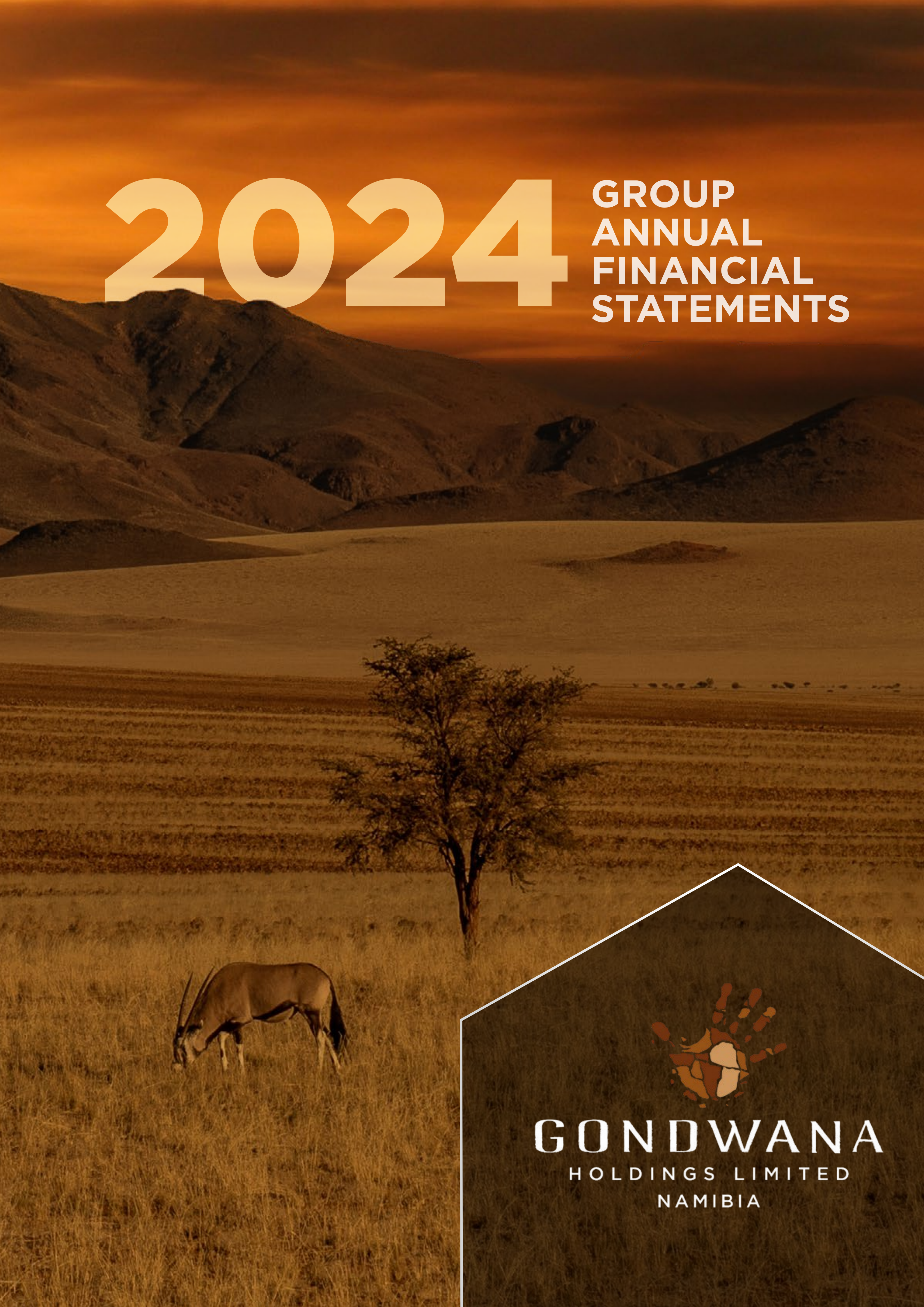
2024 GROUP ANNUAL FINANCIAL STATEMENTS



GONDWANA
HOLDINGS LIMITED
NAMIBIA

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Welcome to our 2024 **Group Annual Financial Statements**

Beyond the horizon

2024 was a landmark year for Namibia and Gondwana Collection Namibia. New opportunities are unfolding that could enable economic green shoots to emerge from the desert soil. The world is changing rapidly and new markets are available for countries and businesses that can respond quickly to the changing local and global priorities. Gondwana is seizing these opportunities to take our proudly Namibian brand beyond tourism.

General information

for the year ended 31 October 2024

Country of incorporation and domicile:	Namibia
Directors:	F Amuenje S S 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 E Emvula
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
Auditor:	Ernst & Young Namibia Registered Accountants and Auditors Chartered Accountants (Namibia)

Directors’ responsibilities and approval

for the year ended 31 October 2024

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 year then ended, in conformity with International Financial Reporting Standards, and in the manner required by the Companies Act of Namibia. The external auditor is 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 2025 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 auditor is 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 auditor and its report is presented on pages 5 and 6.

The group’s annual financial statements set out on pages 7 to 78, which have been prepared on the going concern basis, were approved by the board of directors and were signed on its behalf by:

Director

28 March 2025
Windhoek

Director

28 March 2025
Windhoek

Corporate governance

for the year ended 31 October 2024

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, non-executive and independent non-executive directors, who meet at least quarterly.

People committee

The People Committee comprises non-executive directors and external independent members. The committee reviews and endorses the people's strategy to ensure it aligns with the broader Gondwana strategy and accomplishes its objectives. The committee oversees the functions managed by the People Team at an operational level. These include human resources functions, remuneration and benefits, Board nominations, employee share schemes, talent management and succession planning. The committee also provides the People Team with guidance and access to a broader range of skills and ensures compliance with legislation governing labour relations and health and occupational safety, and Gondwana's recruitment processes.

Audit, risk and opportunity committee

The Audit, Risk and Opportunity Committee comprises non-executive and executive directors as well as external independent members. The committee reviews Gondwana's external environment to ensure that management adequately manages risks and implements strategies that take advantage of opportunities. Considering Gondwana's risk environment is a standing agenda item at committee meetings. The identified risks are prioritised and managed in proportion to their potential to prevent the group from realising its strategic objectives.

Sustainability committee

The Sustainability Committee comprises non-executive and executive directors as well as external independent members. The committee oversees social and environmental matters and discusses matters material to Gondwana's sustainability. The committee's strategy concerning Gondwana's sustainability is based on business innovation to anticipate and pre-empt emerging threats, while identifying and exploiting the opportunities they hold. Prudent innovation also contributes to our aspirational brand.

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 78, which comprise the directors' report, the group statement of financial position as at 31 October 2024, the group statement of profit or loss and other comprehensive income, the group statement of changes in equity and the group statement of cash flows for the year then ended, and the notes to the consolidated annual financial statements, including a summary of material accounting policy information.

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 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Statements*" section of our report. We are independent of the Group in accordance with 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 and the directors' responsibilities and approval, and the corporate governance, which we obtained prior to the date of this auditor's report. The other information does not include the consolidate 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 on the other information that we obtained prior to the date of this auditor's report, 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 determines 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 intends to liquidate the Group and/or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether 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 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 skepticism 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

28 March 2025

Directors' report

for the year ended 31 October 2024

The directors herewith submit their report on the consolidated annual financial statements of Gondwana Holdings Limited for the year ended 31 October 2024.

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	–
S S 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	–
E Emvula	Non-executive	Namibian	27-04-2023	–

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 the Gondwana Care 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$118 147 697 (2023: N$183 772 775).

Dividends

Dividends of N$35 179 796 were declared during the year under review (2023: Nil).

Share capital

Issued share capital has increased due to share-based payments during the year under review. There have been no changes to the authorised share capital during the year under review. Full details of the group's authorised and issued share capital at 31 October 2024 are set out in note 16 to the consolidated annual financial statements.

Subsequent events

After the reporting date and before the date of this report, the group has received commitment from capital providers to refinance the initial unlisted secured N$70 000 000 notes on new terms.

The board of directors is not aware of any further matters or circumstances arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the group.

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 more details on the going concern assumption, refer to note 38 in the consolidated annual financial statements.

Auditor

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

Interests in associate and joint venture

Gondwana Holdings Limited holds interest in an associate and held an interest in a joint venture that has become a wholly owned subsidiary in the current year, whose results have been included in the group annual financial statements. Details of the associate and joint venture are presented in the consolidated annual financial statements in note 8 and 9 respectively.

Group statement of financial position

As at 31 October 2024

	Notes	**2024 N$**	2023 N$
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	**1 204 186 370**	923 935 509
Right-of-use asset	4	**17 962 928**	17 931 118
Intangible assets	5	**25 686 365**	25 686 365
Goodwill	6	**11 745 082**	11 745 082
Other financial assets	7	**474**	474
Investment in associate	8	**3 729 970**	4 112 932
Investment in joint venture	9	**–**	7 014 681
Loans to related parties	10	**2 042 982**	804 459
Deferred tax asset	11	**11 084 136**	5 770 978
		1 276 438 307	997 001 598
CURRENT ASSETS			
Current tax receivable		**1 883 019**	1 883 017
Loans to related parties	10	**80 572**	–
Inventories	12	**53 096 919**	33 162 014
Biological assets	13	**147 584**	196 987
Trade and other receivables	14	**98 261 031**	96 415 567
Cash and cash equivalents	15	**110 968 527**	164 611 500
		264 437 652	296 269 085
TOTAL ASSETS		**1 540 875 959**	1 293 270 683
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	16	**69 210**	68 980
Share premium	16	**151 106 789**	149 161 219
Revaluation reserve	17	**277 676 838**	200 765 050
Shareholders' reserve	18	**18 753 259**	17 319 224
Foreign currency translation reserve		**(28 465)**	–
Retained earnings		**232 076 956**	185 864 027
Equity attributable to equity holders of the parent		**679 654 587**	553 178 500
Non-controlling interest		**2 919 089**	1 363 140
TOTAL EQUITY		**682 573 676**	554 541 640
NON-CURRENT LIABILITIES			
Deferred tax liability	11	**78 351 807**	50 639 051
Interest-bearing liabilities: secured	19.1	**129 829 131**	171 611 856
Interest-bearing liabilities: unsecured	19.2	**250 000 000**	250 000 000
Lease liabilities	20	**20 670 658**	19 956 681
Loans from related party	21	**15 586 889**	17 320 874
		494 438 485	509 528 462
CURRENT LIABILITIES			
Bank overdraft	15	**51 124 333**	–
Short-term portion of interest-bearing liabilities: secured	19.3	**140 340 880**	74 318 232
Short-term portion of interest-bearing liabilities: unsecured	19.4	**4 409 149**	4 241 945
Short-term portion of lease liabilities	20	**451 376**	447 972
Deferred interest liability	22	**–**	2 089 000
Current tax payable		**1 174 426**	274 765
Trade and other payables	23	**165 378 803**	147 649 587
Dividend payable	35	**984 831**	179 080
		363 863 798	229 200 581
TOTAL EQUITY AND LIABILITIES		**1 540 875 959**	1 293 270 683

Group statement of profit or loss

for the year ended 31 October 2024

	Notes	**2024 N$**	2023 N$
Revenue	24	**872 639 898**	707 326 488
Cost of sales	25	**(215 699 861)**	(175 115 780)
Gross profit		**656 940 037**	532 210 708
Other operating income	26	**15 563 106**	127 285 735
Movement in credit loss allowance	14	**13 546**	6 316
Operating expenses		**(506 246 134)**	(427 807 366)
Operating income	27	**166 270 555**	231 695 393
Investment income	28	**5 088 714**	2 762 379
Other non-operating loss		**(56 794)**	–
Finance income	29	**4 283 303**	1 009 668
Finance cost	30	**(56 500 196)**	(51 821 085)
(Loss)/earnings from associate	8	**(382 962)**	112 933
Share of (loss)/profit from joint venture	9	**(554 923)**	13 487
Profit before taxation		**118 147 697**	183 772 775
Taxation	31	**(35 199 023)**	(58 788 579)
Profit for the year		**82 948 674**	124 984 196
Profit for the year attributable to:			
Owners of parent		**81 392 725**	123 926 360
Non-controlling interest		**1 555 949**	1 057 836
Profit for the year		**82 948 674**	124 984 196
Consolidated earnings per share			
Basic and diluted earnings per share (cents) for the year attributable to ordinary equity holders of the parent	32	**117.99**	186.43

Group statement of other comprehensive income

for the year ended 31 October 2024

	Notes	2024 N$	2023 N$
Profit for the year		82 948 674	124 984 196
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translation reserve loss		(28 465)	–
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Net gain on revaluation of properties	3	76 911 788	–
Other comprehensive income for the year		76 883 323	–
Total comprehensive income for the year		159 831 997	124 984 196
Total comprehensive income attributable to:			
Owners of parent		158 276 048	123 926 360
Non-controlling interest		1 555 949	1 057 836
Total comprehensive income		159 831 997	124 984 196

Group statement of changes in equity

for the year ended 31 October 2024

	Share capital N$	Share premium N$	Revaluation reserve N$	Shareholders' reserve N$	Foreign currency translation reserve N$	Retained earnings N$	Total N$	Non-controlling interest N$	Total equity N$
Balance at 01/11/2022	66 357	132 301 614	200 822 461	17 364 558	–	61 880 256	412 435 246	305 204	412 740 450
Total comprehensive income	–	–	–	–	–	123 926 360	123 926 360	1 057 836	124 984 196
Profit for the year	–	–	–	–	–	123 926 360	123 926 360	1 057 836	124 984 196
Other comprehensive income	–	–	–	–	–	–	–	–	–
Acquisition of associate	235	1 999 764	–	–	–	–	1 999 999	–	1 999 999
Share-based payments – employee shares	2 388	14 850 350	–	–	–	–	14 852 738	–	14 852 738
Adjustment of non-financial liability	–	–	–	(45 334)	–	–	(45 334)	–	(45 334)
Revaluation reserve release	–	–	(57 411)	–	–	57 411	–	–	–
Settlement of share capital by NCI	–	–	–	–	–	–	–	100	100
Other	–	9 491	–	–	–	–	9 491	–	9 491
Balance at 31/10/2023	68 980	149 161 219	200 765 050	17 319 224	–	185 864 027	553 178 500	1 363 140	554 541 640
Total comprehensive income	–	–	76 911 788	–	(28 465)	81 392 725	158 276 048	1 555 949	159 831 997
Profit for the year	–	–	–	–	–	81 392 725	81 392 725	1 555 949	82 948 674
Other comprehensive income	–	–	76 911 788	–	(28 465)	–	76 883 323	–	76 883 323
Share-based payments – employee shares	230	1 945 570	–	–	–	–	1 945 800	–	1 945 800
Adjustment of non-financial liability	–	–	–	1 434 035	–	–	1 434 035	–	1 434 035
Cash dividends	–	–	–	–	–	(35 179 796)	(35 179 796)	–	(35 179 796)
Balance at 31/10/2024	69 210	151 106 789	277 676 838	18 753 259	(28 465)	232 076 956	679 654 587	2 919 089	682 573 676
Notes	16	16	17	18					

Group statement of cash flows

for the year ended 31 October 2024

	Notes	**2024 N$**	2023 N$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		**876 407 346**	833 257 562
Payments to suppliers		**(445 072 983)**	(329 515 051)
Payments to employees		**(221 253 334)**	(184 835 305)
Cash generated from operations	34	**210 081 029**	318 907 206
Dividend income received	28	**5 088 714**	2 762 379
Finance income received	29	**4 283 303**	1 009 668
Finance cost paid	30/37	**(58 240 794)**	(47 180 354)
Taxation paid	36	**(11 899 766)**	(2 413 695)
Net cash inflow from operating activities		**149 312 486**	273 085 204
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3/21	**(225 084 950)**	(118 656 283)
Proceeds on disposal of property, plant and equipment		**25 812 644**	24 325 235
Acquisition of subsidiaries		**(36 451 250)**	–
Investment in associate	8	**–**	(2 000 000)
Inter-group rent joint venture	9	**(6 324)**	10 000
Loan (advanced to)/repaid by related party	10	**(1 361 057)**	10 065
Deposits paid for acquisition of subsidiaries and property	14	**(5 937 024)**	(20 528 827)
Net cash outflow from investing activities		**(243 027 961)**	(116 839 810)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities	20	**(408 096)**	(322 537)
Loan repaid to related party	21	**(299 950)**	(50)
Dividends paid	35	**(34 374 045)**	–
Proceeds from borrowings	37	**118 995 256**	350 960 685
Repayment of borrowings	37	**(94 936 531)**	(332 699 719)
Settlement of share capital by NCI		**–**	100
Net cash (outflow)/inflow from financing activities		**(11 023 366)**	17 938 479
Net (decrease)/increase in cash and cash equivalents		**(104 738 841)**	174 183 873
Net foreign exchange difference		**(28 465)**	–
Cash and cash equivalents at the beginning of the year	15	**164 611 500**	(9 572 373)
Cash and cash equivalents at the end of the year	15	**59 844 194**	164 611 500

Summary of accounting policies

for the year ended 31 October 2024

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 Accounting Standards") 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 consolidated 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 consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts presented in the consolidated 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 consolidated annual financial statements. Significant judgements and estimates include:

Impairment of financial assets

The group assesses its financial assets 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, the group makes judgements as to whether there is observable data indicating impairment and to predict estimated future cash flows from a financial assets.

The impairment for loans to related parties and trade 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. Refer to note 14 for further details on ECL.

Impairment of non-financial assets

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

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. Goodwill is tested for impairment annually and expected future cash flows used to determine the value-in-use of goodwill and intangible assets are inherently uncertain and could materially change over time. Refer to notes 5 and 6 for further details on intangible assets and goodwill.

1. Accounting policies (continued)

1.2 Significant accounting judgements and estimates (continued)

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.

Leases

Determining the lease terms

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

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. Refer to note 11 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 decisions 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.

Developing an accounting policy

Through the shareholders agreement of Gondwana Hospitality Management (Pty) Ltd (GHM), the entity took control of Property, Plant and Equipment (PPE) from the 50% shareholder Mont Vinum Properties (Pty) Ltd (MVP) via a related party loan. The agreement states that the loan is only repayable should the agreement come to an end and that the repayment will take the form of returning all initially and subsequently acquired PPE. There is no obligation to settle any part of the loan via cash.

In determining the appropriate accounting treatment of the related party loan held by GHM, which is not repayable in cash but in non-financial assets, the group must apply judgement in terms of IAS 8 to develop an accounting policy as there is no IFRS accounting standard that specifically applies to the transaction.

1. Accounting policies (continued)

1.2 Significant accounting judgements and estimates (continued)

Developing an accounting policy (continued)

The development and application of the accounting policy needs to result in information that is relevant to the economic decision-making needs of users as well as reliable. In developing this accounting policy, the group considers the following sources in descending order:

- the requirements in IFRS Accounting Standards dealing with similar and related issues;
- the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Conceptual Framework for Financial Reporting;
- most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards;
- other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources above.

The group has identified a similar standard that deals with this type of transaction, which is IAS 32, and as such has developed an accounting policy applying the requirements of IAS 32.

Since the counter party is a shareholder (non-controlling interest (NCI)), the residual credit could be considered equity. However, it does not meet the definition of equity in IAS 32 because the entity does not have the unconditional ability to avoid repayment, albeit of a non-financial asset.

In terms of IAS 32.17, a critical feature in differentiating a financial liability from an equity instrument is the existence of a contractual obligation of one party to the financial instrument (the issuer) either to deliver cash or another financial asset to the other party (the holder) or to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavourable to the issuer.

Since the residual amount does not meet the definition of equity, it represents a liability. While the obligation is not a financial one, it is nevertheless appropriate to analogise to NCI put guidance as per IAS 32.23 and the recent IASB guidance on separation of compound instruments (IFRS Accounting Standards – IASB Update February 2024).

Since there is no equity element, the entire residual amount at day one is recognised as a liability.

Refer to 1.5 Non-financial loan from related party for the accounting policy.

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.

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 net of 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.

1. Accounting policies (continued)

1.4 Financial instruments (continued)

Trade receivables (continued)

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 are presented in note 14. An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in profit or loss as a movement in credit loss allowance. Trade receivables are grouped in such a manner that they share similar credit risk characteristics, such as 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.

Credit risk

Details of credit risk are included in the financial instruments and risk management note (note 40.1 (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 net of 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.

1. Accounting policies (continued)

1.4 Financial instruments (continued)

Loans to related parties and other receivables (continued)

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.

Significant increase in credit risk

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

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

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

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

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

Definition of default

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

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

1. Accounting policies (continued)

1.4 Financial instruments (continued)

Loans to related parties and other receivables (continued)

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.

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 40.1 (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.

1. Accounting policies (continued)

1.4 Financial instruments (continued)

Interest-bearing borrowings and loans from related parties (continued)

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 net of 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 30). Borrowings expose the group to liquidity risk and interest rate risk. Refer to note 40.1(c) for details of risk exposure and management thereof.

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 net of 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 40.1 (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.

1. Accounting policies (continued)

1.4 Financial instruments (continued)

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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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 Non-financial loan from related party

Classification

Non-financial loans from related parties are classified as non-current liabilities on day one.

Recognition and measurement

Non-financial loans from related parties are recognised when the group takes over control of the property, plant and equipment (PPE) to which the loans relate as per the agreement. They are measured, at initial recognition, at the fair value of the PPE taken over. Subsequently, the loans are matched to the PPE balance by amortising any difference directly to equity.

The balance of the loan is the amount recognised initially, adjusted for any movements in the PPE. The movements in the PPE are depreciation and any additions or disposals. The amortisation charge is recognised in equity as a shareholder's reserve, refer to note 21.

This ensures that the liability matches the PPE as the obligation relates to the return of the PPE. As such, the liability is adjusted downwards and upwards depending on how the PPE balance changes over time and the difference is recorded in equity as it relates to a counter party that is a shareholder (NCI).

1. Accounting policies (continued)

1.6 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 date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

Deferred tax liabilities are measured at the rate substantively enacted at the 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.

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.

1. Accounting policies (continued)

1.6 Tax (continued)

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.

1.7 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. The IFRS 16 recognition exemption is applied to short-term leases and leases of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

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; and
- variable lease payments that depend on an index or rate, initially measure using the index or rate at the commencement date.

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.

1. Accounting policies (continued)

1.7 Leases: IFRS 16 (continued)

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.

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.

1.8 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. Share Capital includes the ordinary shares issued by the holding company.

Reserves include foreign currency translation reserve (FCTR) and shareholders' reserve. The FCTR comprises the effect of translating group companies from their functional currency to Namibian dollars at the respective reporting date. For details on the shareholders' reserve, refer to note 18 and note 21.

Non-distributable reserves

Existing revaluation reserves are treated as non-distributable.

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. Accounting policies (continued)

1.9 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.

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)

1.9 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)

1.10 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 assets to inventory are valued at cost which is equal to fair value less cost to sell of the biological assets.

1.11 Biological assets

Biological assets comprise of livestock and game. They are recognised when the group takes over control of the biological assets. They are measured, at initial recognition, at the fair value of the biological assets taken over. Subsequently they are measured at fair value and management assesses the fair value at each year-end. Changes in fair value are recognised through profit and loss.

1.12 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.

1.13 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.

1.14 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.

1. Accounting policies (continued)

1.14 Employee benefits (continued)

Short-term employee benefits (continued)

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.

1.15 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; and
- 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.

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 annual 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.

1. Accounting policies (continued)

1.15 Consolidation of subsidiaries (continued)

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.

1.16 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.

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.

The annual 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.

1. Accounting policies (continued)

1.16 Investment in associates and joint ventures (continued)

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.

1.17 Impairment of non-financial assets

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

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

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use of impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the 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.

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

1.18 Revenue recognition

The group's key sources of income include: sale of accommodation, sale of food and beverages and income from vehicle rental. 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 23 as deposits on accommodation and tour packages. The contract liability is expected to be realised within 12 months.

1. Accounting policies (continued)

1.18 Revenue recognition (continued)

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 23 trade and other payables as deposits on accommodation and tour packages. The contract liability is expected to be realised within 12 months.

Vehicle rental

Revenue relating to vehicle rental services is recognised on a straight-line basis over the hire period applying the principles of IFRS 16: Leases applicable to operating leases.

Other revenue

Telephone, laundry, souvenirs, fuel, activities and other represents other services provided to customers. Revenue is recognised 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 or receivable is impaired, the group reduces the carrying amount to the estimated future cash flows discounted at the original effective interest rate of the instrument and continues 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 2024 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.
Lease Liability in a Sale and Leaseback (Amendment to IFRS 16) The narrow scope amendment requires a seller-lessee in a sale and leaseback transaction to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of a gain or loss relating to the right of use retained by the seller-lessee. The new requirement does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.	1 January 2024	Unlikely there will be a material impact.
Non-current liabilities with covenants (Amendment 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.
Supplier finance arrangements (Amendment to IAS 7 and IFRS 7) The amendment supplements existing disclosure requirements by requiring a company to disclose specific information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the company's liabilities and cash flows and on the company's exposure to liquidity risk.	1 January 2024	Unlikely there will be a material impact.
Lack of exchangeability (Amendments to IAS 21) An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations	1 January 2025	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
Classification and Measurement of Financial Instruments (Amendment to IFRS 9 and IFRS 7) These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).	1 January 2026	Unlikely there will be a material impact.
IFRS 18 Presentation and Disclosure in Financial Statements This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	1 January 2027	The entire presentation of line items in the statement of profit or loss is expected to change.
IFRS 19 Subsidiaries without Public Accountability: Disclosures This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: It does not have public accountability; and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 can be applied as soon as it is issued.	1 January 2027	Unlikely there will be a material impact.
Annual Improvements to IFRS Accounting Standards These annual improvements provide some clarity surrounding terms and references in some of the standards. Affected standards are IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.	1 January 2026	Unlikely there will be a material impact.

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$
Cost or valuation									
At 1 November 2022	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
Additions	204 369	4 986 652	3 521 817	101 216 329	8 592 694	1 481 598	1 077 247	–	121 080 706
Transfer from work in progress	(206 644)	206 644	–	–	–	–	–	–	–
Disposals	–	–	(128 979)	(30 302 426)	(112 313)	(19 129)	(6 509)	–	(30 569 356)
At 31 October 2023	**3 244 221**	**702 607 150**	**35 068 141**	**251 381 361**	**69 400 697**	**7 960 320**	**20 756 773**	**2 552 694**	**1 092 971 357**
Additions	**16 921 441**	**50 395 497**	**13 158 354**	**132 654 156**	**9 474 423**	**2 836 698**	**1 173 208**	**–**	**226 613 777**
Revaluation adjustment	**–**	**76 911 788**	**–**	**–**	**–**	**–**	**–**	**–**	**76 911 788**
Acquisition of subsidiaries	**–**	**61 902 500**	**–**	**–**	**–**	**–**	**–**	**–**	**61 902 500**
Transfer from work in progress	**(1 557 702)**	**1 557 702**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transfer[*]	**–**	**(9 027 377)**	**–**	**–**	**–**	**–**	**–**	**–**	**(9 027 377)**
Disposals	**–**	**–**	**–**	**(39 457 570)**	**(149 328)**	**–**	**(22 688)**	**–**	**(39 629 586)**
At 31 October 2024	**18 607 960**	**884 347 260**	**48 226 495**	**344 577 947**	**78 725 792**	**10 797 018**	**21 907 293**	**2 552 694**	**1 409 742 459**
Depreciation and impairment									
At 1 November 2022	–	(8 460 173)	(19 905 750)	(54 885 499)	(30 317 716)	(5 272 931)	(13 405 079)	(1 918 904)	(134 166 052)
Depreciation	–	(472 401)	(3 983 539)	(29 739 632)	(9 351 113)	(728 958)	(3 076 995)	(82 497)	(47 435 135)
Depreciation reversal on disposal	–	–	113 453	12 416 104	18 791	15 255	1 736	–	12 565 339
At 31 October 2023	**–**	**(8 932 574)**	**(23 775 836)**	**(72 209 027)**	**(39 650 038)**	**(5 986 634)**	**(16 480 338)**	**(2 001 401)**	**(169 035 848)**
Depreciation	**–**	**(94 803)**	**(4 532 242)**	**(44 790 998)**	**(9 759 307)**	**(1 285 687)**	**(2 002 762)**	**(166 739)**	**(62 632 538)**
Transfer[*]	**–**	**9 027 377**	**–**	**–**	**–**	**–**	**–**	**–**	**9 027 377**
Depreciation reversal on disposal	**–**	**–**	**–**	**16 927 983**	**149 328**	**–**	**7 609**	**–**	**17 084 920**
At 31 October 2024	**–**	**–**	**(28 308 078)**	**(100 072 042)**	**(49 260 017)**	**(7 272 321)**	**(18 475 491)**	**(2 168 140)**	**(205 556 089)**
Net book value									
At 31 October 2023	3 244 221	693 674 576	11 292 305	179 172 334	29 750 659	1 973 686	4 276 435	551 293	923 935 509
At 31 October 2024	**18 607 960**	**884 347 260**	**19 918 417**	**244 505 905**	**29 465 775**	**3 524 697**	**3 431 802**	**384 554**	**1 204 186 370**

[*] *This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued assets.*

3. Property, plant and equipment (continued)

Land and buildings consist of the following:

Name	Region	Class	Size	Technique	Fair value 2024 N$	Fair value 2023 N$	Subsidiary
Farm Kanebis No. 5 – Portion 1 & 2	Karas	Land – Owned	6 040 Ha	Comparable sales value method	**2 718 000**	2 416 000	Nature Investments (Pty) Ltd
		Buildings		Depreciated replacement value	**84 628 799**	65 899 654	Nature Investments (Pty) Ltd
Farm Witklip No. 68 – Portion 1	Kunene	Land – Owned	434 Ha	Comparable sales value method	**3 255 000**	3 255 000	Nature Investments (Pty) Ltd
		Buildings		Depreciated replacement value	**34 220 000**	26 300 000	Nature Investments (Pty) Ltd
Hakusembe River Lodge	Kavango	Land – Leased	14 Ha	Comparable sales value method	**1 130 000**	985 000	Nature Investments (Pty) Ltd
		Buildings		Depreciated replacement value	**18 962 400**	13 310 000	Nature Investments (Pty) Ltd
Hakusembe River Lodge is built on a right of leasehold with the Government of Namibia applicable for another 11 years on a renewable basis.							
Chobe River Camp	Zambezi	Land – Leased	18 Ha	Comparable sales value method	**2 539 257**	4 356 015	Camp Chobe Safaris (Pty) Ltd
		Buildings		Depreciated replacement value	**2 259 137**	2 259 137	Nature Investments (Pty) Ltd
Chobe River Camp is built on a right of leasehold with the Government of Namibia applicable for another 19 years with an expected extension period.							
Zambezi Mubala Camp	Zambezi	Land – Leased	5 Ha	Comparable sales value method	**7 699 347**	5 605 110	Island View Lodge (Pty) Ltd
		Buildings		Depreciated replacement value	**3 655 653**	3 655 653	Nature Investments (Pty) Ltd
Zambezi Mubala Camp is built on a right of leasehold with the Government of Namibia applicable for another 12 years with an expected extension period.							
Zambezi Mubala Lodge	Zambezi	Buildings	12 Ha	Depreciated replacement value	**17 751 429**	25 643 908	Nature Investments (Pty) Ltd
Zambezi Mubala Lodge is built on a right of leasehold with the Government of Namibia applicable for another 9 years with an expectation to extend.							
Farm Dieprivier No. 972	Hardap	Land – Owned	12 583 Ha	Comparable sales value method	**20 135 000**	18 875 000	Namib Desert Investments (Pty) Ltd
		Buildings		Depreciated replacement value	**92 819 800**	99 264 424	Namib Desert Investments (Pty) Ltd
The property has been mortgaged in favour of Bank Windhoek as security on a combined first and second covering mortgage bond of N$72 000 000 and N$93 450 000, respectively.							
Farm Dabib No. 112 – Portion 8	Hardap	Land – Owned	9 657 Ha	Comparable sales value method	**24 140 000**	21 730 000	Anib Lodge (Pty) Ltd
		Buildings		Depreciated replacement value	**46 976 460**	37 953 381	Anib Lodge (Pty) Ltd
Farm Stampriet No. 132 – Portion A	Hardap	Land – Owned	29 Ha	Comparable sales value method	**2 025 000**	1 735 000	Anib Lodge (Pty) Ltd
		Buildings		Depreciated replacement value	**13 670 000**	13 186 619	Anib Lodge (Pty) Ltd
Erf No. 78, Klein Windhoek	Khomas	Land – Owned	2 733 m^2	Market Value	**15 647 359**	14 347 359	Gondwana Travel Centre (Pty) Ltd
		Buildings		Market Value	**152 641**	152 641	Gondwana Travel Centre (Pty) Ltd
The property has been mortgaged in favour of Bank Windhoek as security on a combined first and second covering mortgage bond of N$72 000 000 and N$93 450 000, respectively.							
Madiba's Corner – ERF 81 – Section 1 & 2, Klein Windhoek	Khomas	Land & Buildings	387 m^2	Market Value	**11 840 963**	11 840 963	Oshikateko Investments (Pty) Ltd
Farm Eldorado No. 449 – Portion 1	Kunene	Land – Owned	403 Ha	Comparable sales value method	**8 050 000**	8 050 000	Etosha Safari Lodge and Camps (Pty) Ltd
		Buildings		Depreciated replacement value	**66 430 015**	50 426 000	Etosha Safari Lodge and Camps (Pty) Ltd

3. Property, plant and equipment (continued)

Name	Region	Class	Size	Technique	Fair value 2024 N$	2023 N$	Subsidiary
Farm Holoogberg No. 107 – Portion 1	Karas	Land – Owned Buildings	468 Ha	Comparable sales value method Depreciated replacement value	**210 433** **2 531 375**	187 200 2 204 340	Canyon Investments (Pty)Ltd (Road House) Canyon Investments (Pty)Ltd (Road House)
The property has been mortgaged in favour of Bank Windhoek as security on a combined first and second covering mortgage bond of N$72 000 000 and N$93 450 000, respectively.							
Farm Holoogberg No. 106 – Portion 8 of portion A and portion 11 (Dieprivier)	Karas	Land – Owned	10 576 Ha	Comparable sales value method	**4 759 058**	4 230 000	Holoog Wildtelers (Pty) Ltd
A combined first and second covering mortgage bond of N$72 000 000 and N$93 450 000, respectively, was registered in favour of Bank Windhoek.							
Farm Altdorn No 3 & No 376	Karas	Land – Owned	15 654 Ha	Comparable sales value method	**7 044 300**	6 261 600	Altdorn Farming and Tourism (Pty) Ltd (Altdorn)
Farm Karios No. 8	Karas	Land – Owned	12 412 Ha	Comparable sales value method	**5 585 467**	4 964 615	Combretum Investments (Pty) Ltd (Karios)
The property has been mortgaged in favour of Bank Windhoek as security on a combined first and second covering mortgage bond of N$72 000 000 and N$93 450 000, respectively.							
Farm Augurabis No. 109	Karas	Land – Owned	11 634 Ha	Comparable sales value method	**5 235 892**	4 653 600	Violet Investments (Pty) Ltd
The property has been mortgaged in favour of Bank Windhoek as security on a combined first and second covering mortgage bond of N$72 000 000 and N$93 450 000, respectively.							
Farm Holoogberg No. 107	Karas	Land – Owned	12 119 Ha	Comparable sales value method	**5 454 200**	4 847 630	R.A.L. Boerdery (Pty) Ltd
A combined first and second covering mortgage bond of N$72 000 000 and N$93 450 000, respectively, was registered in favour of Bank Windhoek.							
Farm Stamprivier No. 108	Karas	Land – Owned	15 759 Ha	Comparable sales value method	**7 092 524**	6 303 753	Acacia Investments (Pty)Ltd
The property has been mortgaged in favour of Bank Windhoek as security on a combined first and second covering mortgage bond of N$72 000 000 and N$93 450 000, respectively.							
Farm Holoogberg No. 106 – Portion A	Karas	Land – Owned	8 424 Ha	Comparable sales value method	**3 791 035**	3 369 428	Eden East Farming and Tourism (Pty) Ltd (Geluk)
Farm Frankfurt No. 7	Karas	Land – Owned	7 324 Ha	Comparable sales value method	**3 295 800**	2 929 600	Frankfurt Farming and Tourism (Pty) Ltd (Frankfurt)
Farm Frankfurt No. 8	Karas	Land – Owned	3 000 Ha	Comparable sales value method	**1 350 000**	1 200 000	Frankfurt Farming and Tourism (Pty) Ltd (Frankfurt)
Erf No. 5378 Swakopmund (Erf 146 & Erf 149 consolidated)	Erongo	Land – Owned Buildings	450 Ha	Comparable sales value method Market Value	**17 509 600** **60 090 400**	16 400 000 54 130 000	Bahnhof Properties Swakopmund (Pty) Ltd Bahnhof Properties Swakopmund (Pty) Ltd
A second continuing covering mortgage bond of N$27 535 000 over Erf 5378, has been registered in favour of The Development Bank of Namibia.							
Farm Leverbreek No. 110 – Portion 2	Karas	Land – Owned	6 000 Ha	Comparable sales value method	**2 249 275**	1 960 905	Woestynplaas (Pty) Ltd
Farm Chamaites No. 113 – Portion 1	Karas	Land – Owned	2 441 Ha	Comparable sales value method	**952 343**	830 085	Woestynplaas (Pty) Ltd
Farm Elizabeth No. 383	Karas	Land – Owned	5 764 Ha	Comparable sales value method	**2 341 217**	2 041 192	Woestynplaas (Pty) Ltd
Stand 1388 Victoria Falls Township	Victoria Falls	Land – Owned	9 Ha	Cost*	**2 568 000**	2 568 000	Melting Ice (Pty) Ltd

(*) *All properties that are carried at cost are properties acquired in the last 3 years where management believes that their fair values do not differ significantly to their carrying amounts at year-end.*

3. Property, plant and equipment (continued)

Name	Region	Class	Size	Technique	Fair value 2024 N$	Fair value 2023 N$	Subsidiary
Namushasha River Lodge	Zambezi	Land – Leased	25 Ha	Comparable sales value method	1 875 000	1 875 000	Namushasha Country Lodge (Pty) Ltd
		Buildings		Depreciated replacement value	22 079 664	21 337 614	Namushasha Country Lodge (Pty) Ltd
		Buildings		Depreciated replacement value	1 047 386	1 047 386	Nature Investments (Pty) Ltd
		Buildings		Cost*		–	Gondwana Collection Namibia (Pty) Ltd
Namushasha Lodge is built on a right of leasehold with the Government of Namibia with the right of leasehold expiring in 2025. The fair value of the additions to the Namushasha River Lodge made in Gondwana Collection Namibia (Pty) Ltd has been accepted as equating to the cost of such additions.							
Palmwag Lodge	Kunene	Land – Leased	28 Ha	Comparable sales value method	3 080 000	2 800 000	Antigua Island Investments (Pty) Ltd
		Buildings		Depreciated replacement value	16 164 951	20 699 885	Antigua Island Investments (Pty) Ltd
		Buildings		Depreciated replacement value	6 708 024	6 182 331	Gondwana Collection Namibia (Pty) Ltd
Palmwag Lodge is built on a right of leasehold with the Government of Namibia with the right of leasehold expiring in 2033.							
Omarunga Epupa-Falls Lodge	Kunene	Land – Leased	1 Ha	Comparable sales value method	1 000 000	1 000 000	Nature Investments (Pty) Ltd
		Buildings		Depreciated replacement value	3 491 677	1 583 955	Nature Investments (Pty) Ltd
Omarunga Epupa-Falls Lodge is built on a right of leasehold with the Government of Namibia with the right of leasehold expiring in 2044.							
King Nehale Lodge	Oshikoto	Land – Leased	57 Ha	Comparable sales value method	1 710 000	1 138 000	Gondwana Collection Namibia (Pty) Ltd
		Buildings		Depreciated replacement value	85 530 000	63 645 301	Gondwana Collection Namibia (Pty) Ltd
King Nehale Lodge is built on a right of leasehold granted by the Government of Namibia with the right of leasehold expiring in 2043.							
Erf No. 337 (portion of Erf No. 6) Prosperita, Windhoek	Khomas	Land & Buildings	1 016 m^2	Market Value	7 115 000	7 028 098	Nature Investments (Pty) Ltd
Namibia2Go, Erf No. 75, Sungate, Windhoek	Khomas	Land – Owned	5 862 m^2	Cost(*)	3 414 900	3 414 900	Nature Investments (Pty) Ltd
Namibia2Go, Erf No. 76, Sungate, Windhoek	Khomas	Land – Owned	12 585 m^2	Cost(*)	6 400 000	6 400 000	Nature Investments (Pty) Ltd
		Buildings		Cost(*)	18 575 821	–	Nature Investments (Pty) Ltd
Amajuba Farm No. 205	Hardap	Land – Owned	5 438 Ha	Comparable sales value method	9 000 000	–	Ficus Properties (Pty) Ltd
Erf No. 77, Klein Windhoek, Windhoek	Khomas	Land & Buildings	4 123 m^2	Market Value	12 902 500	–	Island Marble Investments (Pty) Ltd
Farm Hoffnung No. 66 – Portion 6 & 12	Khomas	Land & Buildings	220 Ha	Cost(*)	40 000 000	–	Heja Game Lodge (Pty) Ltd
Erf 61 – 63, Walvis Bay	Erongo	Land & Buildings	3 398 m^2	Cost(*)	22 103 473	–	Nature Investments (Pty) Ltd
Erf 4464, Oranjemund	Karas	Land & Buildings	2 Ha	Cost(*)	4 138 825	–	Nature Investments (Pty) Ltd
Okapuka Main Lodge	Khomas	Buildings		Cost(*)	5 242 860	5 193 296	Okapuka Hospitality Management (Pty) Ltd

(*) *All properties that are carried at cost are properties acquired in the last 3 years where management believes that their fair values do not differ significantly to their carrying amounts at year-end.*

3. Property, plant and equipment (continued)

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

	2024 N$	2023 N$
Cost	**614 232 202**	500 376 503
Accumulated depreciation	**(8 794 201)**	(8 699 398)
	605 438 001	491 677 105

Details of valuation

Properties across the group are valued by an independent third party at least once in a 3-year cycle. The valuations are largely based on the depreciated replacement method for buildings and comparable sales value for land, with the exception of the Swakopmund Delight Hotel building and the admin buildings in Windhoek being based on the median value between the available methods. All properties are otherwise valued by the directors during the period in which they are not independently valuated. The properties were valued in 2024.

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

The property valuations performed in 2024 were done by a qualified and independent valuator of properties, Mr. P. J. Scholtz, who has experience in the locations and categories of properties that were valued. Three methods of valuations were applied, income capitalisation method for the properties in Windhoek and Swakopmund, depreciated replacement values for buildings situated at lodges and the comparable sales values for land.

The fair value of properties in Windhoek were valued based on the income capitalisation method using the potential rental income generated, capitalised at a market return of between 8.75% and 9.5%. The rental income was determined at a rate of between N$166 and N$205 per square meter for the Klein Windhoek properties used as offices and at a rate of approximately N$47 per square meter for the Prosperita warehouse building, less costs of 18% for each.

The following significant qualitative factors, among others, were also considered in the valuation of the properties:

- the location and demand experienced in the area,
- the quality of permanent structures and improvements, and
- the current interest rate environment.

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$80 000 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 10% to 50% depending on the age of the lodge and the actual physical condition of the lodge, noting that continuous maintenance is executed on all lodges.

3. Property, plant and equipment (continued)

Valuation technique and significant unobservable inputs (continued)

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$450 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.

Erf No. 5378 in Swakopmund (The Delight Hotel) was valued based on the median between two valuation methods, namely the income capitalisation method and the depreciated replacement costs method. The income capitalisation method incorporated the forecast of bed night income generated, less cost of sales and operational expenses. The resulting profit generated was capitalised at a market return of 10%. The forecast was based on the results for the 2024 financial year less costs of approximately 60%. The depreciated replacement values were determined using the square meters of the building, plus a value for the land based on the comparable sales value method of calculation. The estimated cost of construction varied between N$13 500 per square meter to N$16 500 per square meter depending on the actual construction and considering complexity of the construction. The comparable sales value of the land value was determined as being N$4 300 per square meter.

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 2024	
Opening net carrying amount	**17 931 118**
Additions	**1 125 477**
Depreciation	**(1 093 667)**
Closing net carrying amount	**17 962 928**
At 31 October 2024	
Cost	**23 073 433**
Accumulated depreciation	**(5 110 505)**
Net carrying amount	**17 962 928**
Land	
Year ended 31 October 2023	
Opening net carrying amount	17 868 730
Additions	1 146 672
Depreciation	(1 084 284)
Closing net carrying amount	17 931 118
At 31 October 2023	
Cost	21 947 956
Accumulated depreciation	(4 016 838)
Net carrying amount	17 931 118

5. Intangible assets

	Leasehold right N$	Computer software[*] N$	Total N$
Reconciliation of intangible assets			
Cost			
Balance at 1 November 2022	25 686 365	3 497 143	29 183 508
Additions	–	–	–
Balance at 31 October 2023	**25 686 365**	**3 497 143**	**29 183 508**
Additions	**–**	**–**	**–**
Balance at 31 October 2024	**25 686 365**	**3 497 143**	**29 183 508**
Amortisation and Impairment			
Balance at 1 November 2022	–	3 419 373	3 419 373
Amortisation	–	77 770	77 770
Impairment	–	–	–
Balance at 31 October 2023	**–**	**3 497 143**	**3 497 143**
Amortisation	**–**	**–**	**–**
Impairment	**–**	**–**	**–**
Balance at 31 October 2024	**–**	**3 497 143**	**3 497 143**
Net book value			
At 31 October 2024	**25 686 365**	**–**	**25 686 365**
At 31 October 2023	25 686 365	–	25 686 365

[*] *Internally generated.*

Additional information:

For more detail related to the above, refer to the notes below.

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[1]
Computer software	5 years

[1] *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.*

5. Intangible assets (continued)

	2024 N$	2023 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 9 years with an expectation to renew. Area measuring approximately 5 hectares.		
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 19 years with an expectation to renew. Area measuring approximately 18.3 hectares.		
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 9 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 19 years with an expectation to renew.		
Right of leasehold and computer software	**25 686 365**	25 686 365

6. Goodwill

	2024 N$	2023 N$
Opening net carrying amount	**11 745 082**	11 745 082
Impairment	**–**	–
Closing net carrying amount	**11 745 082**	11 745 082
For more details relating to goodwill refer to the explanations below:		
Goodwill acquired		
– Antigua Island Investments (Pty) Ltd	**10 895 663**	10 895 663
– Woestynplaas (Pty) Ltd	**849 419**	849 419
	11 745 082	11 745 082

Antigua Island Investments (Pty) Ltd

The total value of Antigua Island Investments (Pty) Ltd including goodwill as disclosed in the consolidated annual financial statements is N$36 701 760 as at 31 October 2024 (2023: N$ 39 875 180). 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 performed better than the previous assessments. In assessing the recoverable amount, being the value in use of the cash generating unit, budgeted profits for 2025 to 2034 were used, adjusted for updated 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:

- A pre-tax weighted average cost of capital of 14.75% (2023: 13.08%) was used as the discount factor, which was based on the current debt equity ratio weighting, taking a pre-tax 11.50% debt rate (in line with prime lending rate) and 18% cost of equity, based on the return on equity of the group which is also in line with market capitalisation.
- An average growth rate, adjusted for inflation, of 7% (2023: 7%) per annum was applied. Actual expected occupancy was used as a revenue generator which was levelled out at maximum expected level.
- The explicit period covers 10 years based on cash flow projections from financial budgets approved by senior management. The forecast period extends beyond the current term of the leasehold due to the right of renewal being with management and there is no foreseeable intent to end the agreement.
- 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 should management wish to end the lease or dispose of the company. Value for goodwill or right-of-leasehold were not considered.
- All key assumptions are based on past experience.

Based on the above assumptions, the net present value of the investment amounts to N$48 801 765 (2023: N$43 387 229) which exceeds the current carrying value of the cash generating unit of N$ 36 701 760 (2023: N$39 875 180). In addition, management performed some sensitivity analysis, should there be a situation where tourism is negatively affected. The directors were still satisfied that no impairment is applicable.

Woestynplaas (Pty) Ltd

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.

7. Other financial assets

	Percentage holding %	2024 N$	2023 N$
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 associate

	Nature of business	Ownership interest 2024 %	Ownership interest 2023 %	Carrying amount 2024 N$	Carrying amount 2023 N$
Retutpro Photography and Retouching (Pty) Ltd	Content creation	**50%**	50%	**3 729 970**	4 112 932

The group has a 50% interest in Retutpro Photography and Retouching (Pty) Ltd ("Retutpro") from 1 May 2023. Retutpro is involved in content creation, digital services, marketing strategies and consultation, studio and equipment rental services as well as running an in-house coffee shop. Retutpro's place of incorporation is Namibia. The group's interest in Retutpro is accounted for using the equity method in the consolidated annual financial statements.

Retutpro's financial year previously ran from 1 March to 28 February. In the prior year their year-end has been aligned to the group's and is now 31 October. Therefore, only 8 months of the financial results are presented for the prior financial year.

The cost of investment was N$2 000 000 in cash and N$1 999 999 worth of shares in Gondwana Holdings Ltd.

8. Investment in associate (continued)

The following table illustrates the summarised financial position of the group's investment in Retutpro:

	12 months 2024 N$	8 months 2023 N$
Current assets	**665 902**	973 464
Non-current assets	**2 143 786**	1 877 828
Current liabilities	**(1 339 489)**	(1 321 141)
Non-current liabilities	**(1 954 194)**	(1 248 222)
Equity	**(483 995)**	281 929
Equity of associate before 1 May 2023	**(56 063)**	(56 063)
Equity relevant to the group	**(540 058)**	225 866
Group's share in equity – 50% of loss/earnings	**(270 029)**	112 933
Cost of investment	**3 999 999**	3 999 999
Group's carrying amount of the investment	**3 729 970**	4 112 932
Revenue from contracts with customers	**5 722 961**	3 858 767
Cost of sales	**(1 637 933)**	(727 673)
Administrative expenses	**(5 044 343)**	(2 761 311)
Finance costs	**(153 556)**	(79 514)
(Loss)/profit before tax	**(1 112 871)**	290 269
Taxation release/(expense)	**346 947**	(77 619)
(Loss)/profit for the year/period	**(765 924)**	212 650
Group's share of (loss)/profit	**(382 962)**	112 933

The associate will not distribute any profits from the year ended 31 October 2024.

The associate has no contingent liabilities or capital commitments as at 31 October 2024.

9. Investment in joint venture

	Nature of business	**Ownership interest 2024 %**	Ownership interest 2023 %	**Carrying amount 2024 N$**	Carrying amount 2023 N$
Island Marble Investments (Pty) Ltd	Property owning	**100.00%**	50.00%	**–**	7 014 681

The group has acquired the remaining shares of the joint venture on 30 April 2024 and Island Marble Investments (Pty) Ltd is now a fully owned subsidiary.

Notes to the annual financial statements (continued)

for the year ended 31 October 2024

9. Investment in joint venture (continued)

	6 months ended 30/04/2024 N$	12 months ended 31/10/2023 N$
Revenue	**–**	20 000
Loss on fair value remeasurement	**(1 097 500)**	–
Operating expenses	**(6 021)**	(1 771)
Tax charge	**–**	(5 833)
(Loss)/profit for the period/year and total comprehensive income	**(1 103 521)**	12 396
Group's share of (loss)/income	**(551 761)**	6 198
Inter-group adjustments	**(3 162)**	10 000
Other	**–**	(2 711)
Total share of (loss)/income from joint venture	**(554 923)**	13 487
Carrying value		
Cost of investment	**6 750 000**	6 750 000
Equity accounted earnings to date	**(595 164)**	(40 241)
Loan to Joint Venture	**45 124**	41 962
Recognising excess with acquisition	**262 960**	262 960
Carrying value of investment in joint venture	**6 462 920**	7 014 681
Acquisition-date fair value of the equity interest	**6 451 250**	–
Remeasurement loss on change of control	**11 670**	–

The loss in change of control is disclosed in Other non-operating losses in the statement of profit or loss and other comprehensive income.

10. Loans to related parties

	2024 N$	2023 N$
Non-current loans to:		
Island Marble Investments (Pty) Ltd	**–**	41 962
Naukluft Electricity Investment (Pty) Ltd	**762 497**	762 497
Retutpro Photography & Retouching (Pty) Ltd	**1 280 435**	–
Mont Vinum Properties (Pty) Ltd	**50**	–
	2 042 982	804 459
Current loans to:		
Retutpro Photography & Retouching (Pty) Ltd	**80 572**	–
	2 123 554	804 456

The related party loans are unsecured and bear no interest.

The carrying values of the amounts owed by related parties approximates their fair values. These loans are repayable on demand, however, they are not expected to be settled within the next 12 months. Therefore, they are disclosed as non-current assets.

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.

The loan to Retutpro Photography & Retouching (Pty) Ltd bears interest at a fixed rate of prime less 1 and is repayable over 36 months, maturing in 2027.

11. Deferred taxation

	2024 N$	2023 N$
Opening balance	**44 868 073**	(11 247 737)
Temporary differences on property, plant and equipment	**20 241 763**	12 292 657
Temporary differences on prepayments	**523 651**	165 302
Temporary differences on non-refundable deposits[#]	**(539 258)**	(2 078 224)
Temporary differences on livestock	**(15 315)**	(8 852)
Temporary differences on right-of-use assets	**187 189**	19 960
Temporary differences of lease liabilities	**(405 498)**	(263 723)
Temporary differences on provision for credit losses	**3 150**	1 516
Temporary differences on consumables	**523 014**	556 811
Assessable losses utilised	**3 268 261**	45 430 363
Change in rate of taxation[*]	**(1 387 359)**	–
Deferred tax closing balance	**67 267 671**	44 868 073

[#] *Temporary difference and deferred tax arise from deposits on accommodation and tour packages that are non-refundable.*

[*] *In the current year the government enacted a change in corporate tax rate from 32% to 31%, effective for financial periods beginning 1 January 2024. As a result, the deferred tax liability has been remeasured to reflect the new tax rate.*

Deferred tax comprises of:

	2024 N$	2023 N$
Accelerated wear, tear and building allowances and Leasehold improvement allowances	**121 188 409**	104 208 224
Prepayments	**765 576**	249 729
Non-refundable deposits	**(6 753 273)**	(6 414 467)
Livestock	**45 751**	63 036
Right-of-use asset	**5 479 846**	5 737 956
Lease liabilities	**(6 451 557)**	(6 529 488)
Provision for expected credit losses	**(24 026)**	(28 052)
Consumables	**1 960 543**	1 483 901
Assessed loss recognised	**(48 943 598)**	(53 902 766)
	67 267 671	44 868 073

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

	2024 N$	2023 N$
Deferred tax asset	**(11 084 136)**	(5 770 978)
Deferred tax liability	**78 351 807**	50 639 051
	67 267 671	44 868 073

The entities within the group have assessable losses of N$157 882 574 (2023: N$168 446 144) 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:

	2024 N$	2023 N$
Within 12 months	**(3 852 070)**	(4 505 268)
After 12 months	**71 119 741**	49 373 341
Deferred tax liability/(asset) closing balance	**67 267 671**	44 868 073

	2024 N$	2023 N$
12. Inventories		
Merchandise for resale	**18 273 875**	7 107 636
Food and beverages	**9 782 803**	7 983 029
Camping equipment	**18 164 189**	13 434 158
Consumables	**6 876 052**	4 637 191
	53 096 919	33 162 014
Total inventory expensed during the year	**177 004 219**	141 781 411
There was no provision for obsolete inventory in the current year (2023: Nil).		
13. Biological assets		
Livestock and game	**147 584**	196 987
The fair values are based on market price of livestock and game of similar age, weight and market value.		
14. Trade and other receivables		
Financial instruments		
Trade debtors	**78 193 185**	64 957 367
Credit loss allowance	**(103 338)**	(116 884)
Staff loans[!]	**13 739**	9 141
Deposits	**609 364**	609 364
Insurance refundable[*]	**–**	91 312
Other	**1 272 103**	806 831
Total financial instruments	**79 985 053**	66 357 131
Non-financial instruments		
Prepaid suppliers	**2 491 130**	793 778
Capital deposits[@]	**5 937 024**	20 528 827
Value added tax receivable	**9 847 824**	8 735 831
Total non-financial instruments	**18 275 978**	30 058 436
	98 261 031	96 415 567

(!) *Expected credit losses for staff loans are considered to be immaterial.*
(*) *Relates to insurance receivable for staff or tourists that have been injured or suffered a loss.*
(@) *Relates to refundable deposits paid for the acquisition of subsidiaries and property.*

14. 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 at the reporting date.

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

		Estimated gross carrying amount at default 2024 N$	**Loss allowance (lifetime expected credit loss) 2024 N$**	Estimated gross carrying amount at default 2023 N$	Loss allowance (lifetime expected credit loss) 2023 N$
Not past due	0.06% (2023: 0.07%)	**50 526 076**	**(30 232)**	42 801 109	(31 235)
Above 30 days	0.18% (2023: 0.25%)	**15 308 592**	**(26 969)**	11 275 262	(28 075)
Above 60 days	0.37% (2023: 0.53%)	**12 358 517**	**(46 137)**	10 880 996	(57 574)
		78 193 185	**(103 338)**	64 957 367	(116 884)

	2024 N$	2023 N$
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	**116 884**	123 200
Movement in provision	**(13 546)**	(6 316)
Closing balance	**103 338**	116 884

15. Cash and cash equivalents

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

	2024 N$	2023 N$
Bank and cash on hand	**110 968 527**	164 611 500
Bank overdraft	**(51 124 333)**	–
	59 844 194	164 611 500

The carrying amount of cash and cash equivalents approximate their fair value at the reporting date. The bank overdraft attracts interest at the Namibian prime lending rate and is payable on demand.

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$165 450 000 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
- A combined first and second covering mortgage bond of N$72 000 000 and N$93 450 000, respectively, was registered over the following properties:
  - Remaining Extent of Erf 805 (a portion of Erf 78), Klein Windhoek, Windhoek, Namibia held by Gondwana Travel Centre (Pty) Ltd, Reg. No. 2007/0203
  - Remaining Extent of Portion 1 of Erf 78, Klein Windhoek, Windhoek, Namibia held by Gondwana Travel Centre (Pty) Ltd, Reg. No. 2007/0203
  - Farm Dieprivier No. 972, Hardap region, Namibia held by Namib Desert Investments (Pty) Ltd, Reg. No. 2004/0264
  - Remainder of Portion A of Farm Holoog No. 106, Karas Region, Namibia held by East Eden Farming and Tourism (Pty) Ltd, Reg. No. 1999/255
  - Portion 1 of the Farm Holoogberg No. 107, Karas Region, Namibia held by Canyon Investments (Pty) Ltd, Reg. No. 1997/105
  - Farm Augurabis No. 109, Karas Region, Namibia held by Violet Investments (Pty) Ltd, Reg. No. 1997/201
  - Remaining Extent of Farm Karios No. 8, Karas Region, Namibia held by Combretum Investments (Pty) Ltd, Reg. No. 1996/417
  - Portion 1 of Farm Karios No. 8, Karas Region, Namibia held by Combretum Investments (Pty) Ltd, Reg. No. 1996/417
  - Remaining Extent of Farm Holoogber No. 107, Karas Region, Namibia held by R.A.L. Boerdery (Pty) Ltd, Reg. No. 1997/195
  - Farm Stamprivier No. 108, Karas Region, Namibia held by Acacia Investments (Pty) Ltd, Reg. No. 1996/416

16. Share capital

	2024 N$	2023 N$
Authorised: 500 000 000 ordinary shares of N$0.001 each	**500 000**	500 000
Issued: 69 210 003 ordinary shares of N$0.001 each (2023: 68 980 003 ordinary shares of N$0.001 each)	**69 210**	68 980

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

Total issued shares are fully paid.

Reconciliation of share capital

	No. of shares	N$
At 1 November 2023	**68 980 003**	68 980
Issued on 31 October 2024 for employee share-based payment(#)	**230 000**	230
	69 210 003	69 210

Reconciliation of share premium

	2024 N$	2023 N$
At 1 November 2023	**149 161 219**	132 301 614
Issued on 1 May 2023 for acquisition of Retutpro Photography and Retouching (Pty) Ltd(*)	**–**	1 999 764
Issued on 31 October 2024 for employee share-based payment(#)	**1 945 570**	14 850 350
Other	**–**	9 491
	151 106 789	149 161 219

(*) *This equity-settled share-based payment, together with N$2 000 000 in cash, was made to acquire 50% ownership in Retutpro Photography and Retouching (Pty) Ltd. There were no vesting conditions attached and the shares were issued at their fair value on 1 May 2023 which was N$8.50. The shares of Gondwana Holdings Limited are traded over-the-counter (OTC) and records of share trades are kept from which the fair value was determined. No expected dividends or any other features were incorporated into the measurement of the fair value. The transaction is fully exercised and was recognised as part of the investment in associate (refer to note 8).*

(#) *The share-based payment to employees had no vesting conditions, no attached options and are equity-settled. The fair value of the shares was determined to be N$8.46 (2023: N$6.22) on measurement date which is also the grant date, based on the weighted average price of shares traded over a twelve month period based on an observable over-the-counter market price. No expected dividends or any other features were incorporated into the measurement of the fair value. There are no share options or liabilities outstanding at year end in relation to any share-based payments. All share-based payments are fully exercised and the transaction was immediately recognised as an expense (refer to note 27).*

	2024 N$	2023 N$
17. Revaluation reserves		
Opening balance	**200 765 050**	200 822 461
Gain on revaluations	**76 911 788**	–
Revaluation reserve release	**–**	(57 411)
Closing balance	**277 676 838**	200 765 050

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.

18. Shareholders' reserve

	2024 N$	2023 N$
Attributable to equity holders of parent[#]	**17 364 558**	17 364 558
Reserve for movement on non-financial liability from NCI (note 21)	**1 388 701**	(45 334)
Closing balance	**18 753 259**	17 319 224

[#] *In 2009/2010 the group structure was adjusted. All shares in all companies were transferred to Nature Investments (Pty) Ltd (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 (Pty) Ltd 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 (Pty) Ltd) 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.

19. Long-term liabilities

	Interest rate	Maturity	2024 N$	2023 N$
19.1 Non-current interest-bearing loans – secured				
Unlisted Senior Secured Floating Rate Notes – N$70 000 000 (2023: N$70 000 000)	3 month JIBAR + 245 basis points	2025	–	69 803 967
Bank Windhoek Limited N$12 000 000 (2023: N$12 000 000)	Prime	2032	9 929 414	10 796 194
Development Bank of Namibia Covid Relief Term Loan – N$50 000 000 (2023: N$50 000 000)	Fixed 5.925	2027	14 591 048	31 273 310
Salambala Conservancy – Loan	Prime – 1	2027	180 989	257 332
Millennium Challenge Account	Fixed rate	2032	3 013 260	4 188 187
Development Bank of Namibia – Instalment sale	Fixed 5.925	2026	4 100 263	14 594 622
Bank Windhoek Limited – Instalment sale	Prime related	2028	64 624 384	39 832 974
First National Bank of Namibia Limited – Instalment sale	Prime related	2027	33 389 773	865 270
			129 829 131	171 611 856
19.2 Non-current interest-bearing loans – unsecured				
Listed Senior Unsecured Floating Rate Notes N$150 000 000 (2023: Nil)	3 month JIBAR + 220 basis points	2026	150 000 000	150 000 000
Listed Senior Unsecured Floating Rate Notes N$100 000 000 (2023: Nil)	3 month JIBAR + 250 basis points	2028	100 000 000	100 000 000
			250 000 000	250 000 000
Total non-current interest-bearing loans and borrowings			379 829 131	421 611 856
19.3 Current interest-bearing loans – secured				
Unlisted Senior Secured Floating Rate Notes – N$70 000 000 (2023: N$70 000 000)	3 month JIBAR + 245 basis points	2025	71 187 370	1 202 205
Bank Windhoek Limited – N$12 000 000 (2023: N$12 000 000)	Prime	2032	891 584	779 246
Development Bank of Namibia Covid Relief Term Loan – N$50 000 000 (2023: N$50 000 000)	Fixed 5.925	2027	13 598 902	12 648 316
Development Bank of Namibia – Bank Loan – N$50 000 000 (2023: N$50 000 000)	Prime – 1	2024	–	9 690 641
Salambala Conservancy – Loan	Prime – 1	2027	95 263	79 957
Millennium Challenge Account	Fixed rate	2032	383 433	383 433
Development Bank of Namibia – Instalment sale	Fixed 5.925	2026	8 196 624	9 032 670
Bank Windhoek Limited – Instalment sale	Prime related	2028	26 220 632	35 475 883
First National Bank of Namibia Limited – Instalment sale	Prime related	2027	19 767 072	3 293 320
Standard Bank Namibia Limited – Instalment sale	Prime – 0.5	2024	–	1 732 561
			140 340 880	74 318 232
19.4 Current interest-bearing loans – unsecured				
Listed Senior Unsecured Floating Rate Notes N$150 000 000 (2023: Nil)	3 month JIBAR + 220 basis points	2026	2 615 398	2 516 564
Listed Senior Unsecured Floating Rate Notes N$100 000 000 (2023: Nil)	3 month JIBAR + 250 basis points	2028	1 793 751	1 725 381
			4 409 149	4 241 945
Total current interest-bearing loans and borrowings			144 750 029	78 560 177
Total interest-bearing loans and borrowings			524 579 160	500 172 033

19. Long-term liabilities (continued)

Unlisted Senior Secured Floating Rate Notes – N$70 000 000 (2023: N$70 000 000)

Through Pledges and Cession through the group, the vehicles acquired with the funds act as security for the notes. Interest is charged at the 3 month JIBAR related rate. The maturity profile for the notes is 3 years with the expiry date of the term being 19 April 2025.

Bank Windhoek Limited – N$12 000 000 (2023: N$12 000 000)

As at year end the group borrowed N$12 000 000 from Bank Windhoek Limited. The loan is repayable over 5 years with 35 (2023:47) monthly instalments remaining, 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 the Namibian prime lending rate which at year end was 11.00%.

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 – Covid Relief Term Loan – N$50 000 000 (2023: N$50 000 000)

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 33 (2023: 45) remaining monthly instalments. Repayments amount to N$1 241 985 (2023: N$1 241 985) per month.

Development Bank of Namibia – Bank loan – N$50 000 000 (2023: N$50 000 000)

This loan has been fully settled during the current financial year.

Development Bank of Namibia – Instalment Sale

The balance consists of various Instalment sales in the name of Gondwana Collection Namibia (Pty) Ltd, secured by movable assets purchased therewith, attracting interest at a fixed rate of 5.925%, with monthly instalments totalling N$727 167 (2023: N$849 244).

19. Long-term liabilities (continued)

Bank Windhoek Limited – Instalment Sale

The balance consists of various instalment sales in the name of Gondwana Collection Namibia (Pty) Ltd, secured by movable assets purchased therewith, attracting interest at Namibian prime related rates, with monthly instalments totalling N$3 576 772 (2023: N$3 227 315).

First National Bank of Namibia Limited – Instalment Sale

The balance consists of various Instalment sales in the name of Gondwana Collection Namibia (Pty) Ltd, secured by movable assets purchased therewith, attracting interest at Namibian prime related rates, with monthly instalments totalling N$2 182 514 (2023: N$470 967).

Standard Bank Namibia Limited – Instalment Sale

This instalment sale has been fully settled during the current year.

Salambala Conservancy – Loan

The loan is repayable in 37 (2023: 49) monthly instalments of variable minimum payments. The liability is secured by the right of leasehold on which the Chobe Camp is situated. Interest is the Namibian prime lending rate less 1%, payable at prime less 1% as per the schedule of operating fees in the Joint Venture Agreement between the company and Salambala.

Millennium Challenge Account

The loan does not attract interest, is repayable over a period of 8 years with instalments based on revenue generated and is secured by the concession assets purchased with the loan.

Listed Senior Unsecured Floating Rate Notes – N$250 000 000 (2023: N$250 000 000)

These notes have no security. Interest is charged at the 3 month JIBAR related rate. The maturity profile for the N$150 000 000 and N$100 000 000 notes is 2 years and 4 years respectively.

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

20. Lease liabilities

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

Variable lease payments

Certain ground leases contain variable payment terms that are linked to the Earnings Before Interest, Tax, Depreciation and Amortisation (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 lease payments are not considered in determining the lease liability.

Variable lease payments are included in other operating expenses. Refer to note 27.

	2024 N$	2023 N$
Year ended 31 October		
Land		
Opening balance	**20 404 653**	19 580 518
Lease liability incurred	**1 125 477**	1 146 672
Remeasurement	**–**	–
Finance cost	**1 770 539**	1 773 977
Lease payments	**(2 178 635)**	(2 096 514)
Closing net carrying amount	**21 122 034**	20 404 653
During the current year there have been no lease modifications or remeasurements.		
Lease liabilities		
Lease liabilities recognised in the statement of financial position are analysed as:		
Land		
Non-current portion	**20 670 658**	19 956 681
Current portion	**451 376**	447 972
	21 122 034	20 404 653
Total cash flow payments in respect of leases		
Principal portion of the lease liabilities (included in cash flows from financing activities)	**408 096**	322 537
Interest portion of the lease liabilities (included in finance cost cash flows)	**1 770 539**	1 773 977
Short-term lease payments	**1 295 255**	997 911
Variable lease payments that are not included in the measurement of the lease liabilities	**18 720 606**	12 377 578
Total cash outflow payments for leases	**22 194 496**	15 472 003

20. Lease liabilities (continued)

Variable lease payments (continued)

	Interest rate (%)	2024 N$	2023 N$
Lease creditors			
Caprivi Communal Land Board – N$8 100 per month	9.25	**32 109**	122 488
Mashi Conservancy – N$23 153 per month	7.50	**3 665 340**	3 659 446
Zambezi Communal Land Board (Ngoma Communal Area) N$6 346 – per month	7.50	**1 189 514**	1 176 664
Ngoma Family Trust and Salambala Conservancy – N$15 926 per month	7.50	**2 861 323**	2 838 763
Mbunza Traditional Authority – N$3 884 per month	9.25	**403 560**	412 025
A F van Niekerk – N$1 200 per month	9.25	**131 334**	133 552
The Brehmen Trust – N$1 200 per month	9.25	**132 109**	134 259
Sesfontein, Anabeb and Tora Conservancy – N$37 735 per month	9.25	**2 680 685**	2 878 341
King Nehale Conservancy – N$39 542 per month	9.25	**4 260 224**	4 339 265
Zambezi Communal Land Board (Kalundu Communal area) – N$6 343 per month	9.25	**565 759**	587 796
Zambezi Communal Land Board (Kalimbeza Communal area) – N$6 996 per month	9.25	**807 816**	815 935
Omarunga – N$19 618 per month	9.25	**2 122 985**	2 160 134
Draaihoek – N$10 000 per month	10.25	**1 124 049**	–
Okapuka – N$10 000 per month	10.50	**1 145 227**	1 145 985
		21 122 034	20 404 653

21. Loans from related party

		2024 N$	2023 N$
Mont Vinum Properties (Pty) Ltd		**15 586 889**	17 320 874
The loan is classified as follows:			
Financial liabilities[(#)]		**–**	299 950
Non-financial liabilities[(!)]		**15 586 889**	17 020 924
		15 586 889	17 320 874

[(#)] *The loan relates to working capital injections received. The loan does not bear interest, has no fixed terms of repayment and has no security. The loan was not expected to be repaid within the next 12 months and was therefore disclosed as a non-current liability. The loan was fully settled during the current year.*

[(!)] *The loan relates to take on of property, plant and equipment purchased by Mont Vinum Properties (Pty) Ltd (MVP) and handed over to Gondwana Hospitality Management (Pty) Ltd as per the shareholders agreement. The loan does not bear interest and has no fixed terms of repayment. There is no obligation to settle the loan in cash. If the agreement comes to an end, the loan will be settled by handing over all property, plant and equipment to MVP. Therefore, the loan is classified as a non-financial instrument. The agreement has no term and is not expected to terminate and therefore the loan is disclosed as a non-current liability.*

	2024 N$	2023 N$

21. Loans from related party (continued)

	2024 N$	2023 N$
Reconciliation of non-financial loan:		
Opening balance	17 020 924	14 551 167
Additions – take on of property, plant and equipment	–	2 424 423
Adjustment to shareholders' reserve (note 18)	(1 434 035)	45 334
	15 586 889	17 020 924

22. Deferred interest liability

	2024 N$	2023 N$
Development Bank of Namibia	–	2 089 000

The amount related to the Development Bank of Namibia loan as disclosed in note 19.1. A special Covid-19 relief was provided by the bank, whereby the above amount was deferred for payment until December 2023. However, the amount only became payable should the group return to pre-Covid-19 profitability in the 2023 financial year. The group had returned to pre-covid profitability in 2023.

This deferred interest has been fully settled during the current financial year.

23. Trade and other payables

	2024 N$	2023 N$
Financial instruments		
Trade creditors	56 213 542	47 538 279
Bed levy accrual	1 634 091	1 385 145
Conservancy levies	1 993 405	1 653 480
CFFR recovery loan repayable 50%	2 985 013	3 984 596
Accruals	4 040 872	3 070 197
Permit entrance fees	582 960	654 684
Other	944 700	2 825 044
Total financial instruments	68 394 583	61 111 425
Non-financial instruments		
Salary related accruals	26 353 327	20 637 414
Refundable deposits on accommodation and tour packages	41 572 436	32 481 590
Non-refundable deposits on accommodation and tour packages	22 356 194	20 045 213
Value added taxation accrual	6 702 263	12 997 512
Income received in advance	–	376 433
Total non-financial instruments	96 984 220	86 538 162
	165 378 803	147 649 587

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

	2024 N$	2023 N$
Reconciliation of deposits on accommodation and tour packages:		
Balance at the beginning of the year	52 526 803	32 383 387
Revenue recognised in respect of opening balances	(44 890 146)	(31 105 576)
Revenue recognised in respect of deposits received during the year	(398 910 274)	(336 182 700)
Deposits received during the year	455 202 247	387 431 692
Balance at the end of the year	63 928 630	52 526 803

24. Revenue

	Note	2024 N$	2023 N$
Revenue is recognised as follows:			
IFRS 15: Revenue from contracts with customers		**766 484 300**	630 771 416
IFRS 16: Leases (vehicle rental income)		**106 155 598**	76 555 072
Total revenue		**872 639 898**	707 326 488
IFRS 15: Revenue from contracts with customers:			
Set out below is the disaggregation of the group's revenue from contracts with customers.			
Accommodation		**382 741 721**	313 839 582
Activities		**63 080 290**	50 804 819
Bar		**43 187 397**	37 081 917
Commission		**–**	286
Conference		**9 254 713**	6 908 162
Fuel		**21 437 384**	19 799 417
Laundry and other		**3 856 736**	4 046 019
Package tour sales		**39 657 670**	33 126 113
Restaurant		**171 407 446**	142 184 545
Souvenirs/telephone cards		**25 968 794**	18 573 987
Traveller transfers		**5 892 149**	4 406 569
Total revenue from contracts with customers		**766 484 300**	630 771 416
Primary geographical markets			
Namibia		**766 484 300**	630 771 416
Total revenue from contracts with customers		**766 484 300**	630 771 416
Timing of revenue recognition			
Good transferred at a point in time		**344 084 909**	283 805 721
Services transferred overtime		**422 399 391**	346 965 695
Total revenue from contracts with customers		**766 484 300**	630 771 416
Liabilities related to contracts with customers			
Deposits on accommodation and tour packages	23	**63 928 630**	52 526 803

25. Cost of sales

	2024 N$	2023 N$
Accommodation	**22 360 457**	17 986 221
Activities	**12 942 129**	10 627 125
Bar	**21 924 197**	18 032 526
Commission on credit card	**8 927 297**	7 445 203
Conference	**3 172 527**	2 063 335
Fuel	**19 871 829**	18 083 821
Laundry and other	**1 786 276**	1 362 507
Package tour sales	**25 818 239**	20 955 349
Restaurant	**75 739 045**	61 047 674
Souvenirs/telephone cards	**13 984 968**	9 932 751
Traveller transfers	**3 534 500**	3 294 213
Vehicle rental	**5 638 397**	4 285 055
Total cost of sales	**215 699 861**	175 115 780

	2024 N$	2023 N$
26. Other operating income		
Donations income	2 527 557	3 792 107
Profit on sale of property, plant and equipment	3 267 978	6 321 218
Gondwana card income	2 916 445	2 944 735
HR training	3 107 152	1 349 816
Insurance proceeds	480 076	110 101 688
HQ contributions received	858 752	778 771
CRRRF Recovery Relief Funding	–	198 482
Namibia Training Authority refunds received	–	391 653
Other	2 405 146	1 407 265
	15 563 106	127 285 735
27. Operating income		
Operating income for the year is stated after charging the following amongst others:		
Auditor's remuneration		
– audit fees	2 310 520	2 247 420
Employee costs		
Salaries, wages and other benefits	190 606 753	157 827 845
Staff share-based payment	–	1 729 782
Directors' fees	13 991 617	13 551 032
Directors' costs for other services	431 096	326 290
Directors' costs share-based payment	1 945 800	13 122 956
Retirement benefit plans: defined contribution expense	16 223 868	13 130 138
	223 199 134	199 688 043
Variable lease payments	18 720 606	12 377 578
Short-term leases	1 295 255	997 911
	20 015 861	13 375 489
Depreciation and amortisation		
Depreciation on property, plant and equipment	62 632 538	47 435 135
Amortisation of intangible assets	–	77 770
Depreciation of right-of-use assets	1 093 667	1 084 284
	63 726 205	48 597 189

	2024 N$	2023 N$

27. Operating income (continued)

Breakdown of expenses by nature

	2024 N$	2023 N$
Administration fees	**202 038**	155 807
Advertising	**19 372 853**	13 247 294
Bank charges	**6 279 592**	4 499 250
Bad debts	**164 294**	245 027
Computer expenses	**3 531 546**	2 785 643
Consulting, professional and legal fees	**3 542 803**	10 251 437
Depreciation, amortisation and impairment	**63 726 205**	48 597 189
Donations and gifts	**4 250 609**	4 626 048
Employee costs	**223 199 134**	199 688 043
Electricity and water	**24 269 903**	20 346 415
Fuel and oil	**18 271 730**	14 774 962
Motor vehicle expenses	**34 227 754**	24 209 754
Repairs and maintenance	**39 674 689**	33 778 777
Short-term leases	**1 295 255**	997 911
Security	**1 630 005**	1 261 947
Variable lease payments	**18 720 606**	12 377 578
Other expenses	**43 964 116**	35 964 284
	506 323 132	427 807 366

Major components of other expenses:

	2024 N$	2023 N$
Insurance	**7 404 772**	6 484 979
Licenses, subscription, membership fees	**8 314 639**	7 246 859
Stationery and printing	**3 016 021**	2 428 189
Telephone and postage	**4 977 344**	3 919 687
Training expenses	**7 675 813**	4 949 631
	31 388 589	25 029 345

28. Investment income

	2024 N$	2023 N$
Dividend income from investments(*)	**5 088 714**	2 762 379

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

29. Finance income

	2024 N$	2023 N$
Bank	**4 283 303**	1 009 668

All finance income is calculated using the effective interest rate method.

30. Finance cost

	2024 N$	2023 N$
Bank loans and overdraft	**3 774 303**	3 566 868
Interest-bearing borrowings	**50 955 354**	46 480 240
Lease liabilities	**1 770 539**	1 773 977
	56 500 196	51 821 085

All finance costs are calculated using the effective interest rate method.

31. Taxation

	2024 N$	2023 N$
Major components of income tax expense for the year		
Current income tax charge	**12 799 425**	2 672 770
Deferred tax:		
Relating to origination and reversal of temporary differences	**22 399 598**	56 115 809
Income tax expense reported in the statement of profit or loss	**35 199 023**	58 788 579
Reconciliation between accounting profit and tax expenses:		
Profit before income tax	**118 147 697**	183 772 775
Tax at the applicable tax rate of 32%	**37 807 263**	58 807 288
Deferred tax rate adjustment(*)	**(2 162 703)**	–
Dividends received	**(1 628 388)**	(884 373)
Donations paid	**496 337**	731 806
Donations received	**–**	(470 877)
Loss/(earnings) from associate	**122 548**	(36 139)
Expenses incurred that are not in the production of income	**303 168**	488 809
Land tax	**5 252**	5 055
Legal fees	**64 700**	68 930
Penalties	**–**	1 666
Prior year adjustment	**13 271**	80 730
Share of loss/(profit) from joint venture	**177 575**	(4 316)
Income tax charge reported in the statement of profit or loss	**35 199 023**	58 788 579

(*) *In the current year the government enacted a change in corporate tax rate from 32% to 31%, effective for financial periods beginning 1 January 2024. As a result, the deferred tax liability has been remeasured to reflect the new tax rate.*

32. Earnings per share

	2024 N$	2023 N$
Basic and diluted earnings (cents per share)	**117.99**	186.43

Basic earnings per share is based on profit or loss attributable to equity shareholders of the company as per the Group Statement of Profit or Loss of N$81 392 725 (2023: N$123 926 360) and a weighted average number of ordinary shares outstanding during the year of 68 980 003 shares (2023: 66 474 456 shares). It is calculated by dividing the net income 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 dilutive ordinary shares in issue.

33. Related parties' transactions

	2024 N$	2023 N$
Transactions with related companies:		
Ruth Albrecht Trust		
– interest expense	–	20 293
Naukluft Electricity Investments (Pty) Ltd		
– electricity charge	1 979 663	1 745 685
Fisher Quarmby & Pfeifer		
– bond registration and other	448 782	516 840
– property acquisition and registration	2 699 678	–
Wine bar		
– purchases	2 724 502	2 562 912
Compensation to directors and key management		
– salary and other short-term employee benefits	14 422 713	13 877 322
– share-based payment	1 945 800	13 122 956
– retirement benefit plans: defined contribution expense	514 020	514 020
Conserv Engineering Services CC		
– repairs and maintenance	783 864	326 929
Hannes Gouws & Partners Incorporated		
– legal fees – insurance claim	–	82 455
Mont Vinum Properties (Pty) Ltd		
– rent expense	8 656 326	5 323 212
Klein Okapuka CC		
– rent expense	2 142 810	262 412
Retutpro Photography and Retouching (Pty) Ltd		
– videography services received	2 697 312	1 948 611
– interest received	(76 012)	–
– accounting services and equipment provided	(129 104)	(103 327)

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
- Klein Okapuka CC – non-controlling interest shareholder
- Mont Vinum Properties (Pty) Ltd – non-controlling interest shareholder
- Naukluft Electricity Investments – associated company
- Retutpro Photography & Retouching (Pty) Ltd – associate
- Ruth Albrecht Trust – Common shareholder/director/trustee – CJ Gouws
- Springwater Investments (Pty) Ltd – common ultimate shareholding, directorship
- Wine Bar – common shareholders of a subsidiary

Notes to the annual financial statements (continued)

for the year ended 31 October 2024

	Notes	2024 N$	2023 N$
34. Cash generated from operations			
Profit before taxation		**118 147 697**	183 772 775
Adjustments for:			
– other non-operating loss		**56 794**	–
– loss/(earnings) from associate	8	**382 962**	(112 933)
– share of loss/(profit) of joint venture	9	**554 923**	(13 487)
– movement in provision for credit losses	14	**(13 546)**	(6 316)
– net gains on disposal of assets	26	**(3 267 978)**	(6 321 218)
– depreciation and amortisation	27	**63 726 205**	48 597 189
– investment income	28	**(5 088 714)**	(2 762 379)
– finance income	29	**(4 283 303)**	(1 009 668)
– finance cost	30	**56 500 196**	51 821 085
– share based payment	27	**1 945 800**	14 852 738
– dividends write off and correction of share premium		**–**	8 202
		228 661 036	288 825 988
Working capital adjustments:			
Increase in inventories and biological assets		**(19 885 502)**	(10 234 779)
(Decrease)/increase in trade and other receivables		**(16 423 721)**	1 621 113
Increase in trade and other payables		**17 729 216**	38 694 884
		(18 580 007)	30 081 218
Cash generated from operations		**210 081 029**	318 907 206
35. Dividends paid			
Balance at the beginning of the year		**(179 080)**	(180 370)
Dividends declared		**(35 179 796)**	–
Other		**–**	1 290
Balance at the end of the year		**984 831**	179 080
		(34 374 045)	–

During the year under review dividends of N$ 35 179 796 were declared. No dividends were declared in 2023 by the group.

36. Tax paid

	2024 N$	2023 N$
Group		
Balance at the beginning of the year	**1 608 252**	1 867 327
Current tax for the year recognised in profit or loss	**(12 799 425)**	(2 672 770)
Balance at end of the year	**(708 593)**	(1 608 252)
	(11 899 766)	(2 413 695)

37. Changes in liabilities arising from financial instruments

	Opening Balance 1 November 2023	Cashflow changes		Non-cashflow changes	Closing Balance 31 October 2024
		Loans received	Repayment of principal	Finance charges accrued	
Secured – interest-bearing liabilities					
Unlisted Senior Secured Floating Rate Notes – N$70 000 000	71 006 172	–	–	181 198	**71 187 370**
Bank Windhoek Limited – N$12 000 000	11 575 440	–	(754 442)	–	**10 820 998**
Development Bank of Namibia – Bank Loan N$50 000 000	9 690 641	–	(9 690 641)	–	**–**
Development Bank of Namibia Covid Relief Term Loan – N$50 000 000	43 921 626	–	(15 731 676)	–	**28 189 950**
Development Bank of Namibia – Instalment Sale	23 627 292	–	(11 330 405)	–	**12 296 887**
Bank Windhoek Limited – Instalment Sale	75 308 857	57 784 576	(42 248 417)	–	**90 845 016**
First National Bank of Namibia Limited – Instalment Sale	4 158 590	61 210 680	(12 212 425)	–	**53 156 845**
Standard Bank Namibia Limited – Instalment Sale	1 732 561	–	(1 732 561)	–	**–**
Salambala Conservancy – Loan	337 289	–	(61 037)	–	**276 252**
Millennium challenge account	4 571 620	–	(1 174 927)	–	**3 396 693**
Total secured liabilities	245 930 088	118 995 256	(94 936 531)	181 198	**270 170 011**
Unsecured – interest-bearing liabilities					
Listed Senior Unsecured Floating Rate Notes – N$150 000 000	152 516 564	–	–	98 834	**152 615 398**
Listed Senior Unsecured Floating Rate Notes – N$100 000 000	101 725 381	–	–	68 370	**101 793 751**
Total unsecured liabilities	254 241 945	–	–	167 204	**254 409 149**
Total secured and unsecured liabilities	500 172 033	118 995 256	(94 936 531)	348 402	**524 579 160**

	Opening Balance 1 November 2022	Cashflow changes		Non-cashflow changes	Closing Balance 31 October 2023
		Loans received	Repayment of principal	Finance charges accrued	
Secured – interest-bearing liabilities					
Unlisted Senior Secured Floating Rate Notes – N$70 000 000	70 607 386	–	–	398 786	71 006 172
Bank Windhoek Limited – N$12 000 000	300 177	11 864 135	(588 872)	–	11 575 440
Bank Windhoek Limited – Nil	277 785 132	–	(277 785 132)	–	–
Development Bank of Namibia – Bank Loan N$50 000 000	21 646 351	–	(11 955 710)	–	9 690 641
Development Bank of Namibia Covid Relief Term Loan – N$50 000 000	52 149 637	776 286	(9 004 297)	–	43 921 626
Development Bank of Namibia – Instalment Sale	–	25 000 000	(1 372 708)	–	23 627 292
Bank Windhoek Limited – Instalment Sale	30 138 569	63 320 264	(18 149 976)	–	75 308 857
First National Bank of Namibia Limited – Instalment Sale	11 216 976	–	(7 058 386)	–	4 158 590
Standard Bank Namibia Limited – Instalment Sale	6 845 417	–	(5 112 856)	–	1 732 561
Salambala Conservancy – Loan	404 714	–	(67 425)	–	337 289
Millennium challenge account	5 572 864	–	(1 001 244)	–	4 571 620
Total secured liabilities	476 667 223	100 960 685	(332 096 606)	398 786	245 930 088
Unsecured – interest-bearing liabilities					
Listed Senior Unsecured Floating Rate Notes – N$150 000 000	–	150 000 000	–	2 516 564	152 516 564
Listed Senior Unsecured Floating Rate Notes – N$100 000 000	–	100 000 000	–	1 725 381	101 725 381
Ruth Albrecht Trust – Anib Lodge (Pty) Ltd	603 113	–	(603 113)	–	–
Total unsecured liabilities	603 113	250 000 000	(603 113)	4 241 945	254 241 945
Total secured and unsecured liabilities	477 270 336	350 960 685	(332 699 719)	4 640 731	500 172 033

38. Going concern and subsequent events

The group returned to pre-covid-19 profitability and continues to unlock internal synergies and grow strategically by expanding its offerings and diversifying beyond tourism. The group has received commitment from capital providers to refinance the initial unlisted secure N$70 000 000 notes on new terms. This effectively means that there will be no cash outflow upon the maturity date of these notes in April 2025. Management is of the belief that the entity is a going concern for the foreseeable future.

After the reporting date and before the date of this report, the group has received commitment from capital providers to refinance the initial unlisted secured N$70 000 000 notes on new terms. The directors are not aware of any material events which occurred after the reporting date and up to the date of this report.

39. 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 2024 the group's strategy, which was unchanged from 2023 was applied.

The gearing ratios at 31 October 2024 and 2023 are as follows:

	2024 N$	2023 N$
Total borrowings	**612 412 416**	539 986 560
Less: cash and bank balances	**(110 968 527)**	(164 611 500)
Net debt	**501 443 889**	375 375 060
Total equity (excluding non-controlling interest)	**679 654 587**	553 178 500
Total equity and debt	**1 181 098 476**	928 553 560
Gearing ratio	**42%**	40%

40. Financial risk management

40.1 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, operational risk and interest rate 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.

ii) Operational 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.

	2024		2023	
	10% increase N$	**10% decrease N$**	10% increase N$	10% decrease N$
Effect on profit and loss after tax and impact on equity	**45 328 863**	**(45 328 863)**	36 190 328	(36 190 328)

b) 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. Overdraft accounts at Banks attract interest at prime related rates.

Unsecured liabilities attract interest at the JIBAR rate plus basis points, while secured liabilities attract interest at prime related rates, JIBAR plus basis points as well as at a fixed rate of 5.925%. Other loans to related parties carry no interest.

	2024 N$	2023 N$
Bank overdraft	**(51 124 333)**	–
Lease liabilities	**(21 122 034)**	(20 404 653)
Interest bearing liabilities – secured	**(270 170 011)**	(245 930 088)
Interest bearing liabilities – unsecured	**(254 409 149)**	(254 241 945)

40. Financial risk management (continued)

40.1 Overview (continued)

b) Interest rate risk (continued)

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:

	2024 %	2023 %
Current bank accounts	**prime related**	prime related
Instalment sales	**prime related**	prime related
Lease liabilities	**7.5 – 10.50%**	7.5 – 10.50%
Long-term liabilities – secured	**prime related**	prime related
Long-term liabilities – secured	**JIBAR related**	JIBAR related
Long-term liabilities – secured	**5.925% fixed**	5.925% fixed
Long-term liabilities – unsecured	**JIBAR related**	JIBAR related

The increase in 100 basis points in the interest rate would affect the group's income after tax and equity by N$4 118 096 (2023: N$3 539 921).

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.

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 the 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.

40. Financial risk management (continued)

40.1 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 31/10/2024							
Non-current liabilities							
Long-term liabilities – secured and unsecured	19	–	247 530 138	150 955 530	7 564 971	406 050 639	379 829 131
Lease liabilities	20	–	2 255 367	7 049 991	35 112 997	44 418 355	20 670 658
Current liabilities							
Bank overdraft	15	51 124 333	–	–	–	51 124 333	51 124 333
Long-term liabilities – secured and unsecured	19	179 488 079	–	–	–	179 488 079	144 750 029
Lease liabilities	20	2 244 640	–	–	–	2 244 640	451 376
Trade and other payables	23	68 394 583	–	–	–	68 394 583	68 394 583
Dividends payable	35	984 831	–	–	–	984 831	984 831
		302 236 466	249 785 505	158 005 521	42 677 968	752 705 460	666 204 941
At 31/10/2023							
Non-current liabilities							
Long-term liabilities – secured and unsecured	19	–	125 300 204	298 980 684	10 911 827	435 192 715	421 611 856
Lease liabilities	20	–	2 121 167	6 501 047	34 375 019	42 997 233	19 956 681
Loan from related party	21	–	–	–	299 950	299 950	299 950
Current liabilities							
Long-term liabilities – secured and unsecured	19	90 983 770	–	–	–	90 983 770	78 560 177
Lease liabilities	20	2 148 633	–	–	–	2 148 633	447 972
Deferred interest liability	22	2 089 000	–	–	–	2 089 000	2 089 000
Trade and other payables	23	61 111 425	–	–	–	61 111 425	61 111 425
Dividends payable	35	179 080	–	–	–	179 080	179 080
		156 511 908	127 421 371	305 481 731	45 586 796	635 001 806	584 256 141

40. Financial risk management (continued)

40.1 Overview (continued)

d) Categories of financial instruments

2024	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$
Assets					
Non-current assets					
Property, plant and Equipment	3	–	–	1 204 186 370	1 204 186 370
Right-of-use asset	4	–	–	17 962 928	17 962 928
Intangible assets	5	–	–	25 686 365	25 686 365
Goodwill	6	–	–	11 745 082	11 745 082
Other financial assets(*)	7	–	–	474	474
Investment in associate	8	–	–	3 729 970	3 729 970
Loans to related parties	10	2 042 982	–	–	2 042 982
Deferred tax asset	11	–	–	11 084 136	11 084 136
		2 042 982	–	1 274 395 325	1 276 438 307
Current assets					
Current tax receivable		–	–	1 883 019	1 883 019
Loans to related parties	10	80 572	–	–	80 572
Inventories	12	–	–	53 096 919	53 096 919
Biological assets	13	–	–	147 584	147 584
Trade and other Receivables	14	79 985 053	–	18 275 978	98 261 031
Cash and cash equivalents	15	110 968 527	–	–	110 968 527
		191 034 152	–	73 403 500	264 437 652
Total assets		193 077 134	–	1 347 798 825	1 540 875 959
Equity and liabilities					
Equity					
Share capital	16	–	–	69 210	69 210
Share premium	16	–	–	151 106 789	151 106 789
Revaluation reserve	17	–	–	277 676 838	277 676 838
Shareholders' reserve	18	–	–	18 753 259	18 753 259
Foreign currency translation reserve		–	–	(28 465)	(28 465)
Retained earnings		–	–	232 076 956	232 076 956
		–	–	679 654 587	679 654 587
Non-controlling interest		–	–	2 919 089	2 919 089
Total equity		–	–	682 573 676	682 573 676

(*) *Other financial assets are categorised as FVTPL.*

40. Financial risk management (continued)

40.1 Overview (continued)

d) Categories of financial instruments (continued)

2024	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	11	–	–	78 351 807	78 351 807
Interest-bearing liabilities – secured	19.1	–	129 829 131	–	129 829 131
Interest-bearing liabilities – unsecured	19.2	–	250 000 000	–	250 000 000
Lease liabilities	20	–	20 670 658	–	20 670 658
Loans from related party	21	–	–	15 586 889	15 586 889
		–	400 499 789	93 938 696	494 438 485
Current liabilities					
Bank overdrafts	15	–	51 124 333	–	51 124 333
Short-term portion of interest-bearing liabilities – secured	19.3	–	140 340 880	–	140 340 880
Short-term portion of interest-bearing liabilities – unsecured	19.4	–	4 409 149	–	4 409 149
Short-term portion of lease liabilities	20	–	451 376	–	451 376
Trade and other payables	23	–	68 394 583	96 984 220	165 378 803
Dividend payable	35	–	984 831	–	984 831
Current taxation payable		–	–	1 174 426	1 174 426
		–	265 705 152	98 158 646	363 863 798
Total liabilities		–	666 204 941	192 097 342	858 302 283
Total equity and liabilities		–	666 204 941	874 671 018	1 540 875 959

40. Financial risk management (continued)

40.1 Overview (continued)

d) Categories of financial instruments (continued)

2023	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$
Assets					
Non-current assets					
Property, plant and Equipment	3	–	–	923 935 509	923 935 509
Right-of-use asset	4	–	–	17 931 118	17 931 118
Intangible assets	5	–	–	25 686 365	25 686 365
Goodwill	6	–	–	11 745 082	11 745 082
Other financial assets(*)	7	–	–	474	474
Investment in associate	8	–	–	4 112 932	4 112 932
Investment in joint venture	9	–	–	7 014 681	7 014 681
Loans to related parties	10	804 459	–	–	804 459
Deferred tax asset	11	–	–	5 770 978	5 770 978
		804 459	–	996 197 139	997 001 598
Current assets					
Current tax receivable		–	–	1 883 017	1 883 017
Inventories	12	–	–	33 162 014	33 162 014
Biological assets	13	–	–	196 987	196 987
Trade and other Receivables	14	66 357 131	–	30 058 436	96 415 567
Cash and cash equivalents	15	164 611 500	–	–	164 611 500
		230 968 631	–	65 300 454	296 269 085
Total assets		231 773 090	–	1 061 497 593	1 293 270 683
Equity and liabilities					
Equity					
Share capital	16	–	–	68 980	68 980
Share premium	16	–	–	149 161 219	149 161 219
Revaluation reserve	17	–	–	200 765 050	200 765 050
Shareholders' reserve	18	–	–	17 319 224	17 319 224
Retained earnings		–	–	185 864 027	185 864 027
		–	–	553 178 500	553 178 500
Non-controlling interest		–	–	1 363 140	1 363 140
Total equity		–	–	554 541 640	554 541 640

(*) *Other financial assets are categorised as FVTPL.*

40. Financial risk management (continued)

40.1 Overview (continued)

d) Categories of financial instruments (continued)

2023	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	11	–	–	50 639 051	50 639 051
Interest-bearing liabilities – secured	19.1	–	171 611 856	–	171 611 856
Interest-bearing liabilities – unsecured	19.2	–	250 000 000	–	250 000 000
Lease liabilities	20	–	19 956 681	–	19 956 681
Loans from related party	21	–	299 950	17 020 924	17 320 874
		–	441 868 487	67 659 975	509 528 462
Current liabilities					
Short-term portion of interest-bearing liabilities – secured	19.3	–	74 318 232	–	74 318 232
Short-term portion of interest-bearing liabilities – unsecured	19.4	–	4 241 945	–	4 241 945
Short-term portion of lease liabilities	20	–	447 972	–	447 972
Deferred interest liability	22	–	2 089 000	–	2 089 000
Trade and other payables	23	–	61 111 425	86 538 162	147 649 587
Dividend payable	35	–	179 080	–	179 080
Current taxation payable		–	–	274 765	274 765
		–	142 387 654	86 812 927	229 200 581
Total liabilities		–	584 256 141	154 472 902	738 729 043
Total equity and liabilities		–	584 256 141	709 014 542	1 293 270 683

40. Financial risk management (continued)

40.1 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 and cash and cash equivalents.

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.

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.

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.

40. Financial risk management (continued)

40.1 Overview (continued)

e) Credit risk (continued)

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:

	2024 N$	2023 N$
At carrying amount:		
Loans to related parties	**2 123 554**	804 459
Trade and other receivables	**79 985 053**	66 357 131
Cash and cash equivalents	**110 968 527**	164 611 500
	193 077 134	231 773 090

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

40. Financial risk management (continued)

40.1 Overview (continued)

e) Credit risk (continued)

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

	Gross 2024 N$	Impairment 2024 N$	Gross 2023 N$	Impairment 2023 N$
Trade debtors				
Not past due	**50 526 076**	**(30 232)**	42 801 109	(31 235)
Past due 0-30 days	**15 308 592**	**(26 969)**	11 275 262	(28 075)
Past due 30-60 days	**4 292 632**	**(17 018)**	3 444 724	(19 736)
Past due 60-90 days	**1 561 250**	**(6 133)**	2 484 890	(13 905)
Past due 90-120 days	**4 415 743**	**(18 911)**	1 546 811	(9 188)
More than 120 days	**2 088 892**	**(4 075)**	3 404 571	(14 745)
Total	**78 193 185**	**(103 338)**	64 957 367	(116 884)

Details of the provision matrix are presented in note 14.

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

Financial assets

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

Credit quality of financial assets

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

40.2 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 40.3.

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.

40. Financial risk management (continued)

40.3 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	Notes	2024 N$	2023 N$
Land and buildings	3	884 347 260	693 674 576
Other financial assets	7	474	474
		884 347 734	693 675 050

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

		Fair value measurement Sensitivity to significant	
		Increase in input	Decrease in input
Unobservable inputs within the income capitalisation approach			
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

41. 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 1996/307, 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
107 461	Nampower
452 822	Ministry of Environment and Tourism
250 000	Northern Fuel Distributors CC

42. 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:

Revamp of Chobe River Camp main building	N$4 000 000
Walvisbay property on lagoon developments	N$10 000 000
New Camping 2 Go sites with infrastructure	N$10 150 000
Oranjemund property development	N$9 150 000
Construction of additional butchery	N$11 000 000
Lüderitz developments	N$4 000 000
Lodge revamps general	N$10 000 000

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The Gondwana Collection is registered in Namibia under the Companies Act, 28 of 2004.