-	132 301 614	132 301 614
Revaluation reserve	16	-	-	200 879 872	200 879 872
Shareholders' reserve	17	-	-	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

39. FINANCIAL RISK MANAGEMENT (continued)

***39.1 Overview** (continued)*

***d) Categories of financial instruments** (continued)*

2021	*Notes*	*Financial assets at amortised cost N$*	*Financial liabilities at amortised cost N$*	*Equity and non-financial assets and non-financial liabilities N$*	*Total N$*
Liabilities					
Non-current liabilities					
Deferred tax liability	*10*	*-*	*-*	*39 754 946*	*39 754 946*
Interest-bearing liabilities - secured	*18.1*	*-*	*306 549 795*	*-*	*306 549 795*
Interest-bearing liabilities - unsecured	*18.2*	*-*	*603 113*	*-*	*603 113*
Lease liabilities	*19*	*-*	*13 969 047*	*-*	*13 969 047*
Deferred interest liability	*21*	*-*	*2 089 000*	*-*	*2 089 000*
		-	*323 210 955*	*39 754 946*	*362 965 901*
Current liabilities					
Bank overdrafts	*14*	*-*	*125 873 994*	*-*	*125 873 994*
Short-term portion of interest-bearing liabilities - secured	*18.1*	*-*	*34 725 470*	*-*	*34 725 470*
Short-term portion of interest-bearing liabilities - unsecured	*18.3*	*-*	*427 217*	*-*	*427 217*
Short-term portion of lease liabilities	*19*	*-*	*502 728*	*-*	*502 728*
Trade and other payables	*22*	*-*	*28 251 387*	*33 205 362*	*61 456 749*
Dividend payable	*34*	*-*	*-*	*183 681*	*183 681*
Current taxation payable		*-*	*-*	*11 185*	*11 185*
Total liabilities		*-*	*189 780 796*	*33 400 228*	*223 181 024*
Total equity and liabilities		*-*	*512 991 751*	*73 155 174*	*586 146 925*

39. FINANCIAL RISK MANAGEMENT (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 (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:

	2022 N$	2021 N$
At carrying amount:		
Loans to related parties	814 524	821 966
Trade and other receivables	69 148 770	14 600 505
Cash and cash equivalents	28 906 905	9 930 076
	98 870 199	25 352 547

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

39. FINANCIAL RISK MANAGEMENT (continued)

***39.1 Overview** (continued)*

***e) Credit risk** (continued)*

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

	Gross 2022 N$	Impairment 2022 N$	Gross 2021 N$	Impairment 2021 N$
Trade debtors				
Not past due	43 385 867	(24 650)	320 344	(2 001)
Past due 0-30 days	13 286 193	(27 899)	8 777 334	(54 827)
Past due 30-60 days	5 657 672	(38 669)	1 150 410	(19 311)
Past due 60-90 days	1 261 871	(7 156)	168 792	(13 922)
Past due 90-120 days	1 623 964	(9 964)	9 495	(783)
More than 120 days	2 400 397	(14 862)	327 496	(27 011)
Total	67 615 964	(123 200)	10 753 871	(117 855)

Detail of provision matrix is presented in note 13.

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.*

39. FINANCIAL RISK MANAGEMENT (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*	*2022*	*2021*
		N$	*N$*
Land and buildings	*3*	*688 953 681*	*684 854 750*
Other financial assets	*7*	*474*	*474*
		688 954 155	*684 855 224*

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*

40. CONTINGENT LIABILITIES

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.
Gondwana Holdings Limited, Reg No 2017/1055, 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$ 2 700 000*
• *Upgrading of the Etosha Safari Lodge*	*N$ 2 000 000*
• *Canyon Roadhouse fuel station*	*N$ 560 000*