2021/2022 Annual Report

NAMDIA

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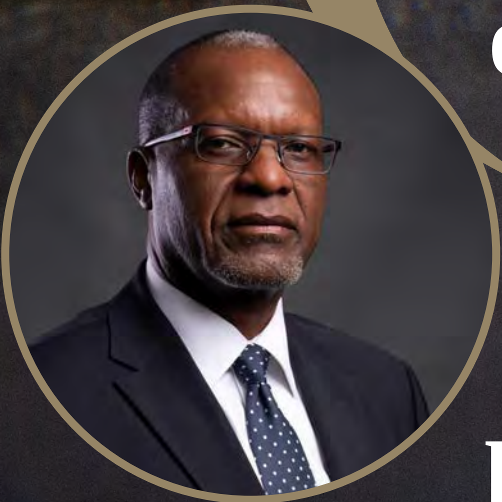

During its short existence, NAMDIA has demonstrated a compelling value proposition – it has proven its relevance.

– **HONOURABLE TOM ALWEENDO,** Minister of Mines and Energy

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- ABOUT US -

Our Vision
Our Mandate
Our Mission
Our Values

1. About Us

1.1 Our Vision

By 2027, NAMDIA will:

- Be the premium trader of ethically sourced, natural Namibian diamonds;
- Strengthen the visibility and demand of Namibian diamonds in the global market; and
- Build expertise and enable local participation in the entire diamond value chain.

1.2 Our Mandate

NAMDIA is the rough diamond sales and marketing channel of the Government of the Republic of Namibia. In terms of the Diamond Sales and Marketing Agreement, NAMDIA is entitled to purchase, on behalf of Government, 15 percent of the representative cut-off of Namdeb Holdings' total run-of-mine production per annum, from the Namibia Diamond Trading Company (NDTC).

NAMDIA's objectives are:

- To serve as a price discovery mechanism for the Namibian Government by directly participating in the diamond value chain through trading and distributing its allocation of Namibian rough diamonds;
- To develop Namibian expertise and build capacity in the entire value chain;
- To create a Namibian footprint in the downstream market; and
- To advise the Namibian Government and the Ministry of Mines and Energy (MME) on the diamond industry in general and ensure that Government's decision-making on upstream and midstream taxation, investment, promotion and other diamond policies is fully informed.

Therefore, NAMDIA was established and licensed by the Ministry of Mines and Energy as a rough diamond trader, with business operations focused on developments and trends in the downstream market. In addition to its licence as a rough diamond trader, NAMDIA was issued with a cutting and polishing licence. This licence enables NAMDIA to cut and polish a portion of its rough diamonds at its discretion with the view of discovering the market value of the polished outcome of its diamonds. NAMDIA can further consign a portion of these polished diamonds for jewellery manufacturing.

1.3 Our Mission

NAMDIA's purpose is "to contribute to the upliftment of all Namibians by sustainably maximising the full value of our diamonds."

1.4 Our Values

VALUES	BEHAVIOURS	OUTCOMES
Be progressive	Pursue innovation, demonstrate agility and adaptability, and be creative and forward-thinking.	NAMDIA will be a pioneering and high-performing organisation
Be collaborative	Leverage partnerships with internal and external stakeholders. Work together to find solutions. Everyone's contributions are valued and our people are empowered.	There is power in working together and creating strategic partnerships to create value
Be transparent	Openly engage with stakeholders to educate them about the industry and inform them about developments.	Redress the mystery that clouds the industry and build trust in NAMDIA
Uphold integrity	Do what you say you will, walk the talk, and live up to your promises. Be honest, act ethically and take accountability. Treat each other with mutual respect.	NAMDIA will be an ethical institution, trusted by its employees and other stakeholders
Show good citizenship	Be patriotic and show empathy, care and respect for one another, our environment and stakeholders. Have a positive impact in our community.	NAMDIA will foster a culture that serves the interests of the Namibian people and the shareholder
Be excellent	Meet and exceed client expectations. Offer the right product for the right clients, in the right market. Deliver quality diamonds and exceptional service.	NAMDIA will offer clients and stakeholders a world-class experience and maximise client and stakeholder satisfaction

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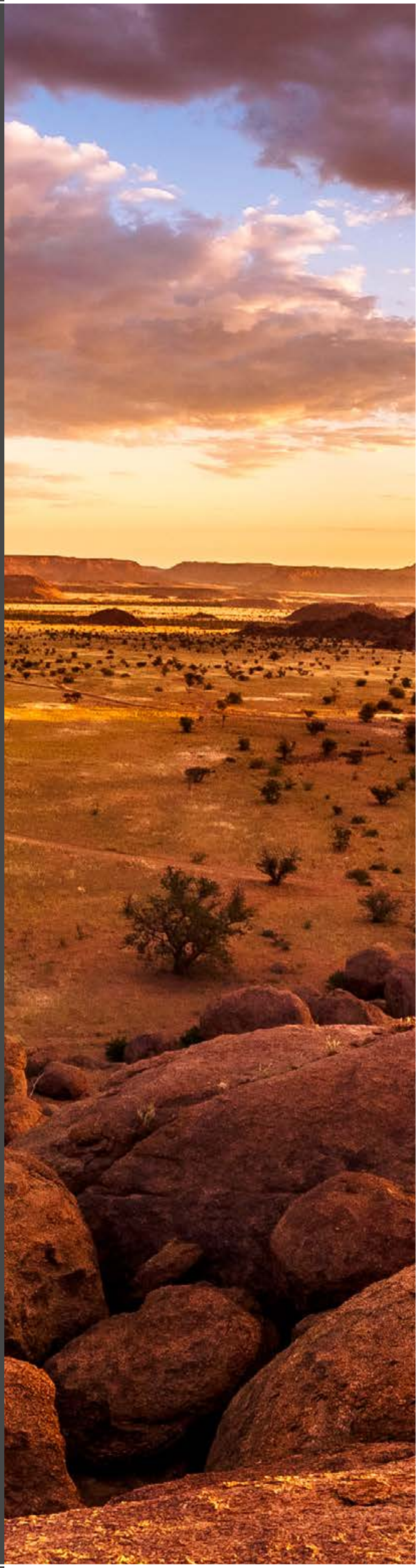


- CHAIRPERSON'S REPORT -

2. Chairperson’s Report

The Annual Report for the financial year 1 March 2021 – 28 February 2022 has been prepared pursuant to articles 100 and 101 of the Articles of Association and section 22 of the Public Enterprises Governance Act (Act No. 1 of 2019) (hereinafter referred to as 'PEGA'). The report outlines the governance of Namib Desert Diamonds (Pty) Ltd (NAMDIA), focuses on global, regional and domestic developments in the diamond industry, and includes the audited annual financial statements, the governance report, the sales and marketing report, and highlights of NAMDIA's key achievements during the 2021/2022 financial year.

Macro indicators show that the diamond industry made a significant comeback in 2021, after being severely impacted by the COVID-19 pandemic. The industry experienced a recovery across the entire diamond value chain, recording an increase in demand and revenue growth. Rough diamond sales rebounded more than 60 percent in 2021. In the same year, the diamond mining sector saw a 62 percent revenue increase, cutting and polishing saw a 55 percent revenue increase and diamond jewellery retail saw a 29 percent increase. Ultimately, all three segments rose above pre-pandemic levels. These positive market conditions enabled NAMDIA to achieve healthy profits for the financial year.

As demand increased, there was a marked shift in what consumers and investors expected from their diamonds. According to international sources for 2021, sustainability considerations now rank on par with price and design for global consumers when purchasing natural diamonds. The top five sustainability considerations for diamond consumers in one study were protection of the environment, fair employee treatment, conflict-free sourcing, supporting local communities and the origin of diamonds. The Namibian diamond industry ranks highly in all five areas, and should continue to place sustainability at the heart of its value proposition to meet consumer expectations for the future.

Another significant development in the diamond industry in 2021 was the approval of Namdeb's new long-term business plan that will extend the current life of mine for Namibia's land-based diamond operations until 2042. Closure of land-based Namdeb operations, originally set for the end of 2022, would have significantly impacted NAMDIA, since our purchase entitlement derives from a portion of Namdeb's annual total run-of-mine production. The new business plan will deliver positive outcomes for the Namibian economy and the wider diamond industry.

Business Performance

Emerging from the challenging economic climate in the wake of the COVID-19 pandemic, NAMDIA performed well during 2021/2022, thereby making a substantial contribution to the Namibian economy. Profit before tax stood at N$218 million. In addition, NAMDIA declared a dividend of N$40 million to its shareholder, the Government of the Republic of Namibia, from the prior year's profits.

Good Governance

The Board takes overall responsibility for steering NAMDIA and overseeing the execution of the organisation's strategy in a responsible and sustainable manner. During the reporting period, NAMDIA maintained sound corporate governance practices and remained accountable to its shareholder. We remain cognisant of the internal and external challenges we face, our responsibility to contribute to the prosperity and wellbeing of all Namibians, and most importantly, NAMDIA's role to fulfil its mandate of price discovery.

The current NAMDIA Board has served for a period of two years. We take pride in NAMDIA as a public enterprise that continues to positively contribute to the fiscus and to improving the quality of life of all Namibians. We are particularly proud that NAMDIA is recognised as one of the top public enterprises in the country and as a company that diligently strives to conduct its business in a responsible, ethical and sustainable manner.

A Strategic Planning Success Story

In 2018, the Minister of Mines and Energy, Honourable Tom Alweendo, praised NAMDIA's progress, saying, "During its short existence, the company has demonstrated a compelling value proposition – it has proven its relevance."

Continued value creation was facilitated by NAMDIA's initial Strategic Plan for the period 2017 – 2022, which came to an end during the reporting period. The plan ensured that NAMDIA, as a new company, was able to develop and implement the processes and systems necessary for operational efficiency. Thanks to the strategic focus it lent, NAMDIA made substantial progress in carrying out its mandate and advancing its objectives during the first six years of its existence. Our achievements to date include the following:

- Approval and implementation of key policies and processes to govern internal operations
- Introduction of software into sales processes for the collection of data
- Increasing the number of NAMDIA's clients to ensure representation across diamond centres
- Significantly improving our sales margins, which historically hovered around 5 percent above the Standard Selling Value (SSV), to 7 percent above the SSV in the 2021/2022 financial year
- Reliance on own funds to purchase diamonds
- Establishment of the NAMDIA Foundation as a vehicle for corporate social responsibility initiatives
- Streamlining our internal marketing and sales processes through internal capacitation
- Initiatives to support staff wellness and general wellbeing
- Good corporate governance practices remain the cornerstone of all decisions taken by the Board
- Implementing processes to align to international trends of Environmental, Social and Governance (ESG) principles
- Acquisition of the Eumbo building as the company's main operating premises
- Acquisition of adjacent property and Namgem for future expansion in the diamond pipeline
- Appointment and rotation of external auditors
- Appointment of internal auditors
- Strategic Human Resource capacity building interventions
- Compliance with legislation
- Reduction of operational expenditure

During the reporting period, a new Integrated Strategic Business Plan was developed, as per the requirements of section 13 of the PEGA, and submitted to the Ministry of Public Enterprises for approval. The Integrated Strategic Business Plan (ISBP) 2022 – 2026 builds on the successes of NAMDIA's first six years and outlines the company's strategic objectives, focus areas and outcomes for the next five years. It is supplemented by a new streamlined corporate structure.

As per the requirements of the PEGA, we also submitted an Annual Business and Financial Plan to the Ministry of Public Enterprises. The Annual Plan serves as a framework to enable NAMDIA to operate in a focused and systematic manner towards achieving the aspirations outlined in the ISBP.

Key Strategic Achievements for the Financial Year

The Board is pleased to report that NAMDIA successfully navigated the financial year, realising a number of key strategic achievements, some of which are outlined hereunder.

As the COVID-19 pandemic continued to impact Namibians on various fronts, we supported Government COVID-19 initiatives and relief efforts through the NAMDIA Foundation, with overall donations totalling more than N$7.6 million. As a responsible corporate citizen, we were also involved in several other initiatives in the areas of health, education and sports.

During the last quarter of the financial year, we introduced the competitive bidding process in fulfilment of NAMDIA's price discovery mandate. Competitive bidding is a common procurement practice that involves inviting multiple vendors to submit offers for a particular product, in our case, diamonds. It allows for transparency, equality of opportunity and the ability to demonstrate that the outcomes represent the best value. The margins above the Standard Selling Value achieved by NAMDIA at auction sales were far greater than margins achieved through conventional sales methods, such as direct sales.

A major highlight of the financial year was the finalisation of the NAMDIA client selection process. We appointed 36 new clients for the next three years, who represent all major diamond centres around the world. The wide variety of clients ensures collaboration with specialists throughout the diamond pipeline and is crucial for NAMDIA to effectively tell the Namibian diamond story. Furthermore, it will support the price discovery objective and enable us to scale a variety of clients viz-à-viz only a smaller group of clients.

The financial year saw the successful rollout of the performance management system, which ensured optimal performance of staff and a balanced method for reviewing performance. I am confident that the system will further strengthen NAMDIA's performance-driven culture and accountability, which are two crucial components for the success of any organisation.

Sound stakeholder relationships are vital for NAMDIA to achieve its objectives and fulfil its mandate. Board approval of the Stakeholder Engagement Plan was thus a significant milestone during the reporting period. The plan will lend systematic focus to NAMDIA's stakeholder engagement endeavours and ensure effective communication and fruitful engagements with all internal and external stakeholders.
The Board placed emphasis on policy formulation during the year, with the approval of the Whistleblowing Policy and Fraud Prevention Risk Policy and Framework being major highlights. These vital policies underscore our commitment and zero-tolerance approach to corruption, and will go a long way towards upholding NAMDIA's values and ethics and mitigating the risk of fraud, bribery and other unethical practices.

N$218 million

Profit before tax for 2021/2022 financial year

N$40 million

Dividend paid to shareholder in 2021/2022 financial year

N$7.6 million

NAMDIA Foundation donations towards Government COVID-19 relief efforts in 2021/2022 financial year

The Enterprise Risk Management Framework, adopted during the previous reporting period, served as a valuable tool for the Board to identify and manage diverse risks throughout the company and ensured compliance with relevant legislation and directives.

Embedding ethics in NAMDIA's culture is a top priority for the Board. This was evinced through our recruitment process during the year, which was characterised by thorough vetting, consequence management, communication on ethics, and declaration of conflict of interest.

Finally, NAMDIA can be proud of its ongoing efforts to integrate ESG principles by digitalising key processes for optimum efficiency and effectiveness. Going forward, ESG standards are anticipated to become a cornerstone of NAMDIA's business.

Looking Ahead to the 2022/2023 Financial Year

As we forge ahead into the next financial year, we will continue to focus on robust and effective governance processes to enhance the performance of the company. In addition, we will continuously improve accountability and transparency to aid Government in combating the ills of corruption.

I eagerly await the launch and implementation of the Integrated Strategic Business Plan 2022 – 2026 and am confident that it will enhance NAMDIA's ability to fulfil its mandate. As part of the new strategy, we will implement the new organisational structure to further improve our operational efficiency.

Other focus areas for the coming financial year include the following:

- **Assisting all Government efforts to create prosperity and enhance the quality of life of all Namibians,** especially vulnerable members of our society, through the NAMDIA Foundation. The aim of this strategic pillar is to assist in the fight against poverty, and facilitate and improve access to public healthcare, quality education and sports. As part of its educational endeavours, the NAMDIA Foundation will launch a bursary scheme for qualifying Namibians to further their education in approved fields of study, especially in the Technical and Vocational Education and Training sector.
- **Contributing to economic advancement** by ensuring that NAMDIA sells Namibia's diamonds through dual sales processes, competitive bidding and direct sales to achieve its price discovery mandate. We will build strategic alliances to add local value to our diamonds through cutting and polishing outlets that have a presence in Namibia. We will also endeavour to leverage the natural beauty of Namibia and link the beauty of our diamonds with tourism in an effort to contribute to the revitalisation of our tourism sector.
- **Enhancing our sales processes and customer experience** by leveraging digital capabilities and artificial intelligence/ data analysis tools which will further help the company to achieve its mandate and overall customer satisfaction.
- **Forming partnerships that will help us to leverage diamond tourism** thereby assisting in the recovery of our tourism sector.
- **Positively engaging our employees** to ensure continued excellent individual and collective performance. This will be achieved through targeted training and development initiatives, encouraging innovation, ensuring accountability by rolling out the digital performance system, and embedding the principles of succession planning.

Acknowledgments

To all our stakeholders we say, thank you, tangi unene, ndangi, gangans, mpandu unene, ni itumezi, baie dankie, vielen Dank!

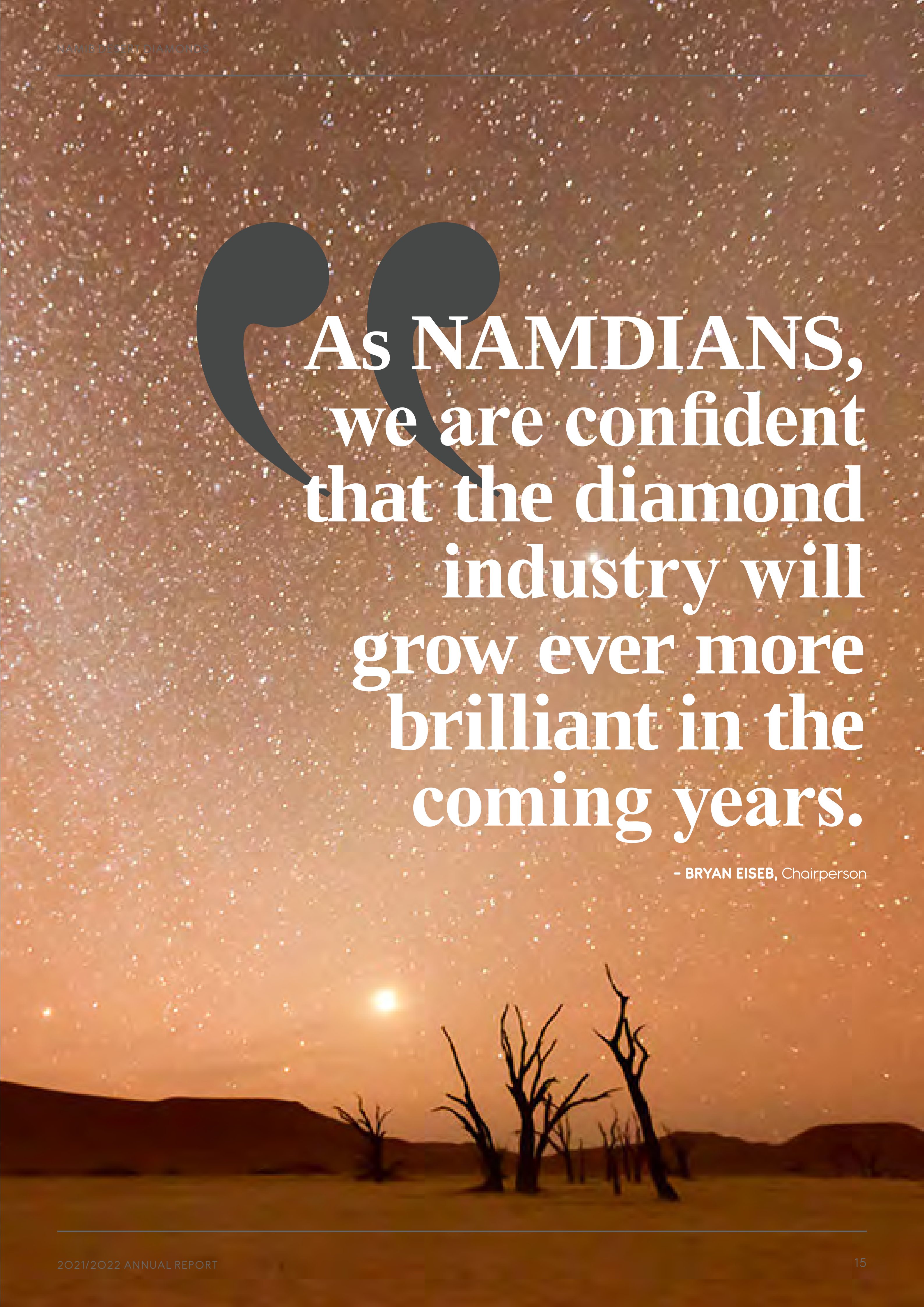
In particular, we would like to thank the Minister of Public Enterprises, Honourable Leon Jooste, for his unwavering support and unfailing guidance, and wish him well in his future endeavours. Our gratitude also goes to the Ministry of Mines and Energy, the Ministry of Safety and Security and the Protected Resources Unit, the Namibia Revenue Agency, our shareholder, the Government of Namibia, and NAMDIA's loyal clients, especially those willing to support our journey of discovering the real prices of Namibian diamonds, for their continued support and trust throughout the year.

Lastly, I am profoundly grateful to my fellow Board members, the Executive Management team and all NAMDIA staff for another year of collaborative effort towards the realisation of our strategic objectives and mandate. Your hard work and dedication are highly appreciated.

At the opening of the Eumbo building in December 2018, the Minister of Mines and Energy, Honourable Tom Alweendo, stated that "NAMDIA is an important participant in the mining sector of the economy" and that "the mining sector has a real potential to become a meaningful catalyst for our socio-economic development." We will continue to work hard to realise this potential and to optimise the benefits of Namibian diamonds by meaningfully impacting the lives of all Namibians.

As NAMDIANS, we are confident that the diamond industry will grow ever more brilliant in the coming years and are filled with hope that it will create immense value for Namibia and her people.

BRYAN EISEB
Chairperson



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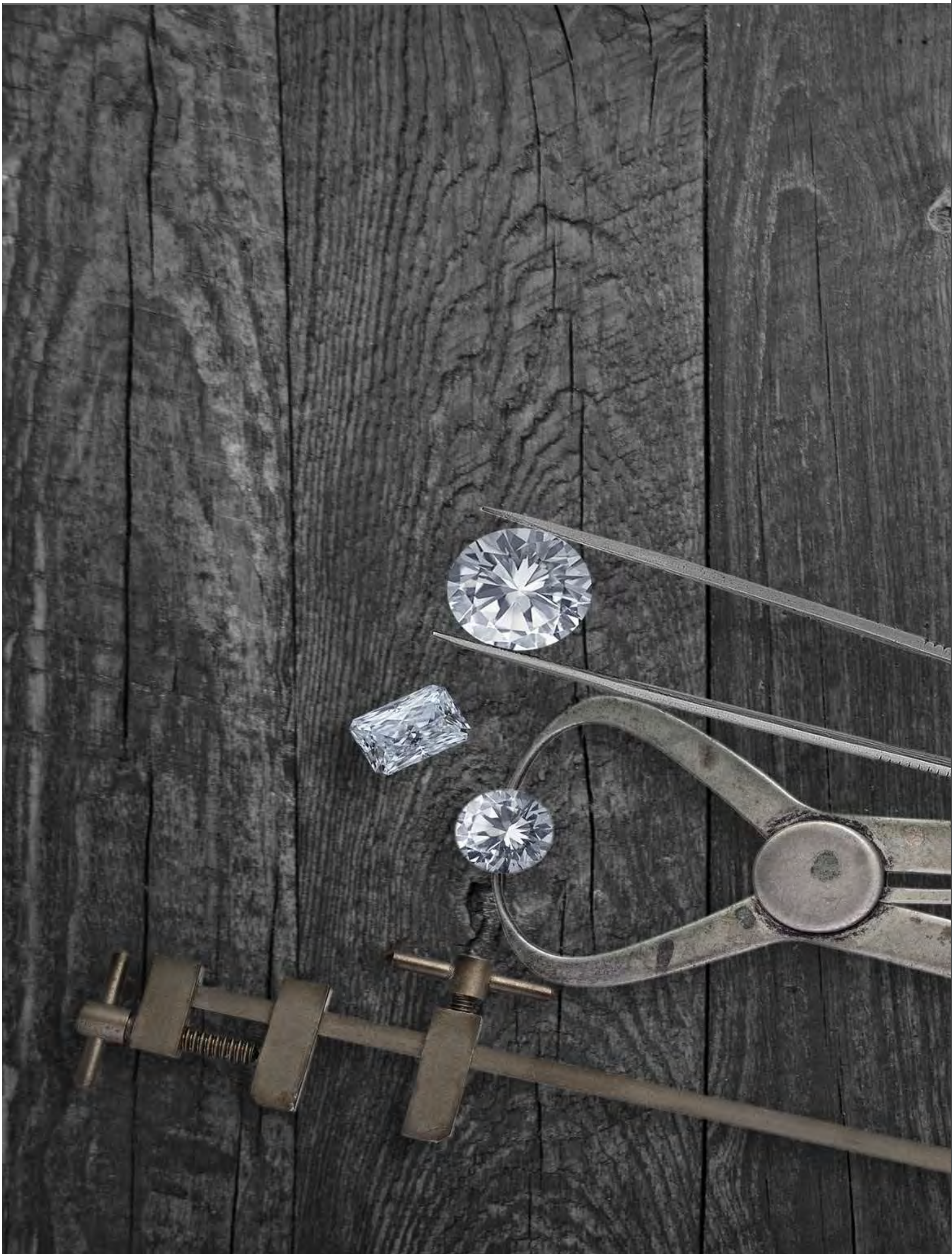
– **BRYAN EISEB,** Chairperson



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CHIEF EXECUTIVE OFFICER'S REPORT

3. Chief Executive Officer's Report

It gives me great pleasure to report on the operations of NAMDIA for the financial year 1 March 2021 – 28 February 2022. Looking back over the past 6 years since NAMDIA's establishment, I am proud to say that we have made significant and consistent strides in terms of our strategy to deliver a world-class product.

After two particularly challenging years shaped by the COVID-19 pandemic, the remarkable recovery of the diamond industry came as a welcome relief. The reporting period saw NAMDIA continuing to improve operational efficiency and refine business strategy in order to remain relevant to our customers and shareholder.

Overview of the Diamond Industry

The diamond industry proved to be brilliant and resilient, delivering a spectacular performance in 2021. Every sector along the value chain of the diamond industry performed exceptionally well and emerged from the COVID-19-induced crisis well-positioned for future growth.

In light of the excellent sales witnessed in 2021, the diamond industry has reason for optimism in 2022. The growth is a sure sign that consumers continue to appreciate jewellery for its emotional and physical appeal. The diamond industry can also take some credit for spurring growth. In response to limitations resulting from the COVID-19 pandemic, the industry invested heavily in technology in 2020 and 2021 in order to gain operational efficiency, create marketing and consumer experiences to attract buyers, and accelerate e-commerce schemes. It learned how to engage with consumers more effectively, tell better stories, embrace technology in both marketing and design, and strengthen its environmental, social and governance (ESG) credentials.

Strong retail demand for diamond jewellery drove up prices and profit margins along the value chain. As rough diamond sales increased, miners increased production volumes and drew down from inventories to meet demand from diamond manufacturers. Healthy demand and price recovery for polished diamonds helped the midstream to achieve decade-high margins. A year earlier, the midstream was afflicted by a prolonged oversupply that pushed down polished diamond prices and caused profit margins to tighten. Among the few benefits of COVID-19 restrictions was that manufacturers were forced to freeze rough purchases, stop production, and start depleting their excess inventory.

NAMDIA Performance

NAMDIA performed well during the 2021/2022 financial year. Profit after tax amounted to N$144.7 million, compared to N$13.3 million the previous year.

NAMDIA conducted ten sales during the reporting period. In line with the recovery in the industry, NAMDIA margins improved to 7.0 percent above the 100 percent SSV during the period. NAMDIA purchase volumes totalled 222,978 carats, an increase of 53.8 percent compared to the previous year. Accordingly, the sales revenue increased by 78.7 percent to US$128 million. The buying average carat price was US$536.55 compared to the selling average carat price of US$574.21.

NAMDIA is pleased to announce that the selection process for its new clients has been completed. We have selected 36 new clients for the next three financial years, namely 2022/2023 - 2025/2026. These clients represent all the major diamond centres across the globe and fit the NAMDIA purchase entitlement.

Properties

NAMDIA manages its properties through the subsidiary company Eumbo Property Investment (Pty) Ltd. Subsequent to the acquisition of the erf in Dr. Kwame Nkrumah Avenue in January 2019, plans for its development were prepared in line with NAMDIA's strategic objectives. However, due to the COVID-19 pandemic, these plans were put on hold during the past two financial years, and will be revisited in the ensuing financial year.

Reserves

NAMDIA is in a very sound financial position, with cash reserves amounting to N$395 million at year end. Reserves are maintained for future expansion of activities and as required collateral for banking facilities in the absence of a Government guarantee.

Banking Facility

NAMDIA purchases its 15 percent entitlement from Namibia Diamond Trading Company (NDTC) using a revolving overdraft facility which settles upon the sale of goods. The US Dollar banking facility with RMB Namibia was renewed in

December 2021 at US$27 million and is secured by collateral of a 12-month Fixed Deposit placed with RMB for N$145 million. The facility incurs interest at a credit margin above LIBOR.

VAT Refunds

A key strategic finance aspect for NAMDIA's cash flows remains obtaining VAT refunds in a timely manner to finance operating expenses. Diamonds are purchased from NDTC inclusive of VAT and sold as export, which is zero-rated of VAT. It is of vital importance that VAT returns are submitted early for prompt auditing by officials of the Large Taxpayers Office of the Receiver of Revenue. During the reporting period, VAT refunds were paid out with sufficient promptness to allow NAMDIA to pay taxes and dividends.

Procurement

NAMDIA carries out its procurement activities in line with the requirements of the Public Procurement Act, 2015 (Act No. 15 of 2015). Nonetheless, procurement remains a challenge and efforts are being undertaken to further strengthen the Procurement Management Unit as a vital support function to the business.

Value Creation for Our Shareholder

We are pleased to announce that NAMDIA declared a dividend of N$40 million to our shareholder, the Government of the Republic of Namibia, after assessing the results of the 2020/2021 financial year.

Our People

The HR function is guided by NAMDIA's organisational strategy and long-term vision, working in collaboration with all stakeholders to create an environment in which employees can thrive and are optimally engaged, challenged, empowered and enabled to deliver superior sustained organisational and individual performance.

We believe that our employees are our most valuable assets. Continuously investing in their training and development expands not only their knowledge base and skills, but is also crucial for the development and growth of the organisation as a whole. NAMDIA ensures that employees attend appropriate training programmes congruent with their current line of work and the needs of the organisation.

As part of our efforts to create a culture of inclusivity and belonging, we encourage our employees to consider themselves as part of the team and to be involved. In order to measure and gauge the effectiveness of our efforts, we regularly conduct employee engagement surveys.

In light of the prevailing uncertainty and wide-spread anxiety affecting people around the world since the onset of the COVID-19 pandemic, supporting the physical and emotional wellbeing of our employees has become more important than ever. During the period under review, our employee wellness programmes thus focused primarily on providing employees with the tools and resources to successfully master day-to-day life, both at and outside of work.

In the 2021/2022 financial year, NAMDIA invested N$777,754 in staff training, development and wellbeing.

Security and Safety

Our state-of-the-art security systems ensure the safety and security of our staff, service providers and visitors, as well as the diamond stock on our premises. I am pleased to report that there were no injuries and no incidences of theft and/or losses of diamonds during the period under review.

Information and Communication Technology

Information and Communication Technology (ICT) is an important strategic enabler for the success of NAMDIA's corporate strategy, and the IT department continuously strives to support business processes and functions through the deployment of technology and systems.

During the reporting period, NAMDIA IT budgeted for maintenance, service and replacement of IT equipment and made provisions for the training and development of the IT and Security team.

The COVID-19 pandemic continued to create numerous challenges, affecting business operations on multiple fronts during the financial year. Nonetheless, NAMDIA adapted well to new modalities by ensuring more staff members have access to devices, and by implementing an intranet platform to enable users to effectively work from home. I am pleased to report that NAMDIA IT recorded minimum downtime and unavailability of services, and the local area network maintained a 99.5 percent uptime.

With the advancement of technology, cybersecurity has become increasingly important for warding off potential threats. Our sophisticated control measures enable us to manage cybersecurity events across business. During the reporting period, NAMDIA upgraded cybersecurity measures through various initiatives, including the implementation of a sophisticated cybersecurity solution to mitigate the risk of security breaches and protect resources. In addition, we used compliance models to monitor devices and users for security policy breaches across the network to track risk more effectively.

Stakeholder Engagement

We are deliberate in our intentions to maintain close relationships with all our key stakeholders. In the financial year, we continued to engage closely with internal and external

10 Sales

Conducted in 2021/2022 financial year

36 New Clients

Selected for 2022/2023 – 2025/2026

NAMDIA Purchase Volumes

222,978 carats – up 53.8 percent

Sales Revenue

US$128 million – up 78.7 percent

stakeholders to foster a better understanding of NAMDIA's mandate, operations and value proposition to Namibia and the international diamond value chain.

Due to the ongoing COVID-19 pandemic, various social media platforms and information systems continued to be a vital avenue for communication with stakeholders. In addition, we were able to host several engagement events for internal and external stakeholders, while strictly adhering to COVID-19 regulations and protocols.

Public Relations

NAMDIA's communication strategy serves as a tool for public relations and branding. By exploring traditional and innovative public relations methods, we aim to engage stakeholders in a vibrant, engaging and captivating manner to increase brand loyalty, both locally and internationally.

Several public relations initiatives were implemented during the period under review. A highlight was the hosting of four episodes of The Diamond Talks web-series, a collaboration between NAMDIA and NDTC that aims to inform and educate the public about the diamond industry and the value it adds to Namibia's economy. We also made use of traditional media, including radio and print, to enhance brand awareness and highlight our CSR initiatives.

The COVID-19 pandemic has highlighted the vital importance of digital platforms to push the NAMDIA brand into all segments of society. Therefore, the redesign of NAMDIA's website commenced during the financial year. Upon completion, which is scheduled for the next financial year, the new website will boast enhanced security features, improved user-experience, and integration of the intranet and future online platforms, among other things.

The NAMDIA Foundation and Corporate Social Responsibility

Since NAMDIA's inception in 2016, the organisation has spent over N$30 million on various corporate social responsibility (CSR) initiatives. In October 2018, the NAMDIA Foundation was established to act as the organisation's CSR vehicle. The purpose of the NAMDIA Foundation is to alter the very social and economic fabric of our nation through empowering initiatives in the focus areas of Education, Health and Sports. Our vision is to transform disadvantaged communities by empowering them through self-sustainable opportunities that improve quality of life, alleviate poverty and stimulate economic growth.

During the reporting period, the NAMDIA Foundation invested a total of N$6,857,827 in a variety of CSR projects.

Initiatives in the area of education included the donation of over 400 solar-powered Edulights to students in Kavango West Region, and the donation of N$500,000 towards the construction of the Eenhana Campus of the Namibia University of Science and Technology.

In support of healthcare, the NAMDIA Foundation and NAMDIA clients together donated over N$7.6 million to the Ministry of Health and Social Services for the construction of an oxygen generation plant at Mariental State Hospital and the acquisition of oxygen concentrators and related equipment. The support that NAMDIA harnessed from its clients for this project amounted to N$4.8 million. In addition, we donated N$1.5 million to the Windhoek Eye Clinic at Windhoek Central Hospital for the purchase, repair and maintenance of various medical and surgical equipment.

NAMDIA invested substantially in sports during the financial year. As the official sponsor of Namibia's National Olympic Team, NAMDIA provided N$661,980 to enable the team to partake in the Tokyo Olympics. In addition, we sponsored N$258,728 to enable Team Namibia to participate at the World Athletics Under 20 Championship in Kenya. We also supported the Women's National Hockey Team with N$10,000 bonus payments per player for winning the Indoor African Championships, and donated kits valued at N$133,750 to the Namibia National Women's Rugby Team.

Other initiatives included, but were not limited to, the donation of food parcels and other items as part of NAMDIA's COVID-19 response plan, and a sponsorship to enable Miss Namibia 2021, Chelsi Shikongo, to participate in the Miss Universe pageant.

Going forward, we remain committed to making significant contributions towards the advancement and prosperity of our fellow Namibians through the NAMDIA Foundation.

In Conclusion

Bolstered by the recovery of the diamond industry in 2021, I am confident that NAMDIA will continue to add value to Namibia's economy and her people by delivering a world-class product. We remain committed to delivering on our strategy, maintaining our disciplined approach to our mandate and sales strategy, and growing our cash flow and returns.

My sincere gratitude goes to our shareholder, the Government of the Republic of Namibia, as well as the Ministry of Mines and Energy, the Ministry of Finance, and the Ministry of Public Enterprises. I would also like to thank the members of the Board for their continued counsel and visionary leadership, as well as the Executive Committee and our general staff for their endless passion and commitment.

Lastly, I would like to express my gratitude to our loyal clients for continuing to carry our product worldwide. Your confidence in our processes motivates us to continue building the NAMDIA brand for a better tomorrow for our country and the world at large.

KENNEDY HAMUTENYA
Chief Executive Officer

Every sector along the value chain of the diamond industry performed exceptionally well and emerged from the COVID-19-induced crisis well-positioned for future growth.

– **KENNEDY HAMUTENYA,** Chief Executive Officer

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- CORPORATE GOVERNANCE -

4. Corporate Governance

Good governance is the cornerstone of NAMDIA's business. It enshrines NAMDIA's values through enhanced accountability, robust risk and performance management, transparency and effective leadership. The Board provides oversight through a combined assurance model which considers the role of management, control functions, internal and external audit, and Board committees in order to create maximum value for the company, the shareholder and the Namibian people.

4.1 Board Composition and Term

The Minister of Mines and Energy, in consultation with the Minister of Public Enterprises, appoints the NAMDIA Board for a term of three (3) years. The current Board consists of four (4) independent non-executive directors.

Director	Position	Effective Date	End of Term
B. Eiseb	Chairperson	12 December 2019	11 December 2022
L. Muatunga	Director	01 June 2019	01 June 2022*
S. Shimutwikeni	Director	12 December 2019	11 December 2022
J. Hausiku	Director	12 December 2019	11 December 2022

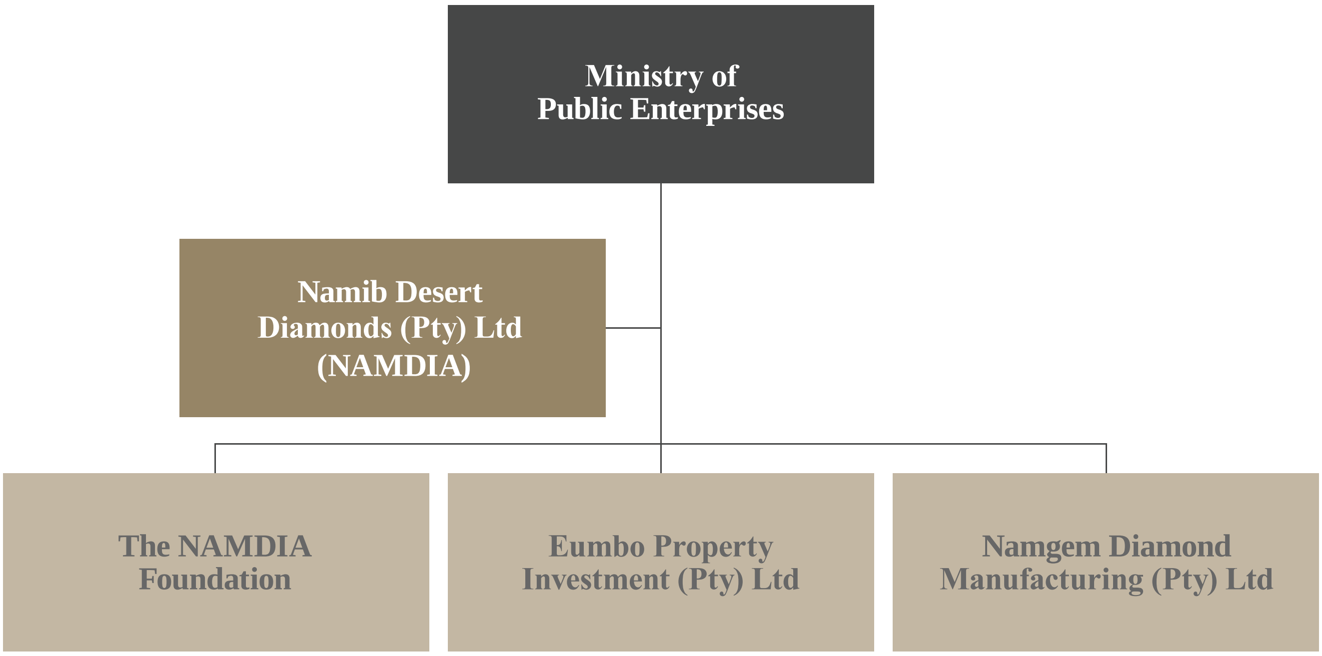
** Term extended to 30 November 2022*

The Board is satisfied that its directors act independently, free from undue influence, and in the best interests of NAMDIA. The directors are drawn from diverse backgrounds and have a wide range of experience, insight and professional skills, thus ensuring effective strategic oversight and leadership.

4.2 Structure

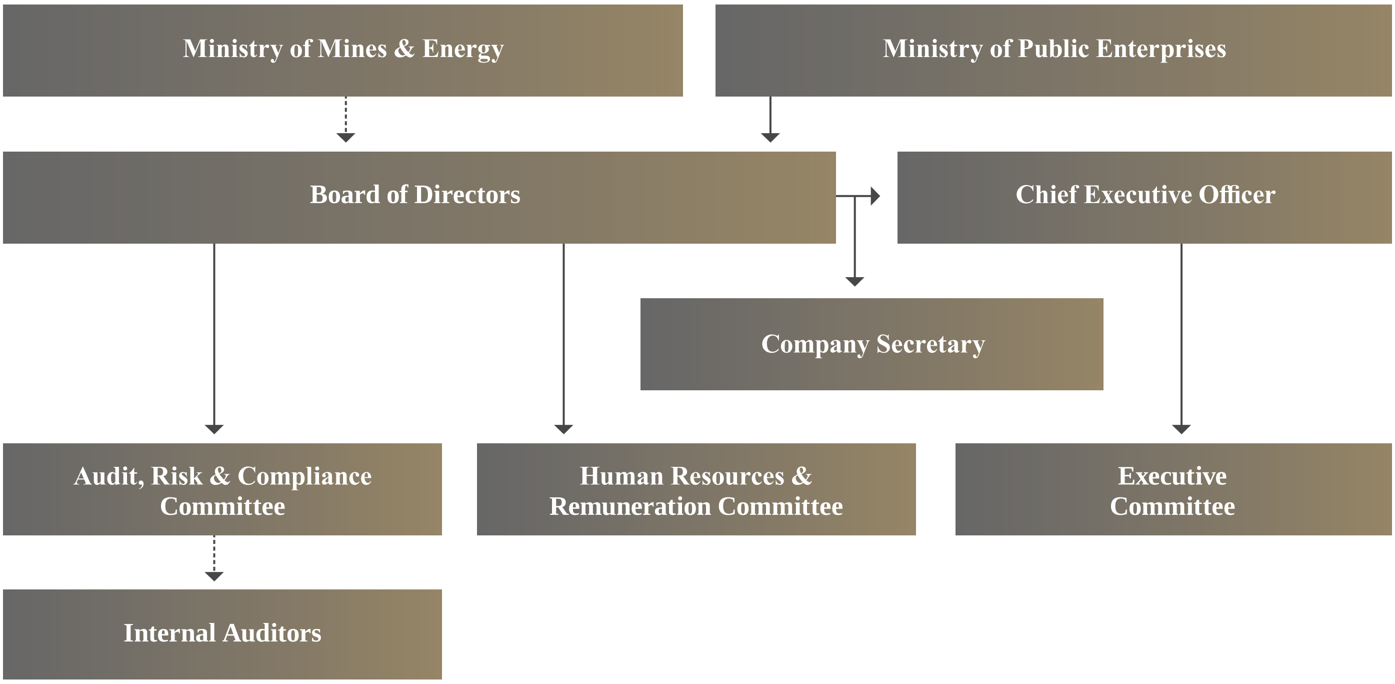
Legal and Ownership Structure

Registered under the Companies Act, 2004 (Act No. 28 of 2004) in 2016, Namib Desert Diamonds (Pty) Ltd (NAMDIA) is a private company that is 100 percent owned by the Government of the Republic of Namibia. NAMDIA was declared as a public enterprise in September 2018 and as a commercial enterprise in January 2020.



Governance Structure

Responsibility for good governance lies with the Board of Directors of NAMDIA. The Board has built a strong and effective governance system and is committed to robust corporate governance to support the creation of long-term sustainable value.



4.3 Governance Framework

NAMDIA diligently subscribes to principles of best practice in corporate governance for public enterprises and business management, as set out in the Public Enterprises Governance Act, 2019 (Act No.1 of 2019) and the Corporate Governance Code for Namibia (NamCode).

As per section 11 of the Public Enterprises Governance Act, 2019 (Act No.1 of 2019), the Board has concluded a Governance Agreement with the Minister of Public Enterprises. In addition, the directors have entered into individual Performance Agreements with the Minister of Public Enterprises, as per section 12 of the same Act.

4.4 Board Committees

To ensure oversight of significant strategic and operational matters, the Board of Directors appoints two (2) Board committees, each with clearly-defined Terms of Reference.

The Audit, Risk and Compliance Committee assists the Board in monitoring the integrity of the company's financial statements, oversees integral reporting and assesses the effectiveness of internal financial controls and the external and internal audit functions. It ensures that NAMDIA implements an effective risk management and compliance process that identifies and monitors the management of key risks and ensures compliance to legislation and directives. The members of the Audit, Risk and Compliance Committee are Justus Hausiku (Chairperson), Selma Shimutwikeni (Member) and Liina Muatunga (Member).

The Human Resources and Remuneration Committee assists the Board in ensuring that the adoption of remuneration policies that retain and attract talent are aligned to the company's strategy, are market-related and drive performance. In addition, the committee reviews, monitors and makes recommendations to the Board on human resource strategies and policies that pertain to staffing, remuneration, benefits, succession planning, employment conditions, performance appraisals, training, capacity building and disciplinary matters. The members of the Human Resources and Remuneration Committee are Liina Muatunga (Chairperson), Justus Hausiku (Member) and Selma Shimutwikeni (Member).

Committee Membership		
Director	Audit, Risk & Compliance Committee	Human Resources & Remuneration Committee
J. Hausiku	Chairperson	Member
L. Muatunga	Member	Chairperson
S. Shimutwikeni	Member	Member

During the period under review, the Board committees satisfactorily met their respective obligations in all material aspects.

4.5 Meeting Attendance

During the financial year under review, the Board held seven (7) meetings, of which four (4) were ordinary meetings and three (3) were special meetings. Special meetings are convened as and when necessary.

The Board committees held four (4) meetings each. In addition, an Annual General Meeting and a Strategic Planning Session were conducted during the financial year.

The attendance of directors at meetings held during the reporting period is reflected in the table hereunder.

Meeting Attendance					
Director	Board (7)	Audit, Risk & Compliance Committee (4)	Human Resources & Remuneration Committee (4)	Annual General Meeting	Strategic Planning Workshop
B. Eiseb	7	-	-	√	√
L. Muatunga	7	4	4	√	√
S. Shimutwikeni	6	4	4	√	√
J. Hausiku	7	4	4	√	√

4.6 Risk Management

As per the Board Charter of NAMDIA, the Board of Directors is responsible for ensuring that procedures are in place to monitor and evaluate the implementation of the company's risk management.

During the reporting period, the Board oversaw the adoption and implementation of the Enterprise Risk Management Framework, which defines NAMDIA's risk policy, risk methodology and risk tolerance levels. Risk management is vital since it provides independent oversight and applies an integrated approach to managing current and emerging risks.

In addition, the internal audit function was filled on an outsourced basis during the financial year. The function monitors and ensures adherence to applicable policies and procedures in order to provide independent assurance to the Board that NAMDIA's risk management, governance and internal control processes are sufficient and operating effectively.

Good governance is the cornerstone of NAMDIA's business. It enshrines NAMDIA's values through enhanced accountability, robust risk and performance management, transparency and effective leadership.

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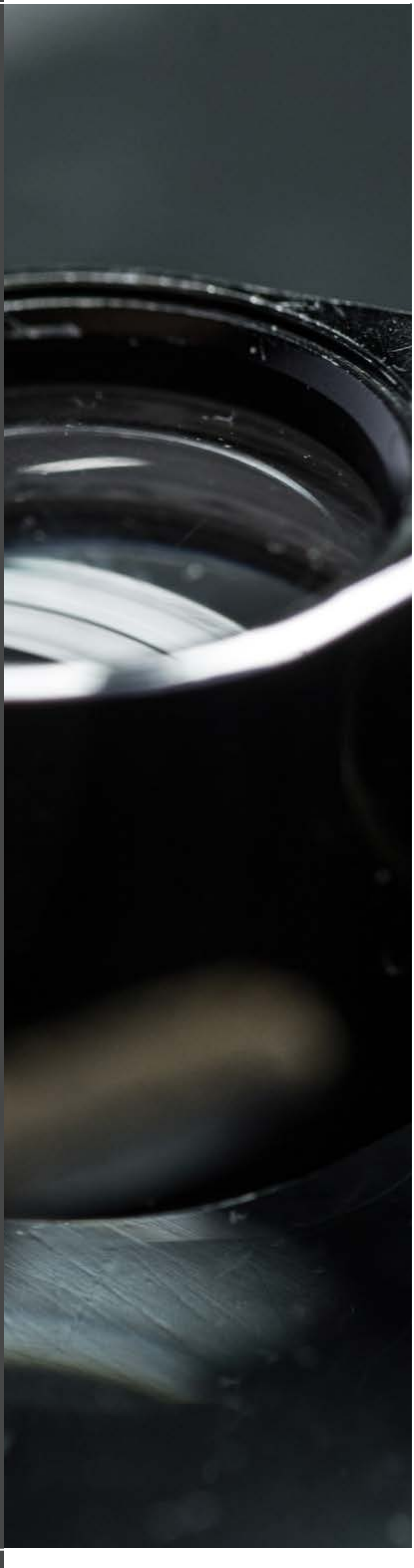

- BOARD OF DIRECTORS -

5. Board of Directors

BRYAN EISEB
Chairperson

LIINA MUATUNGA
Director

SELMA SHIMUTWIKENI
Director

JUSTUS HAUSIKU
Director

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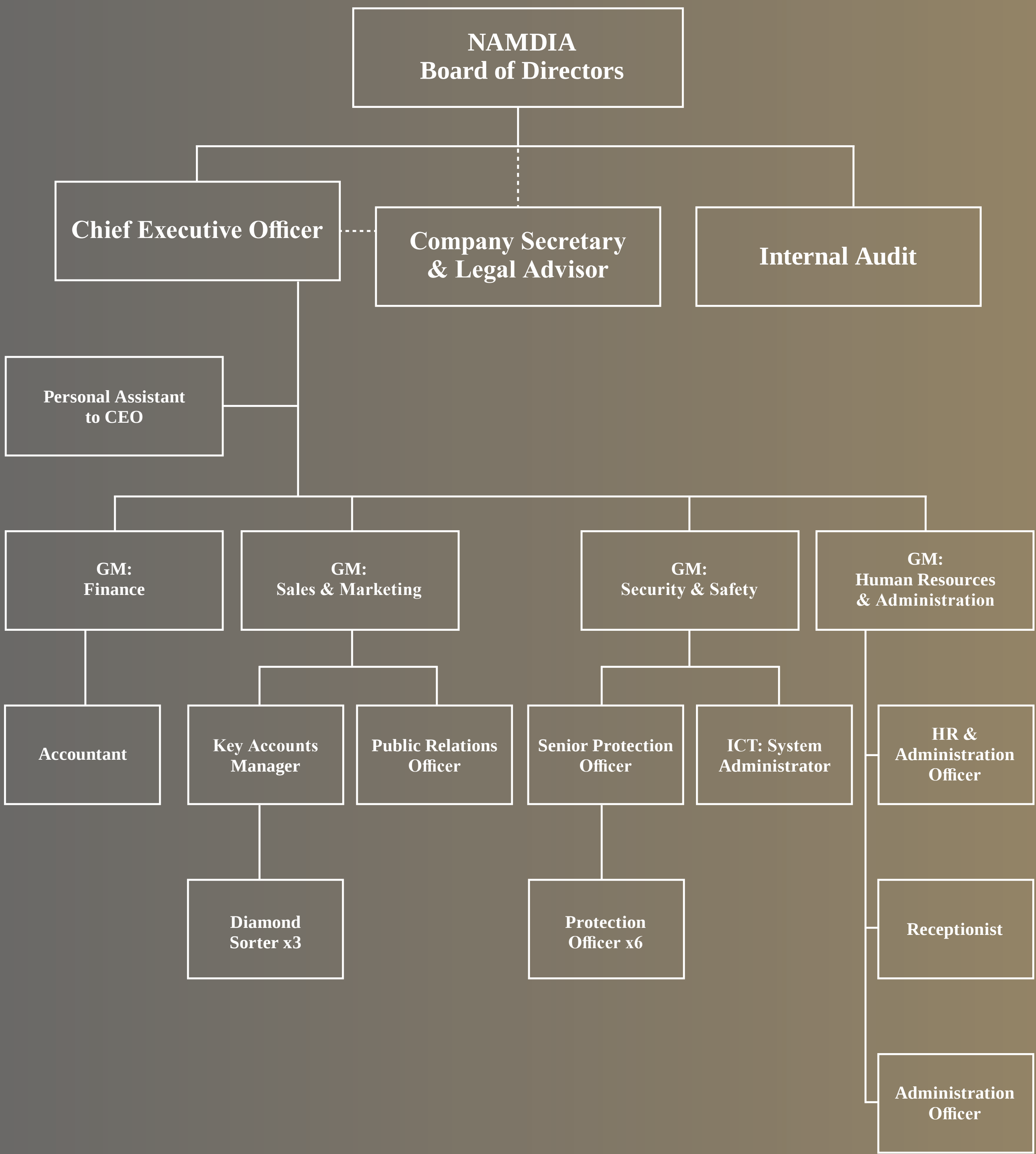
- THE NAMDIA TEAM -

6. The NAMDIA Team

6.1 Organisational Structure



6.2 Executive Management

Kennedy Hamutenya
Chief Executive Officer

Lelly Usiku
GM: Sales & Marketing

Clarky McKay
GM: Security & Safety

Sven Von Blottnitz
GM: Finance

Marvel Tjombonde
Company Secretary & Legal Advisor

During the period under review, Irwin D. Haihambo, GM: Human Resources & Administration resigned, effective 27 July 2021.

6.3 CEO's Office

Kennedy Hamutenya
Chief Executive Officer

Jacinta Muteka
Personal Assistant to the CEO

6.4 Finance

Sven Von Blottnitz
GM: Finance

Hilma Simon
Accountant

6.5 Sales and Marketing

Lelly Usiku
GM: Sales & Marketing

Andries Eiseb
Key Accounts Manager

Beverley Coussement
Public Relations Officer

Monika Shapwa
Diamond Sorter

Latoya Nambwandja
Diamond Sorter

Collin Gariseb
Diamond Sorter

6.6 Security and Safety

Clarky McKay
GM: Security & Safety

Simeon Shivute
ICT: System Administrator

Francis Eiseb
Senior Protection Officer

Joel Angula
Protection Officer

Raymond Snyders
Protection Officer

Wenzel Dreyer
Protection Officer

Tanya Pieterse
Protection Officer

Charles Rhoman
Protection Officer

Graddy Haraseb
Protection Officer

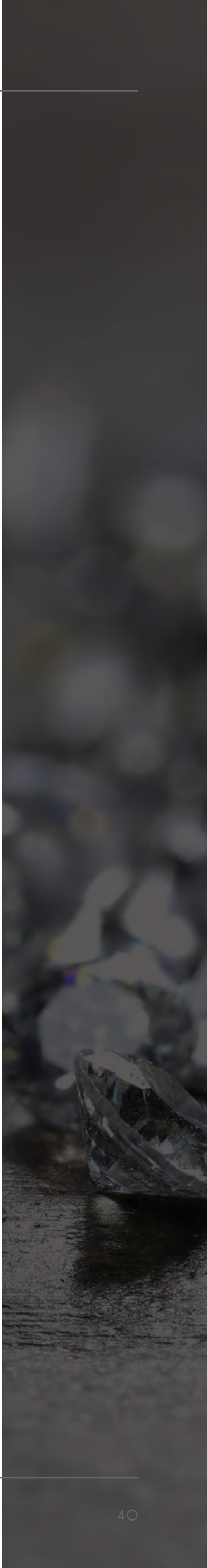
6.7 Human Resources and Administration

Irwin D. Haihambo
GM: Human Resources & Administration
(Resigned 27 July 2021)

Toini Ashipala
Human Resources & Administration Officer

Celest Cloete
Receptionist

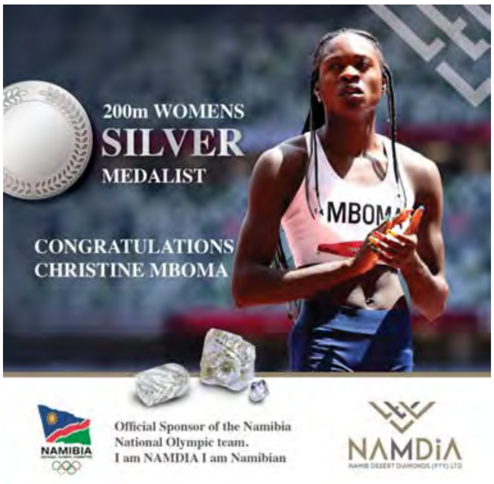
Maritza Julius
Administration Officer



We believe that our employees are our most valuable assets.

– KENNEDY HAMUTENYA, Chief Executive Officer

Corporate Social Initiatives


200m WOMENS
SILVER
MEDALIST
CONGRATULATIONS
CHRISTINE MBOMA
NAMIBIA
Official Sponsor of the Namibia
National Olympic team.
I am NAMDIA I am Namibian
NAMDiA


NAMDIA

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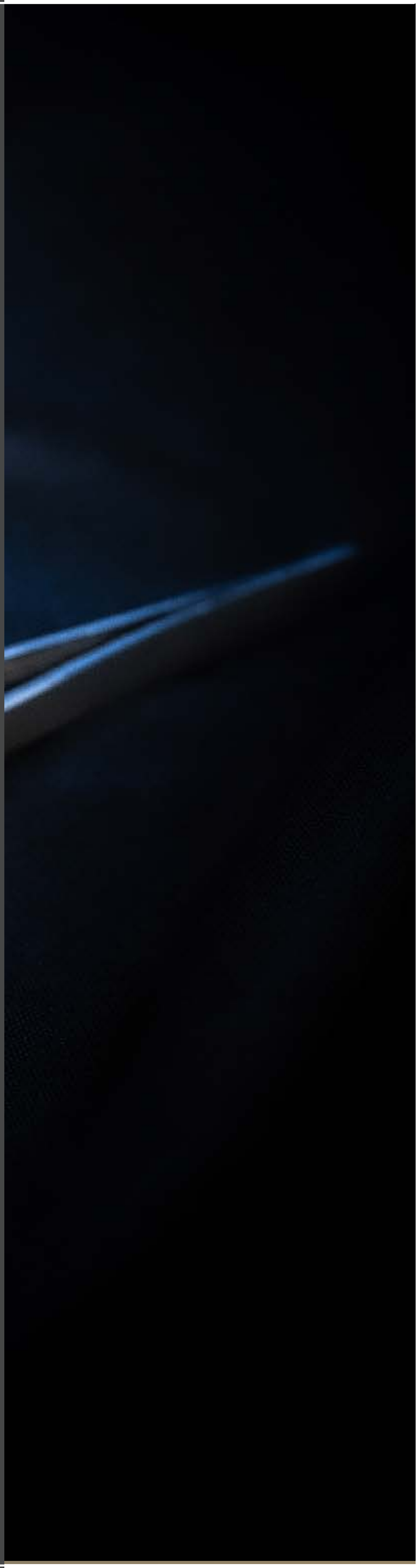

ANNUAL FINANCIAL STATEMENTS

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)
Consolidated and Separate Annual Financial Statements for the year ended 28 February 2022

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The supplementary information presented does not form part of the Consolidated and Separate Annual Financial Statements and is unaudited:

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)
Consolidated and Separate Annual Financial Statements for the year ended 28 February 2022

General Information

Country of Incorporation and Domicile	Namibia
Registration Number	2016/0338
Registration Date	18 April 2016
Nature of Business and Principal Activities	To market and sell diamonds on behalf of the Government of the Republic of Namibia
Directors	B.K.G. Eiseb (Chairperson) J.H. Hausiku N.S. Shimutwikeni L.M. Muatunga
Shareholder	Government of the Republic of Namibia
Registered Office	Erf 336 Cnr of Dr Kwame Nkrumah Avenue & Dr Sam Nujoma Drive Klein Windhoek Windhoek Namibia
Postal Address	Private Bag 91600 Klein Windhoek Windhoek Namibia
Bankers	First National Bank of Namibia Limited Standard Bank of Namibia Limited Bank Windhoek Limited
Tax Number	07253608-11
Value Added Tax Number	07253608-15
PAYE Registration Number	07253608-14
Auditor	PricewaterhouseCoopers Chartered Accountants (Namibia) Registered Accountants & Auditors Namibia
Company Secretary	M.N.K. Tjombonde
Compiler	Don Consulting Services CC

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)
Consolidated and Separate Annual Financial Statements for the year ended 28 February 2022

DON CONSULTING SERVICES

Report of the Compiler

To the Directors of Namib Desert Diamonds (Proprietary) Limited

We have compiled the accompanying consolidated and separate annual financial statements of Namib Desert Diamonds (Proprietary) Limited based on information you have provided. These annual financial statements comprise the consolidated and separate statements of financial position as at 28 February 2022, the consolidated and separate statements of profit or loss and other comprehensive income and the consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these consolidated and separate annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Namibian Companies Act 28 of 2004. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These consolidated and separate annual financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these consolidated and separate annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these consolidated and separate annual financial statements are prepared in accordance with International Financial Reporting Standards.

Don Consulting Services CC **19 August 2022**

Faizel V. Uaendere [BAP(SA) 1291]
Managing Member
Business Accountant In Practice (Sa)

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)
Consolidated and Separate Annual Financial Statements for the year ended 28 February 2022

Directors' Responsibilities and Approval

The directors are required by the Namibian Companies Act 28 of 2004 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the consolidated and separate statement of financial position, results of operations and business of the Group and Company, and explain the transactions and financial position of the business of the Group and Company at the end of the financial year. The consolidated and separate annual financial statements are based upon appropriate accounting policies consistently applied throughout the Group and Company and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and Company and all employees are required to maintain the highest ethical standards in ensuring the Group's and Company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Group and Company is on identifying, assessing, managing and monitoring all known forms of risk across the Group and Company. While operating risk cannot be fully eliminated, the Group and Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate 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 consolidated and separate cash flow forecast for the year to 28 February 2023 and, in light of this review and the current financial position, they are satisfied that the Group and Company has or had adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the Group's and Company's external auditor and their report is presented on pages 50 to 52.

B.K.G. Eiseb
Chairperson
Friday, 19 August 2022

J.H. Hausiku

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)
Consolidated and Separate Annual Financial Statements for the year ended 28 February 2022

Independent Auditor's Report

To the Members of Namib Desert Diamonds (Proprietary) Limited

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Namib Desert Diamonds (Proprietary) Limited (the Company) and its subsidiaries (together the Group) as at 28 February 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

What we have audited

Namib Desert Diamonds (Proprietary) Limited's consolidated and separate financial statements set out on pages 54 to 121 comprise:

- the directors' report for the year ended 28 February 2022;
- the consolidated and separate statements of financial position as at 28 February 2022;
- the consolidated and separate statements of profit and loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standard) (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Namib Desert Diamonds (Proprietary) Limited Trading as Namdia Consolidated and Separate Annual Financial Statements for the year ended 28 February 2022".

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)
Consolidated and Separate Annual Financial Statements for the year ended 28 February 2022

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The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company's internal control.

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)
Consolidated and Separate Annual Financial Statements for the year ended 28 February 2022

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 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.

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Samuel N. Ndahangwapo
Partner

Windhoek,
Date: 19 August 2022

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)
Consolidated and Separate Annual Financial Statements for the year ended 28 February 2022

Directors' Report

1. Incorporation

The Company incorporated on 18 April 2016 and obtained its certificate to commence business on the same day.

The Company is domiciled in Namibia where it is incorporated as a private company limited by shares under the Companies Act 28 of 2004, as amended in 2007. The address of the registered office is set out on page 47.

2. Nature of business

Namib Desert Diamonds (Proprietary) Limited was incorporated in Namibia with interest in the diamond sales sector. The Company operates in Namibia.

The principal activity of the Company is to market and sell diamonds on behalf of the Government of the Republic of Namibia and there were no major changes herein during the year.

There have been no material changes to the nature of the Group's and Company's business since the prior year.

3. Review of financial results and activities

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 28 of 2004, as amended in 2007. The accounting policies have been applied consistently compared to the prior year, except for the adoption of the new accounting policies.

The Group generated a profit after tax for the year ended 28 February 2022 of N$144,693,258 (2021: N$13,342,028).

The Group revenue increased from N$1,135,475,904 in the prior year to N$1,904,374,913 for the year ended 28 February 2022.

Group cash flows from operating activities changed from an inflow of N$38,128,376 in the prior year to an inflow of N$137,892,126 for the year ended 28 February 2022.

4. Authorised and issued share capital

	Group 2022	Group 2021
Authorised	Number of shares	
Ordinary shares	4,000	4,000

Issued	Group 2022 N$	Group 2021 N$	Group 2022 Number of shares	Group 2021
Ordinary shares	1,000	1,000	1,000	1,000
Share premium	49,999,000	49,999,000	49,999,000	49,999,000
	50,000,000	50,000,000	50,000,000	50,000,000

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

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)
Consolidated and Separate Annual Financial Statements for the year ended 28 February 2022

Directors' Report

5. Dividend

The Group's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the Board of Directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board of Directors may pass on the payment of dividends.

The Board of Directors recommends the approval of a final dividend of N$40,000,000 (2021: N$0).

6. Directors

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

Name	Date of appointment
B.K.G. Eiseb (Chairperson)	12 December 2019
J.H. Hausiku	12 December 2019
N.S. Shimutwikeni	12 December 2019
L.M. Muatunga	17 June 2019

7. Directors' interest in contracts

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

8. Shareholder

There have been no changes in ownership during the current financial year.

The shareholder and its interest at the end of the year is:

	Holding
Government of the Republic of Namibia	100.00%

9. Ultimate holding company

The directors consider the Company's immediate and ultimate holding company to be the Government of the Republic of Namibia.

10. Events after reporting date

The Company evaluated its consolidated and separate annual financial statements for any subsequent events which might have an impact on the Group and Company. At reporting date, no events came to our attention. The Group and Company assessed all of its assets and did not identify any impairment on any assets as a result.

Directors' Report

11. Going concern

The consolidated and separate annual financial statements were prepared on a going concern basis. The directors and management have assessed the potential impact of COVID-19 on the Group's and Company's ability to continue as a going concern. The Group and Company is able to sell diamonds despite travel restrictions for international travel and has adequate cash resources to continue to pay its liabilities as they become due for at least 12 months after the reporting period and believes that it will be able to pay its liabilities for a longer period up until 24 months after the reporting period. In addition, the Group and Company has a very strong balance sheet with minimal debt compared to the Group's and Company's total and current assets. The Group's and Company's expenses are also expected to remain steady. The directors are also not aware of any other material change that may adversely impact the Group and Company or the going concern assumption. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group and Company.

12. Secretary

The Group's and Company's designated secretary is M.N.K. Tjombonde.

Postal address	**Business address**
Private Bag 91600	Erf 336 Cnr of Dr Kwame Nkrumah Avenue & Dr Sam Nujoma Drive
Klein Windhoek	Klein Windhoek
Windhoek	Windhoek
Namibia	Namibia

13. Statement of disclosure to the Group's and Company's auditors

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

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

14. Compiler

Don Consulting Services, represented by F.V. Uaendere [BAP(SA)] was the compiler for the year under review.

Postal address	**Business address**
P.O. Box 26546	No. 41 Cnr of Johann Albrecht & Sturrock Street
Windhoek	Windhoek North, Windhoek
Namibia	Namibia

15. Independent Auditors

PricewaterhouseCoopers Namibia were appointed as auditors in accordance with Section 278(1) of the Namibian Companies Act, No. 28 of 2004.

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)
Consolidated and Separate Annual Financial Statements for the year ended 28 February 2022

Statements of Financial Position

Figures in N$	Notes	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Assets					
Non-current assets					
Property, plant and equipment	4	65,175,735	79,143,766	25,674,975	32,035,727
Investment property	5	13,800,000	-	-	-
Investment in subsidiaries	7	-	-	16,301,969	18,584,280
Loans to subsidiaries	8	-	-	30,125,152	28,936,415
Deferred tax assets	9	2,831,187	1,180,844	3,566,211	1,996,744
Total non-current assets		**81,806,922**	**80,324,610**	**75,668,307**	**81,553,166**
Current assets					
Trade and other receivables	10	57,626,830	48,853,833	57,620,245	48,771,542
Current tax assets	12	41,212	41,212	-	-
Cash and cash equivalents	11	395,016,092	292,228,538	390,748,697	288,468,236
Total current assets		**452,684,134**	**341,123,583**	**448,368,942**	**337,239,778**
Total assets		**534,491,056**	**421,448,193**	**524,037,249**	**418,792,944**
Equity and liabilities					
Equity					
Issued capital	13	1,000	1,000	1,000	1,000
Share premium	13	49,999,000	49,999,000	49,999,000	49,999,000
Retained income		450,527,918	345,834,660	434,206,674	337,791,170
Other non-distributable reserves	14	5,877,339	-	-	-
Total equity		**506,405,257**	**395,834,660**	**484,206,674**	**387,791,170**
Liabilities					
Non-current liabilities					
Deferred tax liabilities	9	4,586,605	3,293,090	4,259,152	3,181,345
Lease liability	15	-	-	2,004,327	2,296,950
Financial liabilities	16	-	2,663,100	-	2,663,100
Total non-current liabilities		**4,586,605**	**5,956,190**	**6,263,479**	**8,141,395**
Non-current liabilities					
Provisions	17	3,792,026	4,080,310	2,954,286	3,690,138
Trade and other payables	18	7,363,683	914,459	7,004,662	254,928
Current tax liabilities	12	12,343,485	9,466,157	12,343,485	9,466,157
Intercompany payables	19	-	-	10,972,040	4,000,000
Lease liability	15	-	-	292,623	252,739
Financial liabilities	16	-	5,160,000	-	5,160,000
Bank overdraft	11	-	36,417	-	36,417
Total current liabilities		**23,499,194**	**19,657,343**	**33,567,096**	**22,860,379**
Total liabilities		**28,085,799**	**25,613,533**	**39,830,575**	**31,001,774**
Total equity and liabilities		**534,491,056**	**421,448,193**	**524,037,249**	**418,792,944**

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)
Consolidated and Separate Annual Financial Statements for the year ended 28 February 2022

Statements of Profit or Loss and Other Comprehensive Income

Figures in N$	Notes	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Revenue	22	1,904,374,913	1,135,475,904	1,902,000,898	1,135,371,564
Cost of sales	23	(1,620,302,636)	(1,020,078,458)	(1,620,302,636)	(1,020,078,458)
Gross profit		**284,072,277**	**115,397,446**	**281,698,262**	**115,293,106**
Other income	24	1,818,507	3,950,745	1,818,507	3,950,745
Impairment losses	25	-	(30,885,522)	(2,282,311)	(30,017,768)
Administrative expenses	26	(4,902,030)	(4,622,142)	(4,545,859)	(4,295,509)
Other expenses	27	(63,784,205)	(46,238,723)	(67,503,234)	(45,894,921)
Other gains and (losses)	28	(6,617,840)	(6,662,321)	(6,705,140)	(6,661,933)
Profit from operating activities	**29**	**210,586,709**	**30,939,483**	**202,480,225**	**32,373,720**
Finance income	30	10,130,643	16,107,053	10,026,240	15,972,067
Finance costs	31	(2,360,784)	(4,262,855)	(2,729,281)	(4,654,116)
Profit before tax		**218,356,568**	**42,783,681**	**209,777,184**	**43,691,671**
Income tax expense	32	(73,663,310)	(29,441,653)	(73,361,680)	(29,295,800)
Profit for the year		**144,693,258**	**13,342,028**	**136,415,504**	**14,395,871**
Profit for the year attributable to:					
Owners of parent		144,693,258	14,526,613	136,415,504	14,395,871
Non-controlling interest		-	(1,184,585)	-	-
		144,693,258	**13,342,028**	**136,415,504**	**14,395,871**
Total comprehensive income					
Comprehensive income attributable to:					
Comprehensive income, attributable to owners of parent		144,693,258	14,526,613	136,415,504	14,395,871
Comprehensive income, attributable to non-controlling interests		-	(1,184,585)	-	-
		144,693,258	**13,342,028**	**136,415,504**	**14,395,871**

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Statement of Changes in Equity - Group

Figures in N$	Issued capital	Share premium	Revaluation surplus	Retained income	Attributable to owners of parent	Non-controlling interests	Total
Balance at 1 March 2020	1,000	49,999,000	-	328,582,956	378,582,956	-	378,582,956
Changes in equity							
Profit for the year	-	-	-	14,526,613	14,526,613	(1,184,585)	13,342,028
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	14,526,613	14,526,613	(1,184,585)	13,342,028
Non-controlling interest at acquisition	-	-	-	-	-	3,909,676	3,909,676
Transfers from non-controlling interest - subsidiary	-	-	-	2,725,091	2,725,091	(2,725,091)	-
Balance at 28 February 2021	**1,000**	**49,999,000**	**-**	**345,834,660**	**395,834,660**	**-**	**395,834,660**
Balance at 1 March 2021	**1,000**	**49,999,000**	**-**	**345,834,660**	**395,834,660**	**-**	**395,834,660**
Changes in equity							
Profit for the year	-	-	-	144,693,258	144,693,258	-	144,693,258
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	144,693,258	144,693,258	-	144,693,258
Dividends paid	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)
Fair value adjustment	-	-	5,877,339	-	5,877,339	-	5,877,339
Balance at 28 February 2022	**1,000**	**49,999,000**	**5,877,339**	**450,527,918**	**506,405,257**	**-**	**506,405,257**
Notes	**13**	**13**	**14**				

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Statement of Changes in Equity - Company

Figures in N$	Issued capital	Share premium	Revaluation surplus	Retained income	Attributable to owners of parent	Non-controlling interests	Total
Balance at 1 March 2020	1,000	49,999,000	-	323,395,299	373,395,299	-	373,395,299
Changes in equity							
Profit for the year	-	-	-	14,395,871	32,619,467	-	32,619,467
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	14,395,871	32,619,467	-	32,619,467
Balance at 28 February 2021	**1,000**	**49,999,000**	-	**337,791,170**	**406,014,766**	-	**406,014,766**
Balance at 1 March 2021 as previously reported	1,000	49,999,000	-	356,014,766	406,014,766	-	406,014,766
Decrease due to corrections of prior period errors (Note 42)	-	-	-	(18,223,596)	(18,223,596)	-	(18,223,596)
Balance at 1 March 2021 as restated	1,000	49,999,000	-	337,791,170	387,791,170	-	387,791,170
Changes in equity							
Profit for the year	-	-	-	136,415,504	136,415,504	-	136,415,504
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	136,415,504	136,415,504	-	136,415,504
Dividends paid	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)
Balance at 28 February 2022	**1,000**	**49,999,000**	-	**434,206,674**	**484,206,674**	-	**484,206,674**
Notes	**13**	**13**	**14**				

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Statements of Cash Flows

Figures in N$	Notes	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Net cash flows from operations	37	**201,098,279**	**58,634,206**	**202,592,862**	**75,934,330**
Finance costs	31	(2,360,784)	(4,262,855)	(2,729,281)	(4,654,116)
Interest income	30	10,130,643	16,107,053	10,026,240	15,972,067
Income taxes paid	39	(70,976,012)	(32,350,028)	(70,976,012)	(32,350,028)
Net cash flows from operating activities		**137,892,126**	**38,128,376**	**138,913,809**	**54,902,253**
Cash flows used in investing activities					
Investment in subsidiaries	34.6	-	-	-	(15,575,401)
Proceeds from sales of property, plant and equipment	40	87,300	-	-	-
Purchase of property, plant and equipment	40	(284,224)	(821,660)	(284,225)	(821,660)
Loans advanced to subsidiaries	40.4	-	-	(1,188,737)	(2,247,728)
Cash flows used in investing activities		**(196,924)**	**(821,660)**	**(1,472,962)**	**(18,644,789)**
Cash flows used in financing activities					
Movement in non-controlling interest		-	(2,725,091)	-	-
Repayment of financial liabilities	40.5	(7,823,100)	(5,291,641)	(7,823,100)	(5,291,641)
Lease liability principle portion	40.5	-	-	(252,739)	(218,292)
Dividend paid	38	(40,000,000)	-	(40,000,000)	-
Cash flows used in financing activities		**(47,823,100)**	**(8,016,732)**	**(48,075,839)**	**(5,509,933)**
Net increase in cash and cash equivalents before effect of exchange rate changes		**89,872,102**	**29,289,984**	**89,365,008**	**30,747,531**
Effect of exchange rate changes on cash and cash equivalents	28	12,951,870	**(9,755,031)**	12,951,870	(9,755,031)
Net increase in cash and cash equivalents		**102,823,972**	**19,534,953**	**102,316,878**	**20,992,500**
Cash and cash equivalents at beginning of the year		292,192,120	272,657,168	288,431,819	267,439,319
Cash and cash equivalents at end of the year	11	**395,016,092**	**292,192,121**	**390,748,697**	**288,431,819**

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Accounting Policies

1. Significant accounting policies

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

1.1 Basis of preparation and summary of significant accounting policies

The consolidated and separate annual financial statements of Namib Desert Diamonds (Proprietary) Limited have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Namibian Companies Act 28 of 2004. The consolidated and separate annual financial statements have been prepared under the historical cost convention.

The preparation of consolidated and separate annual financial statements in conformity with International Financial Reporting Standards ("IFRS") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's and Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate annual financial statements are disclosed in note 2.

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2 Consolidation

Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

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Accounting Policies

1.2 Consolidation (continued)

Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

1.3 Investment in subsidiaries

Investment in subsidiaries is carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

An annual test for impairment on the investment in subsidiaries is performed and any resulting impairment or reversal of previously recognised impairment is accounted for in the statement of profit or loss.

1.4 Foreign currency translation

Functional and presentation currencies
The consolidated and separate annual financial statements have been presented in Namibian Dollar. The functional/trading currency of the Company is the US Dollar. The Company trades in US Dollars by acquiring diamonds in US Dollars from its suppliers and by selling diamonds in US Dollars to its customers. The presentation currency has been selected because of its shareholder.

Transactions and balances
Foreign currency transactions are translated into the presentation currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains - net'.

Group companies
The results and financial position of all the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the exchange rates at the dates of the transactions, in which case income and expense items are translated at the exchange rates at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

1.5 Property, plant and equipment

Definition
Property, plant and equipment are tangible items that:
- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one period.

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Accounting Policies

1.5 Property, plant and equipment (continued)

Recognition
Property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Initial measurement
An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

The cost of an item of property, plant and equipment includes:
- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent measurement - Cost model
After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent measurement - Revaluation model
After initial recognition, property, plant and equipment is measured at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount. At the date of the revaluation, the accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses. The accumulated depreciation is eliminated against the gross carrying amount of the asset.

An increase in the carrying value of an asset as a result of a revaluation is recognised in other comprehensive income and accumulated in equity under the revaluation surplus except where the increase reverses a previously recognised revaluation decrease for the same asset, the increase is recognised in profit or loss to that extent.

A decrease in the carrying value of an asset as a result of a revaluation is recognised in profit or loss except where the decrease reverses a previously recognised revaluation increase for the same asset, the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Subsequent expenditure
Subsequent expenditure incurred on items of property, plant and equipment is only capitalised to the extent that such expenditure enhances the value or previous capacity of those assets. Repairs and maintenance not deemed to enhance the economic benefit or service potential of items of property, plant and equipment are expensed as incurred.

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

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Accounting Policies

1.5 Property, plant and equipment (continued)

Depreciation
Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classified as held for sale, or the date that the asset is derecognised.

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

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The depreciable amount of an asset is determined after deducting its residual value.

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

Asset class	Useful life / depreciation rate	Depreciation method
Land	Indefinite	None
Buildings	20 years	Straight line
Machinery	10 years	Straight line
Motor vehicles	3 years	Straight line
Fixtures and fittings	5 years	Straight line
Office equipment	2-3 years	Straight line
Computer equipment	2-5 years	Straight line
Other equipment	2-20 years	Straight line
Security equipment	5-10 years	Straight line
Right-of-use assets	10 years	Straight line

Impairments
The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset, the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are included in profit or loss when the compensation becomes receivable.

Derecognition
The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Gains are classified as other gains on the face of the statements of profit or loss and other comprehensive income.

Accounting Policies

1.6 Investment property

Recognition
Investment property is recognised as an asset when:
- it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
- the cost of the investment property can be measured reliably.

Investment property is initially measured at cost, with transaction costs and other directly attributable expenditure being included in the initial measurement.

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

Subsequently the investment property is measured at fair value of the investment property. The investment property is not depreciated as the estimated fair value exceeds the carrying value. This is assessed on an annual basis. The useful life of the investment property is between 10 and 20 years.

Subsequent measurement - Fair value and cost model
A gain or loss arising from a change in the fair value of investment property is recognised in profit or loss for the period in which it arises.

In determining the carrying amount of investment property under the fair value model, assets or liabilities that are recognised as separate assets or liabilities are not double-counted.

- After initial recognition, all investment property backing liabilities that pay a return linked directly to the fair value of, or returns from investment property are measured at fair value / cost less any accumulated depreciation and any accumulated impairment, and all other investment property is measured at fair value / cost less any accumulated depreciation and any accumulated impairment. Sales of investment property between these pools of assets measured using different models are recognised at fair value and the cumulative change in fair value is recognised in profit or loss.
- Property interest held under an operating lease that is classified as investment property is measured at fair value.
- Where the fair value of an investment property under construction cannot be reliably measured but it is expected that the fair value of the property will be reliably measurable when construction is complete, that property is measured at cost until either its fair value becomes reliably measurable or construction is completed, whichever is earlier.
- Where the fair value of an investment property cannot be reliably measured on a continuing basis, that property is measured at cost less any accumulated depreciation and any accumulated impairment.

A gain or loss arising from a change in the fair value of investment property is recognised in profit or loss for the period in which it arises.

In determining the carrying amount of investment property under the fair value model, assets or liabilities that are recognised as separate assets or liabilities are not double-counted.

Depreciation
Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classified as held for sale, or the date that the asset is derecognised.

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

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Accounting Policies

1.6 Investment property (continued)

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The depreciable amount of an asset is determined after deducting its residual value.

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

Investment property is measured at cost/fair value, and is depreciated using the straight-line method over a useful life of each item.

Impairments
The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of investment property is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset, the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of investment property that were impaired, lost or given up are included in profit or loss when the compensation becomes receivable.

Disposals
Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period of the retirement or disposal.

1.7 Intangible assets

Definition
Goodwill on acquisitions of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Initial measurement
Goodwill on subsidiaries is initially recognised separately as intangible assets at cost.

Subsequent measurement - Cost model
After initial recognition, goodwill on acquistion is measured at cost less any accumulated impairment losses. Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold.

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Accounting Policies

1.7 Intangible assets (continued)

Amortisation
Goodwill on acquisition has an indefinite useful life (i.e. not amortised) and is tested for impairment at least annually.

Definition
Goodwill on acquisitions of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Initial measurement
Goodwill on subsidiaries is initially recognised separately as intangible assets at cost.

Subsequent measurement - Cost model
After initial recognition, goodwill on acquistion is measured at cost less any accumulated impairment losses. Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold.

Asset class	Internally generated or other	Useful life classification	Useful life / amortisation rate	Amortisation method
Goodwill - Value of business acquired	Other	Infinite	N/A	N/A

Impairments
Goodwill on acquisition of an intangible asset with an indefinite useful life is tested for impairment at least annually. An asset is impaired when its carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable pre-tax discount rate that is reflective of the cash-generating unit's risk profile, in order to calculate the value in use.

Retirements and disposals
An asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal is recognised in profit or loss.

1.8 Financial instruments

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

Broadly, the classification possibilities, which are adopted by the Company, as applicable, are as follows: Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss; or
- Designated at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

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

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Accounting Policies

1.8 Financial instruments (continued)

- Fair value through other comprehensive income. (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 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).

A financial liability is any liability that is:
- Amortised cost;
- 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 at fair value through profit or loss).

Financial assets (note 20) and financial liabilities (note 21) present the financial instruments held by the Company based on their specific classifications.

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

Classification and recognition
Classification of a financial instrument or its component parts takes place on initial recognition. Each instrument is classified as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

Financial assets classification
The Group classifies financial assets into the following categories:
- Financial assets subsequently measured at fair value through profit or loss
- Financial assets subsequently measured at fair value through other comprehensive income (OCI)
- Financial assets subsequently measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Financial liabilities classification
The Group classifies financial liabilities into the following categories:
- Financial liabilities subsequently measured at amortised cost
- Financial liabilities subsequently measured at fair value through profit or loss

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1.8 Financial instruments (continued)

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Recognition
Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Initial measurement
Financial assets
When a financial asset is recognised initially, it is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial liabilities
Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
Financial assets
Debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and cash flow characteristics of the asset. Debt instruments are subsequently measured at:

- Amortised cost: Assets held only for collection of principal and interest payments
  - Interest income is included in finance income using the effective interest rate method.
  - Any gain or loss on derecognition is recognised in profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses.
  - Impairment losses are presented as a separate line item in the statement of profit or loss.
  - The Company's financial assets at amortised cost include trade receivables, and loans to associates and directors included under other non-current financial assets.
- Fair value through OCI: Assets held only for collection of principal and interest payments and for selling the financial assets
  - Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.
  - When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses).
  - Interest income from these financial assets is included in finance income using the effective interest rate method.
  - Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.
  - The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.
  - The Company elected to classify irrevocably its non-listed equity investments under this category.

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1.8 Financial instruments (continued)

Subsequent measurement (continued)

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or fair value through OCI
  - A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains / (losses) in the period in which it arises.
  - The Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in OCI.
  - This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Equity instruments

- All equity investments are subsequently measured at fair value.
  - There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.
  - Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.
  - Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or fair value through OCI
  - Changes in the fair value are recognised in other gains / (losses) in the statement of profit or loss as applicable.

Financial liabilities

- Fair value through profit or loss: Financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss
  - Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
  - This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.
  - Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
  - Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.
  - Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.
- Amortised cost: Loans and borrowings
  - After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.
  - Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.
  - Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.
  - The effective interest rate amortisation is included as finance costs in the statement of profit or loss.
  - This category generally applies to interest-bearing loans and borrowings.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when it is transferred and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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1.8 Financial instruments (continued)

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

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

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

Loans to subsidiaries
Classification
Loans to subsidiaries (note 8) are classified as financial assets subsequently measured at amortised cost.

Recognition and measurement
Financial assets from a subsidiary are recognised when the Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including 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 asset, or (where appropriate) a shorter period, to the amortised cost of a financial asset.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 31).

Loan to (from) director, manager or employee
The loan to director, manager or employee is classified as a financial asset at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

The loan from director, manager or employee is classified as a financial asset at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

Trade and other receivables
Classification
Trade and other receivables, excluding when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised costs (note 10).

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

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1.8 Financial instruments (continued)

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

They are subsequently measured at amortised cost.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

Trade and other payables
Classification
Trade and other payables (note 18), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

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

They are subsequently measured at amortised cost.

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 applicable) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financial component, and the effective interest method results in the recognition of the interest expense, then it is included in profit or loss in finance costs (note 31).

Trade and other payables expose the Company to liquidity risk and possibly to interest risk. Refer to note 35 for details of risk exposure and management thereof.

1.9 Tax

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

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1.9 Tax (continued)

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:
- deductible temporary differences;
- the carry forward of unused tax losses; and
- the carry forward of unused tax credits.

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

The benefit relating to a tax loss that can be carried back to recover current tax of a previous period 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 taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset only where:
- there is a legally enforceable right to set off the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities
A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:
- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset 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 accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and deferred tax assets are made to reflect the tax consequences that would follow from the manner in which it is expected, at the end of the reporting period, recovery or settlement if temporary differences will occur.

Deferred tax assets and liabilities are offset only where:
- there is a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same entity within the Group or different taxable entities within the Group 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.

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Accounting Policies

1.9 Tax (continued)

Tax expense (income)
Current and deferred tax is 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, outside profit or loss, either in other comprehensive income or directly in equity.
- a business combination other than the acquisition by an investment of a subsidiary that is required to be measured at fair value through profit or loss.

Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:
- in other comprehensive income, will be recognised in other comprehensive income;
- directly in equity, will be recognised directly in equity.

1.10 Leases

Definition
A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Identification of a lease
At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still or now contains a lease.

Where a contract contains a lease, each lease component with the contract is accounted for separately from the non-lease components. The consideration is then allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components is determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If an observable stand-alone price is not readily available, an estimate of the stand-alone price is made, maximising the use of observable information in each case. All non-lease components are accounted for in accordance with whatever other policy is applicable to them.

Lease term
The lease term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

The assessment of the reasonable certainty of the exercising of options to extend the lease or not exercising of options to terminate the lease is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the Group's control and it affects the reasonable certainty assumptions.

The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

Recognition
At inception, a right-of-use asset and a lease liability are recognised. Right-of-use assets are included in the statement of financial performance within a classification relevant to the underlying asset, and not as a separate line item.

Accounting Policies

1.10 Leases (continued)

Measurement
Right-of-use assets are initially measured at cost, comprising the following:
- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The obligation for those costs is incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Where a lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects a purchase option will be exercised, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right-of-use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined, else it is based on the relevant Group entity's incremental borrowing rate. The following lease payments are included where they are not paid at the commencement date:
- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if there is reasonable certainty that the option will be exercised; and
- payments of penalties for terminating the lease, if the lease term reflects the exercising of an option to terminate the lease.

Subsequently, the lease liability is measured by:
- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate described above, or if applicable, the revised discount rate described below.

Profit or loss for the year will include the interest expense on the lease liability, and the variable costs not included in the measurement of the lease liability are included in the year in which the event or condition that triggers the payment of the variable costs occurs.

Reassessment of the lease liability
Where there are changes in the lease payments, the amount of the remeasurement of the lease liability is recognised as an

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1.10 Leases (continued)

adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero, and there is a further reduction in the measurement of the lease liability, the remaining amount of the remeasurement is recognised in profit or loss.

The remeasurement is performed by discounting the revised lease payments using a revised discount rate where there is a change in the lease term or where there is a change in the assessment of exercising an option contained in the contract. The discount rate is revised to the interest rate implicit in the remainder of the lease term if it can be readily determined, or at the relevant Group entity's incremental borrowing rate at the date of the reassessment.

The remeasurement is performed by discounting the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee, or if there is a change in the future lease payments resulting from a change in an index or a rate used to determine those payments. This remeasurement will use an unchanged discount rate unless the change in lease payments resulted from a change in a floating interest rate.

Lease modifications
A lease modification is treated as a separate lease if both the modification increases the scope of the lease by adding the right to use one or more underlying assets, and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

Where the lease modification is not accounted for as a separate lease at the effective date of the lease modification, the following changes are made:
- allocate the consideration in the modified contract;
- determine the lease term of the modified lease; and
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the relevant Group entity's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

Where the lease modification is not accounted for as a separate lease, the remeasurement of the lease liability is accounted for by:
- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss.
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

1.11 Provisions and contingencies

A provision is a liability of uncertain timing or amount. A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

A contingent liability is:
- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Accounting Policies

1.11 Provisions and contingencies (continued)

A provision is recognised when:
- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received when the obligation is settled. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating losses.

The present obligation under an onerous contract is recognised and measured as a provision.

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

After initial recognition and until the liability is settled, cancelled or expires, a contingent liability is recognised in a business combination at the higher of the amount that would be recognised as a provision, and the amount initially recognised less cumulative amortisation.

Contingent assets and liabilities are not recognised, but details are disclosed in the notes to the annual financial statements.

1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in the statement of profit of loss as a deduction, net of tax, from the proceeds.

Ordinary shares are recognised as par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value are classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

Accounting Policies

1.13 Other non-distributable reserves

Other non-distributable reserves comprise of cumulative revaluation gains/losses on investment property. This reserve is part of the Group's equity and cannot be distributed as dividends.

1.14 Revenue from contracts with customers

Revenue is income arising in the course of an entity's ordinary activities.

The Group is in the business of selling rough diamonds.

A contract with a customer is recognised when all of the following criteria are met:
- the contract has been approved and all parties to the contract are committed to performing their respective obligations;
- each party's rights regarding the goods to be transferred are identifiable;
- payment terms for the goods to be transferred are identifiable;
- the contract has commercial substance; and
- it is probable that the consideration in exchange for the goods that will be transferred will be collected.

At the inception of a contract, the goods or services promised in the contract are assessed and a performance obligation is identified for each promise to transfer to the customer either:
- a good or service that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer.

Revenue is recognised when or as the performance obligation is satisfied by transferring a promised good or service to a customer. Assets are transferred when or as the customer obtains control of that asset.

Measurement
When a performance obligation is satisfied, revenue is recognised as the amount of the transaction price that is allocated to the performance obligation, but excluding estimates of variable consideration that are constrained and any amounts collected on behalf of third parties. The transaction price may include fixed amounts, variable amounts, or both.

The Group allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs.

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:
- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify (for example, costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract that has not yet been approved);
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

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Accounting Policies

1.14 Revenue from contracts with customers (continued)

When either party to a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment. The Group presents any unconditional rights to consideration separately as a receivable.

Contract balances
Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

1.15 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:
- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Short-term employee benefits
Compensation paid to employees for the rendering of services is recognised at the undiscounted amount paid or expected to be paid in the accounting period in which the services were rendered.

Where employees accumulate entitlement for paid absences, an expense is recognised as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. In the case of non-accumulating paid absences, the expense is recognised only when the absences occur.

The expected cost of profit-sharing and bonus payments are recognised when there is a present legal or constructive obligation to make such payments as a result of past events, and a reliable estimate of the obligation can be made. A present obligation exists when there is no realistic alternative but to make the payments.

Termination benefits
A liability for termination benefit is recognised at the earlier of when the offer can no longer be withdrawn and when the related restructuring costs are recognised.

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Accounting Policies

1.16 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

1.17 Related parties

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
  - has control or joint control of the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions apply:
  - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - Both entities are joint ventures of the same third party;
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - The entity is controlled or jointly controlled by a person identified as a related party;
  - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
  - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

2.1.1 Estimated impairment of goodwill

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less cost to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

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2.1 Critical accounting estimates and assumptions (continued)

2.1.1 Estimated impairment of goodwill (continued)

Impairment testing
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. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors.

Refer to note 25 for additional details.

2.1.2 Loans to subsidiaries (recoverability)

The impairment for loans to subsidiaries (i.e., financial assets) are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The residual value (as determined independently by a sworn valuator/appraisor) for the investment property owned by Eumbo Property Investment (Pty) Ltd exceeds the combined value of both the Investment in Eumbo Property Investment (Pty) Ltd and the loan advanced to it by the holding company, and as such no impairment was necessary on the the loan to this subsidiary.

Refer to note 4.3.1, note 7 and note 8 for additional details.

The market value (as determined independently by a sworn valuator/appraisor) for the investment property owned by Namgem Diamond Manufacting Company (Pty) Ltd exceeds the combined value of both the Investment in Eumbo Property Investment (Pty) Ltd and the loan advanced to it by the holding company, and as such no impairment was necessary on the loan to this subsidiary.

Refer to note 4.3.2, note 5, note 7 and note 8 for additional details.

2.1.3 Distingishing investment property from owner-occupied property

Where a property is leased out (90% or more of the available floor space) to independent third parties, the property is treated as investment property and not owner-occupied property.

Fair value of investment properties
The Group makes use of a sworn appraiser to estimate the fair value of the investment property.

Refer to note 4 and note 5 for additional details.

2.1.4 Deferred tax asset

The Group recognises the net future tax benefit that relates to deferred income tax assets to the extent that it is probable that the deductible tax temporary difference will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the balance sheet date could be impacted.

Refer to note 9 for additional details.

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Accounting Policies

2.1 Critical accounting estimates and assumptions (continued)

2.1.5 Estimating the residual values and useful lives

The residual value, useful life and depreciation method of each asset is reviewed, and adjusted if appropriate, at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

3. Changes in accounting policies and disclosures

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the Company has adopted all new and revised IFRSs that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2014.

At the date of authorisation of these financial statements for the year ended 28 February 2022, the following IFRSs were adopted:

COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

Reference to the Conceptual Framework (Amendments to IFRS 3)
The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

Annual Improvements to IFRS Standards 2018-2020
Makes amendments to the following standards:

- IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Application of the above standards did not impact these consolidated and separate financial statements.

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Accounting Policies

3.2 New standards and interpretations not yet adopted

The Company has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are not yet effective for the annual financial year beginning 1 March 2021 (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to the Company). The directors anticipate that the new standards, amendments and interpretations will be adopted in the Company's consolidated and separate financial statements when they become effective. The Company has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

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.

Classification of Liabilities as Current or Non-current – Deferral of Effective Date (Amendment to IAS 1)
The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2023.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Definition of Accounting Estimates (Amendments to IAS 8)
The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty'. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)
The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

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4. Property, plant and equipment

4.1 Balances at year end and movements for the year

	Land and buildings	Machinery	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Other equipment	Security equipment	Total
Reconciliation for the year ended 28 February 2022 - Group									
Balance at 1 March 2021									
At cost or revaluation	86,331,395	18,377,337	3,041,312	3,160,608	654,422	5,262,864	2,874,030	9,246,301	128,948,269
Accumulated depreciation	(15,768,118)	(18,139,763)	(1,738,034)	(2,081,330)	(638,889)	(4,285,959)	(940,642)	(6,211,768)	(49,804,503)
Net book value	**70,563,277**	**237,574**	**1,303,278**	**1,079,278**	**15,533**	**976,905**	**1,933,388**	**3,034,533**	**79,143,766**
Movements for the year ended 28 February 2022									
Additions from acquisitions	-	-	-	5,043	-	279,181	-	-	284,224
Depreciation	(3,162,602)	(100,823)	(122,123)	(567,750)	(7,226)	(583,427)	(294,784)	(1,675,058)	(6,513,793)
Revaluation increase	5,615,000	-	-	-	-	-	-	-	5,615,000
Disposals - costs reversed	-	-	(133,194)	-	-	-	-	-	(133,194)
Disposals - accumulated depreciation reversed	-	-	133,194	-	-	-	-	-	133,194
Transfers to investment property - costs reversed	(6,086,540)	-	-	-	-	-	-	-	(6,078,402)
Transfers to investment property - revaluations reversed	(13,118,833)	-	-	-	-	-	-	-	(13,118,833)
Transfers to investment property - accumulated depreciation reversed	5,843,771	-	-	-	-	-	-	-	5,843,771
Property, plant and equipment at the end of the year	**59,662,211**	**136,751**	**1,181,155**	**516,571**	**8,307**	**672,659**	**1,638,604**	**1,359,475**	**65,175,733**
Closing balance at 28 February 2022									
At cost or revaluation	72,749,160	18,377,337	2,908,118	3,165,651	654,422	5,542,045	2,874,030	9,246,301	115,517,064
Accumulated depreciation	(13,086,949)	(18,240,586)	(1,726,963)	(2,649,080)	(646,115)	(4,869,386)	(1,235,426)	(7,886,826)	(50,341,331)
Net book value	**59,662,211**	**136,751**	**1,181,155**	**516,571**	**8,307**	**672,659**	**1,638,604**	**1,359,475**	**65,175,733**

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4. Property, plant and equipment (continued)

4.1 Balances at year end and movements for the year (continued)

	Land and buildings	Machinery	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Other equipment	Security equipment	Total
Reconciliation for the year ended 28 February 2021 - Group									
Balance at 1 March 2020									
At cost or revaluation	66,911,176	-	2,618,662	2,717,265	524,368	2,988,075	2,730,706	7,879,411	86,369,663
Accumulated depreciation	(6,766,836)	-	(995,399)	(1,178,373)	(399,252)	(1,509,156)	(604,360)	(3,522,678)	(14,976,054)
Net book value	**60,144,340**	**-**	**1,623,263**	**1,538,892**	**125,116**	**1,478,919**	**2,126,346**	**4,356,733**	**71,393,609**
Movements for the year ended 28 February 2021									
Additions from acquisitions	214,846	-	222,192	88,683	7,900	262,181	25,858	-	821,660
Acquisitions through business combinations	6,086,540	18,377,337	200,458	354,660	181,137	2,348,412	117,466	1,366,890	29,032,900
Accumulated depreciation adjustment through business combinations	(5,575,372)	(18,047,980)	(200,458)	(339,147)	(168,673)	(2,329,472)	(115,290)	(1,030,586)	(27,806,978)
Depreciation	(3,425,910)	(91,783)	(542,177)	(563,810)	(126,097)	(786,464)	(220,992)	(1,658,504)	(7,415,737)
Revaluation increase	13,118,833	-	-	-	-	-	-	-	13,118,833
Disposals	-	-	-	-	(58,983)	(335,804)	-	-	(394,787)
Reversal of accumulated depreciation on disposal	-	-	-	-	55,133	339,133	-	-	394,266
Property, plant and equipment at the end of the year	**70,563,277**	**237,574**	**1,303,278**	**1,079,278**	**15,533**	**976,905**	**1,933,388**	**3,034,533**	**79,143,766**
Closing balance at 28 February 2021									
At cost or revaluation	86,331,395	18,377,337	3,041,312	3,160,608	654,422	5,262,864	2,874,030	9,246,301	128,948,269
Accumulated depreciation	(15,768,118)	(18,139,763)	(1,738,034)	(2,081,330)	(638,889)	(4,285,959)	(940,642)	(6,211,768)	(49,804,503)
Net book value	**70,563,277**	**237,574**	**1,303,278**	**1,079,278**	**15,533**	**976,905**	**1,933,388**	**3,034,533**	**79,143,766**

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4. Property, plant and equipment (continued)

4.1 Balances at year end and movements for the year (continued)

	Leasehold improve-ments	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Other equipment	Security equipment	Right-of-use asset	Total
Reconciliation for the year ended 28 February 2022 - Company									
Balance at 1 March 2021									
At cost	31,626,022	2,840,854	2,805,948	473,285	2,914,453	2,756,564	7,879,411	2,956,520	54,253,057
Accumulated depreciation	(9,916,209)	(1,537,576)	(1,733,842)	(466,715)	(1,948,264)	(824,829)	(5,094,243)	(695,652)	(22,217,330)
Net book value	**21,709,813**	**1,303,278**	**1,072,106**	**6,570**	**966,189**	**1,931,735**	**2,785,168**	**2,260,868**	**32,035,727**
Movements for the year ended 28 February 2022									
Additions from acquisitions	-	-	5,044	-	279,181	-	-	-	284,225
Depreciation	(3,162,602)	(122,123)	(561,264)	(2,793)	(578,342)	(294,146)	(1,575,882)	(347,826)	(6,644,978)
Property, plant and equipment at the end of the year	**18,547,211**	**1,181,155**	**515,886**	**3,777**	**667,028**	**1,637,589**	**1,209,286**	**1,913,042**	**25,674,974**
Closing balance at 28 February 2022									
At cost or revaluation	31,626,022	2,840,854	2,810,992	473,285	3,193,634	2,756,564	7,879,411	2,956,520	54,537,282
Accumulated depreciation	(13,078,811)	(1,659,699)	(2,295,106)	(469,508)	(2,526,606)	(1,118,975)	(6,670,125)	(1,043,478)	(28,862,308)
Net book value	**18,547,211**	**1,181,155**	**515,886**	**3,777**	**667,028**	**1,637,589**	**1,209,286**	**1,913,042**	**25,674,974**

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4. Property, plant and equipment (continued)

4.1 Balances at year end and movements for the year (continued)

	Leasehold improvements	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Other equipment	Security equipment	Right-of-use asset	Total
Reconciliation for the year ended 28 February 2021 - Company									
Balance at 1 March 2020									
At cost	31,411,176	2,618,662	2,717,265	524,368	2,988,075	2,730,706	7,879,411	2,956,520	53,826,183
Accumulated depreciation	(6,766,836)	(995,399)	(1,178,373)	(399,252)	(1,509,156)	(604,360)	(3,522,678)	(347,826)	(15,323,880)
Net book value	**24,644,340**	**1,623,263**	**1,538,892**	**125,116**	**1,478,919**	**2,126,346**	**4,356,733**	**2,608,694**	**38,502,303**
Movements for the year ended 28 February 2021									
Additions from acquisitions	214,846	222,192	88,683	7,900	262,181	25,858	-	-	821,660
Depreciation	(3,149,373)	(542,177)	(555,469)	(122,596)	(778,240)	(220,469)	(1,571,565)	(347,826)	(7,287,715)
Disposals - costs reversed	-	-	-	(59,461)	(346,869)	-	-	-	(406,330)
Disposals - accumulated depreciation reversed	-	-	-	55,611	350,198	-	-	-	405,809
Property, plant and equipment at the end of the year	**21,709,813**	**1,303,278**	**1,072,106**	**6,570**	**966,189**	**1,931,735**	**2,785,168**	**2,260,868**	**32,035,727**
Closing balance at 28 February 2021									
At cost or revaluation	31,626,022	2,840,854	2,805,948	473,285	2,914,453	2,756,564	7,879,411	2,956,520	54,253,057
Accumulated depreciation	(9,916,209)	(1,537,576)	(1,733,842)	(466,715)	(1,948,264)	(824,829)	(5,094,243)	(695,652)	(22,217,330)
Net book value	**21,709,813**	**1,303,278**	**1,072,106**	**6,570**	**966,189**	**1,931,735**	**2,785,168**	**2,260,868**	**32,035,727**

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4. Property, plant and equipment (continued)

4.2 Depreciation and impairment losses

Depreciation and impairment losses have been included under the following expenditures:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Other expenses				
Buildings	56,206	276,537	-	-
Leasehold improvements	3,162,602	3,149,373	3,162,602	3,149,373
Machinery	100,823	91,783	-	-
Motor vehicles	122,123	542,177	122,123	542,177
Fixtures and fittings	567,751	563,810	561,264	555,469
Office equipment	7,226	126,097	2,793	122,595
Computer equipment	583,427	786,464	578,342	778,240
Other equipment	294,784	220,992	294,146	220,469
Security equipment	1,675,058	1,658,504	1,575,882	1,571,565
Right-of-use asset	-	-	347,826	347,826
	6,570,000	**7,415,737**	**6,644,978**	**7,287,714**

4.3 Property details

4.3.1 Remainder of Erf No. 336 Klein Windhoek

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Property and security description	35,500,000	35,500,000	-	-
Opening costs and valuation	5,615,000	-	-	-
Valuation	**41,115,000**	**35,500,000**	-	-

The Group has pledged investment property to the value of N$41,115,000 to secure bank facilities from Standard Bank Namibia Ltd granted to the Group with a carrying value of NIL (2021: N$7,823,100). The facilities with Standard Bank Namibia Ltd were settled on 28 February 2022.

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

T5255/2017: Remainder of Erf No. 336, Klein Windhoek, Division "K", Khomas Region, measuring 1,093 square metres. The property is held by Eumbo Property Investment (Pty) Ltd.

This property has a market value of N$41,115,000 as determined on 10 June 2022 by an independent property valuer/sworn appraiser, F.A. Frank-Schultz. The value was determined as at 28 February 2022. The value was determined based on the present replacement cost less 10% depreciation costs.

Direct expenses incurred during the current year relating to the investment property were assessment rates and municipal charges of N$414,203 (2021: N$366,178). A portion of municipal charges incurred is recharged to the respective tenant in the current year of N$414,203 (2021: N$325,584).

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4. Property, plant and equipment (continued)

4.3 Property details (continued)

4.3.2 Erf 2399 Okahandja

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Property and security description	-	6,078,402	-	-
Accumulated depreciation	-	(5,843,771)	-	-
Valuation adjustment	-	13,118,833	-	-
	-	**13,353,464**	-	-

Registers with details of land and buildings are available for inspection by the shareholder or their duly authorised representatives at the registered office of the Company. This property was transferred to investment property in the current period.

T5434/1998: Erf No. 2399, Industry Street, Division "C", Okahandja (Extension No. 11), Otjozondjupa Region, measuring 2,3857 Ha. The property is held by Namgem Diamond Manufacturing Company (Pty) Ltd.

This property was revalued on 27 April 2021 to a valuation of N$13,800,000 by Eaton Property Valuations represented by Mr. Eugene Lofty-Eaton (Professional/Sworn Appraiser).

5. Investment property

5.1 Balances at year end and movements for the year

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Reconciliation for the year				
Balance at the beginning of the year	-	-	-	-
Transferred from owner-occupied property	13,353,464	-	-	-
Fair value adjustments	446,536	-	-	-
Net book value	**13,800,000**	-	-	-
Closing balance at the end of the year				
At fair value	13,800,000	-	-	-
Net book value	**13,800,000**	-	-	-

5.2 Detail of properties

5.2.1 Erf 2399 Okahandja

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Property and security description				
Transferred from owner-occupied property	418,829	-	-	-
Fair value adjustments	13,381,171	-	-	-
	13,800,000	-	-	-

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5. Investment property (continued)

5.2 Detail of properties (continued)

5.2.1 Erf 2399 Okahandja (continued)

Registers with details of land and buildings are available for inspection by the shareholder or their duly authorised representatives at the registered office of the Company. This investment property was transferred from owner-occupied property in the current period.

T5434/1998: Erf No. 2399, Industry Street, Division "C", Okahandja (Extension No. 11), Otjozondjupa Region, measuring 2,3857 Ha. The property is held by Namgem Diamond Manufacturing Company (Pty) Ltd.

This property was revalued on 27 April 2021 to a valuation of N$13,800,000 by Eaton Property Valuations represented by Mr. Eugene Lofty-Eaton (Professional/Sworn Appraiser).

6. Intangible assets

6.1 Reconciliation of changes in intangible assets

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
			Goodwill on value of business acquired	Total
Reconciliation for the year ended 28 February 2022 - Group				
Balance at 1 March 2021				
At cost			30,885,522	30,885,522
Accumulated impairment			(30,885,522)	(30,885,522)
Net book value			-	-
Closing balance at 28 February 2022				
At cost			-	-
Accumulated amortisation			-	-
Net book value			-	-
Reconciliation for the year ended 28 February 2021 - Group				
Balance at 1 March 2020				
At cost			-	-
Accumulated impairment			-	-
Net book value			-	-
Movements for the year ended 28 February 2021				
Investment in subsidiary			30,885,522	30,885,522
Impairment loss of goodwill recognised in profit or loss			(30,885,522)	(30,885,522)
Intangible assets at the end of the year			-	-
Closing balance at 28 February 2021				
At cost			30,885,522	30,885,522
Accumulated impairment			(30,885,522)	(30,885,522)
Net book value			-	-

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6. Intangible assets (continued)

6.2 Impairment losses

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Other expenses				
Value of business acquired	-	30,885,522	-	-
	-	**30,885,522**	-	-

Refer to note 34 for additional details relating to business combinations and related goodwill.

7. Investment in subsidiaries

7.1 The amounts included on the statements of financial position comprise the following:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Investments in subsidiaries	-	-	16,301,969	18,584,280
Investments in subsidiaries	-	-	**16,301,969**	**18,584,280**
Eumbo Property Investment (Pty) Ltd			13,806,851	13,806,851
Cost			13,806,851	13,806,851
Namgem Diamond Manufacturing Company (Pty) Ltd			2,495,118	4,777,429
Cost			34,795,197	34,795,197
Accumulated impairment			(32,300,079)	(30,017,768)
Total investment in subsidiaries			**16,301,969**	**18,584,280**

7.2 Investment in subsidiary

7.2.1 Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and business
Eumbo Property Investment (Pty) Ltd	The provision of property investments and management	Namibia
Namgem Diamond Manufacturing Company (Pty) Ltd	The cutting and polishing of diamonds	Namibia

7.2.2 Voting rights and interest held for these subsidiaries are as follows:

	Interest 2022	Voting rights 2022	Interest 2021	Voting rights 2021
Eumbo Property Investment (Pty) Ltd	100.00%	100.00%	100.00%	100.00%
Namgem Diamond Manufacturing Company (Pty) Ltd	100.00%	100.00%	100.00%	100.00%

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7. Investment in subsidiaries (continued)

7.2 Investment in subsidiary (continued)

7.2.3 Subsidiaries with different reporting periods

On 27 January 2022 an application for changing the current year (CM32) was lodged with the Registrar of Companies (Business and Intellectual Property Authority [BIPA]) to extend the year of Namgem Diamond Manufacturing Company (Pty) Ltd from 12 months ended 31 December 2021 to 14 months ended 28 February 2022, as this will enable an alignment of all Group companies to have the same year end of February.

In the prior period, Namgem Diamond Manufacturing Company (Pty) Ltd had end of December 2020 as its reporting date. This is two (2) months prior to the reporting date of the Company, which is within the three (3) months permissible difference in reporting periods.

8. Loans to subsidiaries

8.1 Loans to subsidiaries comprise the following balances

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Eumbo Property Investment (Pty) Ltd The loan is interest-free, unsecured and unconditional. This arrangement is reviewed from time to time by the directors.	-	-	20,032,770	20,603,844
Namgem Diamond Manufacturing Company (Pty) Ltd The loan is interest-free, unsecured and unconditional. This arrangement is reviewed from time to time by the directors.	-	-	10,092,382	8,332,571
	-	-	**30,125,152**	**28,936,415**

9. Deferred tax

9.1 The analysis of deferred tax assets and deferred tax liabilities is as follows:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Deferred tax assets:				
- Provisions	945,372	1,180,844	945,372	1,180,844
- Accrued liabilities	1,885,815	-	1,885,815	-
- Lease liabilities	-	-	735,024	815,900
Deferred tax balances from temporary differences other than unused tax losses	2,831,187	1,180,844	3,566,211	1,996,744
Total deferred tax asset	**2,831,187**	**1,180,844**	**3,566,211**	**1,996,744**
Deferred tax liabilities:				
- Property, plant and equipment	(2,481,800)	(3,213,375)	(1,542,174)	(2,378,152)
- Prepaid expenses	(526,811)	(79,715)	(526,811)	(79,715)
- Other temporary differences (unrealised forex)	(1,577,994)	-	(1,577,994)	-
- Right-of-use assets	-	-	(612,173)	(723,478)
Total deferred tax liability	**(4,586,605)**	**(3,293,090)**	**(4,259,152)**	**(3,181,345)**
Total net deferred tax liabilities	**(1,755,418)**	**(2,112,246)**	**(692,941)**	**(1,184,601)**
Deferred tax asset	2,831,187	1,180,844	3,566,211	1,996,744
Deferred tax liability	(4,586,605)	(3,293,090)	(4,259,152)	(3,181,345)
Total net deferred tax liability	**(1,755,418)**	**(2,112,246)**	**(692,941)**	**(1,184,601)**

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9. Deferred tax (continued)

9.2 Reconciliation of deferred tax asset/(liability)

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
At the beginning of the year	(2,112,246)	(3,028,974)	(1,184,601)	(2,247,182)
Reversing/(originating) temporary differences in property, plant and equipment	731,574	647,283	835,978	751,685
(Reversing)/originating temporary differences in provisions	(235,471)	274,665	(235,471)	274,665
(Originating) temporary differences in prepaid expenses	(447,096)	(11,594)	(447,096)	(11,594)
Originating/(reversing) temporary difference on accrued liabilities	1,885,815	6,374	1,885,815	6,374
Taxable temporary differences on unrealised foreign exchange	(1,577,994)	-	(1,577,994)	-
Reversing/(originating) temporary differences in right-of-use assets	-	-	111,304	111,304
(Reversing)/originating temporary differences in lease liabilities	-	-	(80,876)	(69,853)
	(349,728)	**(2,112,246)**	**(692,941)**	**(1,184,601)**

10. Trade and other receivables

10.1 Trade and other receivables comprise:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Trade receivables	-	145,300	-	145,300
Prepaid expenses	1,646,284	254,028	1,646,284	249,100
Deposits	6,399	18,789	2,499	2,499
Value added tax	53,753,727	45,662,652	53,756,366	45,662,652
Other receivables	2,220,420	2,773,064	2,215,096	2,711,991
Total trade and other receivables	**57,626,830**	**48,853,833**	**57,620,245**	**48,771,542**

10.2 Items included in trade and other receivables not classified as financial instruments

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Prepaid expenses	1,646,284	254,028	1,646,284	249,100
Deposits	6,399	18,789	2,499	2,499
Value added tax	53,753,727	45,662,652	53,756,366	45,662,652
Other receivables	2,220,420	2,773,064	2,215,096	2,711,991
Total non-financial instruments included in trade and other receivables	**57,626,830**	**48,708,533**	**57,620,245**	**48,626,242**

Fair value of trade and other receivables

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

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11. Cash and cash equivalents

11.1 Cash and cash equivalents included in current assets

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Cash				
Cash on hand	4,534	2,494	2,880	1,372
Balances with banks	395,011,558	292,226,044	390,745,817	288,466,864
	395,016,092	**292,228,538**	**390,748,697**	**288,468,236**

11.2 Overdrawn cash and cash equivalents included in current liabilities

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Bank overdrafts	-	(36,417)	-	(36,417)
	-	(36,417)	-	(36,417)

11.3 Net cash and cash equivalents

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Current assets	395,016,092	292,228,538	390,748,697	288,468,236
Current liabilities	-	(36,417)	-	(36,417)
	395,016,092	**292,192,121**	**390,748,697**	**288,431,819**

11.4 The balances indicated above are being secured; details of collateral are as follows:

1. Cession and pledges of credit balances N$50,000
2. Cession and pledges of credit balances N$145,000,000
3. Cession of insurance proceeds
4. Cession of sales proceeds
5. Cession of VAT refund proceeds
6. Ministry of Finance customs and excise bank guarantee N$5,000,000
7. Guarantee by Eumbo Property Investment (Pty) Ltd in favour of Standard Bank Namibia for N$41,115,000

11.5 Facilities

1. Direct short-term N$100,000
2. Revolving working capital USD27,000,000
3. VAT financing facility N$50,000,000

Refer to note 35 for exposure to currency risk.

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12. Current tax assets and liabilities

12.1 Current tax assets and liabilities comprise the following balances:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Amounts (payable) / receivable at the beginning of the year	(9,424,945)	(11,416,592)	(9,466,157)	(11,457,804)
Taxation (expense) / credit	(73,663,310)	(29,441,653)	(73,361,680)	(29,295,800)
Less deferred tax included in taxation expense	(190,030)	(916,728)	(491,660)	(1,062,581)
Taxation paid	70,976,012	32,350,028	70,976,012	32,350,028
Amounts receivable / (payable) at the end of the year	**(12,302,273)**	**(9,424,945)**	**(12,343,485)**	**(9,466,157)**
Split between current asset and liability				
Current asset	41,212	41,212	-	-
Current liability	(12,343,485)	(9,466,157)	(12,343,485)	(9,466,157)
	(12,302,273)	**(9,424,945)**	**(12,343,485)**	**(9,466,157)**

13. Issued capital

13.1 Authorised and issued share capital

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Authorised				
4,000 Ordinary shares of N$1.00 each	4,000	4,000	4,000	4,000
	4,000	**4,000**	**4,000**	**4,000**
Issued				
1,000 Ordinary shares of N$1.00 each	1,000	1,000	1,000	1,000
	1,000	**1,000**	**1,000**	**1,000**
Share premium	49,999,000	49,999,000	49,999,000	49,999,000
	50,000,000	**50,000,000**	**50,000,000**	**50,000,000**

13.2 Change in ownership interest

On 26 February 2021, the remaining 50% shareholding in Namgem Diamond Manufacturing Company (Pty) Ltd was acquired for N$2.00 being the nominal value of the issued shares that were held by the Government of the Republic of Namibia. This additional acquisition of the 50% shareholding resulted in the transfer of N$2,725,091 from non-controlling interest (NCI) to retained earnings, which is a distributable reserve.

14. Other non-distributable reserves

14.1 Classification of reserves

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Revaluation reserve on land and buildings	5,877,339	-	-	-
Total reserves	**5,877,339**	-	-	-

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14. Other non-distributable reserves (continued)

14.1 Classification of reserves (continued)

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Composition of revaluation reserve				
Remainder of Erf No. 366 Klein Windhoek	5,615,000			
Erf 2399, Okahandja	262,339			
	5,877,339	-	-	-

14.2 Nature and purpose of reserves

Revaluation of Remainder of Erf No. 336 Klein Windhoek

This property has a market value of N$41,115,000 as determined on 10 June 2022 by an independent property valuer/sworn appraiser, F.A. Frank-Schultz. The value was determined as at 28 February 2022. The value was determined based on the present replacement cost less 10% depreciation costs. This resulted in a revaluation gain of N$5,615,000.

Revaluation of Erf 2399 Okahandja

The property has a market value of N$13,800,000 as determined on 27 April 2021 by an independent property valuer/sworn appraiser, Eaton Property Valuations represented by Mr. Eugene Lofty-Eaton. This resulted in a valuation gain of N$13,381,171. The valuation gains recognised for the Group are N$262,339 after reversing revaluation gains of N$13,118,832 that relate to non-controlling interest (NCI) at acquisition date (27 April 2021).

Subsequently this property was revalued on 18 May 2022, by the same valuator with an estimated market value of N$13,250,000. No adjustment was made to the value of the property relating to this revaluation as this was obtained after the reporting date.

15. Lease liability

15.1 Lease liability comprises:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Minimum lease payments due				
- within one year	-	-	292,623	252,739
- in second to fifth year inclusive	-	-	2,004,327	2,296,950
Present value of minimum lease payments	-	-	**2,296,950**	**2,549,689**
Non-current liabilities	-	-	2,004,327	2,296,950
Current liabilities	-	-	292,623	252,739
	-	-	**2,296,950**	**2,549,689**

15.2 Amounts recognised in the statements of profit or loss and other comprehensive income

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Other expenses and gains				
Interest expense	-	-	359,261	393,708
	-	-	**359,261**	**393,708**

15.3 Amounts recognised in the statements of cash flows

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Total cash outflow for leases	-	-	(252,739)	(218,292)
	-	-	**(252,739)**	**(218,292)**

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16. Financial liabilities

16.1 Financial liabilities comprise:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
At amortised cost				
Commercial property loan - Standard Bank Namibia Ltd	-	7,823,100	-	7,823,100
The loan term is 60 months. Interest is charged at JIBAR (6.80% + Margin of 3%) and is repayable quarterly.	-	**7,823,100**	-	**7,823,100**

Secured by Erf 366 Cnr of Dr Kwame Nkrumah Avenue & Dr Sam Nujoma Drive, Klein Windhoek, Windhoek, Namibia of which the title deed is owned by Eumbo Property Investment (Pty) Ltd, to the value of N$40,165,000. This loan was fully settled on 28 February 2022.

Non-current portion of financial liabilities	-	2,663,100	-	2,663,100
Current portion of financial liabilities	-	5,160,000	-	5,160,000
	-	**7,823,100**	-	**7,823,100**

17. Provisions

17.1 Provisions for employee benefits

Figures in N$	Leave pay provision	Severance pay provision	Total
Balance at 1 March 2021 - Group	**2,802,779**	**1,277,531**	**4,080,310**
Increase in existing provisions	-	208,342	208,342
Provision used	(496,626)	-	(496,626)
Total changes	**(496,626)**	**208,342**	**(288,284)**
Balance at 28 February 2022	**2,306,153**	**1,485,873**	**3,792,026**
Balance at 1 March 2020 - Group	**2,053,189**	**778,620**	**2,831,809**
Acquisitions through business combinations	390,172	-	390,172
Increase in existing provisions	359,418	498,911	858,329
Total changes	**749,590**	**498,911**	**1,248,501**
Balance at 28 February 2021	**2,802,779**	**1,277,531**	**4,080,310**
Balance at 1 March 2021 - Company	**2,412,607**	**1,277,531**	**3,690,138**
Provision used	(520,082)	(215,770)	(735,852)
Total changes	**(520,082)**	**(215,770)**	**(735,852)**
Balance at 28 February 2022	**1,892,525**	**1,061,761**	**2,954,286**
Balance at 1 March 2020 - Company	**2,053,189**	**778,620**	**2,831,809**
Increase in existing provisions	359,418	498,911	858,329
Total changes	359,418	498,911	858,329
Balance at 28 February 2021	**2,412,607**	**1,277,531**	**3,690,138**

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17. Provisions (continued)

17.2 Provisions comprise:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Provisions for employee benefits	3,792,026	4,080,310	2,954,286	3,690,138
Other provisions	-	-	-	-
	3,792,026	**4,080,310**	**2,954,286**	**3,690,138**
Provisions for employee benefits	3,792,026	4,080,310	2,954,286	3,690,138
Current portion	**3,792,026**	**4,080,310**	**2,954,286**	**3,690,138**
	3,792,026	**4,080,310**	**2,954,286**	**3,690,138**

18. Trade and other payables

18.1 Trade and other payables comprise:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Trade creditors	1,246,984	406,151	1,092,115	254,928
Accrued liabilities	6,097,290	502,678	5,893,171	-
SSC control account	19,409	33	19,376	-
Value added tax	-	5,597	-	-
Total trade and other payables	**7,363,683**	**914,459**	**7,004,662**	**254,928**

19. Intercompany payables

19.1 Intercompany payables comprise:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
The NAMDIA Foundation	-	-	10,972,040	4,000,000
	-	**-**	**10,972,040**	**4,000,000**
Non-current portion of intercompany payables	-	-	-	-
Current portion of intercompany payables	-	-	10,972,040	4,000,000
	-	**-**	**10,972,040**	**4,000,000**

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20. Financial instruments - financial assets

20.1 Carrying amount of financial assets by category

	Notes	At amortised cost	Total
Year ended 28 February 2022 - Group			
Trade and other receivables	10	-	-
Cash and cash equivalents	11	395,016,092	**395,016,092**
		395,016,092	**395,016,092**
Year ended 28 February 2021 - Group			
Trade and other receivables	10	145,300	**145,300**
Cash and cash equivalents	11	292,228,538	**292,228,538**
		292,373,838	**292,373,838**
Year ended 28 February 2022 - Company			
Loans to subsidiaries	8	30,125,152	**30,125,152**
Trade and other receivables	10	-	-
Cash and cash equivalents	11	390,748,697	**390,748,697**
		420,873,849	**420,873,849**
Year ended 28 February 2021 - Company			
Loans to subsidiaries	8	28,936,415	**28,936,415**
Trade and other receivables	10	145,300	**145,300**
Cash and cash equivalents	11	288,468,236	**288,468,236**
		317,549,951	**317,549,951**

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21. Financial instruments - financial liabilities

21.1 Carrying amount of financial liabilities by category

	Notes	At amortised cost	Leases	Total
Year ended 28 February 2022 - Group				
Trade and other payables	18	7,344,274	-	**7,344,274**
		7,344,274	-	**7,344,274**
Year ended 28 February 2021 - Group				
Bank loans	16	7,823,100	-	**7,823,100**
Trade and other payables	18	908,829	-	**908,829**
Bank overdraft	11	36,417	-	**36,417**
		8,768,346	-	**8,768,346**
Year ended 28 February 2022 - Company				
Intercompany payables	19	10,972,040	-	**10,972,040**
Lease liabilities	15	-	2,296,950	**2,296,950**
Trade and other payables	18	7,004,651	-	**7,004,651**
		17,976,691	**2,296,950**	**20,273,641**
Year ended 28 February 2021 - Company				
Intercompany payables	19	4,000,000	-	**4,000,000**
Lease liabilities	15	-	2,549,689	**2,549,689**
Bank loans	16	7,823,100	-	**7,823,100**
Trade and other payables	18	254,917	-	**254,917**
Bank overdraft	11	36,417	-	**36,417**
		12,114,434	**2,549,689**	**14,664,123**

22. Revenue

22.1 Revenue comprises:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Sales - rough diamonds at a point in time	1,902,000,898	1,135,371,564	1,902,000,898	1,135,371,564
Other revenue	1,782,015	104,340	-	-
Rent income	592,000	-	-	-
Total revenue	**1,904,374,913**	**1,135,475,904**	**1,902,000,898**	**1,135,371,564**

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22. Revenue (continued)

22.2 Sources of revenue

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Contracts with customers	1,902,592,898	1,135,371,564	1,902,000,898	1,135,371,564
Other non-contract revenue	1,782,015	104,340	-	-
	1,904,374,913	**1,135,475,904**	**1,902,000,898**	**1,135,371,564**

22.3 Unsatisfied performance obligations

There are no unsatistied performance obligations in the current and previous financial period.

23. Cost of sales

23.1 Cost of sales comprises:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Purchases - rough diamonds	1,601,024,842	1,007,514,482	1,601,024,842	1,007,514,482
Diamond selling costs	(197,939)	1,036,475	(197,939)	1,036,475
Discount received	(13,359)	(12,181)	(13,359)	(12,181)
Export levies	19,110,525	11,301,730	19,110,525	11,301,730
Import permit	2,000	218	2,000	218
Transport & shipping charges	368,956	237,734	368,956	237,734
Other cost of sales	7,611	-	7,611	-
Total cost of sales	**1,620,302,636**	**1,020,078,458**	**1,620,302,636**	**1,020,078,458**

24. Other income

24.1 Other income comprises:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Bid documents	6,400	8,000	6,400	8,000
Deposits from applicants	1,812,107	3,942,745	1,812,107	3,942,745
Total other income	**1,818,507**	**3,950,745**	**1,818,507**	**3,950,745**

25. Impairment losses

25.1 Impairment losses comprise:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Intangible assets	-	(30,885,522)	-	-
Investments in Group companies	-	-	(2,282,311)	(30,017,768)
Total impairments	**-**	**(30,885,522)**	(2,282,311)	(30,017,768)

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25. Impairment losses (continued)

25.1 Impairment losses comprise (continued):

Impairment of goodwill

In the prior year the goodwill acquired in the business combination as per Note 34.4 was impaired in full amounting to an impairment loss of N$30,885,522. An impairment is recognised as a loss in the statement of profit and loss and other comprehensive income and as a reduction in the goodwill intangible asset. The amount as a loss is the difference between the asset's current recoverable and its carrying value or amount (i.e., the amount equal to the asset's recorded cost). Refer to note 6 for additional information.

Impairment of investment in subsidiary

The impairment losses relating to the investment in subsidiary (Namgem Diamond Manufacturing Company (Pty) Ltd) is N$2,282,311 (Restated 2021: N$30,017,768). An impairment loss occurs when the carrying amount of the investment exceeds its recoverable amount. Refer to note 7 and note 42 for additional information.

26. Administrative expenses

26.1 Administrative expenses comprise:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Accounting fees	398,340	130,935	308,240	93,325
Annual duty	65,480	65,620	32,660	32,500
Auditor's remuneration - fees	603,322	562,974	555,278	446,549
Bank charges	1,046,129	1,406,087	1,036,068	1,397,074
Computer expenses	578,223	506,379	537,424	458,734
Secretarial fees	35,461	1,900	3,674	1,900
Subscriptions	1,265,685	1,164,723	1,225,685	1,152,291
Telecommunication	909,390	783,524	846,830	713,136
Total administrative expenses	**4,902,030**	**4,622,142**	**4,545,859**	**4,295,509**

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27. Other expenses

27.1 Other expenses comprise:

Figures in N$	Notes	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Advertising		1,479,868	482,939	1,206,806	468,294
Assessment rates and municipal charges		168,263	105,904	-	-
Cleaning		266,929	223,484	266,025	223,484
Consulting fees		1,487,642	1,304,140	1,487,642	1,304,140
Consumables		510,213	113,263	392,170	91,631
Depreciation		6,570,000	7,415,737	6,644,978	7,287,714
Donations - non-tax deductible		(5,392)	34,313	13,368,399	4,034,313
Donations - tax deductible		6,857,827	2,240,337	-	-
Electricity and water		228,405	371,762	-	-
Employee costs - directors' emoluments		1,027,843	1,232,027	1,027,843	1,232,027
Employee costs - salaries, wages, bonuses and other benefits		35,312,487	26,496,225	33,331,454	25,422,642
Entertainment		323,949	273,968	266,763	233,864
General expenses		(767,002)	(2,362)	29,155	31,833
Gifts		-	4,530	-	4,530
Insurance		2,114,708	2,357,109	1,958,860	2,263,458
Legal expense		676,185	300,242	676,185	300,242
Licences		10,000	-	10,000	-
Motor vehicle expenses		79,856	98,749	43,705	31,097
Printing and stationery		146,540	198,167	141,692	198,167
Promotions		479,423	731,367	479,423	731,367
Property related expenses	27.1.1	1,051,520	637,752	618,125	541,193
Repairs and maintenance		265,627	176,736	244,432	172,026
Security		741,972	804,521	645,375	708,132
Staff welfare		641,166	306,990	641,166	306,990
Stamp duty		42,824	14,300	12,651	12,800
Training		136,588	108,367	124,237	102,603
Travel - local		74,773	23,282	24,157	7,500
Travel - overseas		3,861,991	184,874	3,861,991	184,874
Total other expenses		**63,784,205**	**46,238,723**	**67,503,234**	**45,894,921**

27.1.1 Property related expenses comprise:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Equipment	26,716	23,126	7,523	4,272
Municipal charges	556,327	403,290	414,203	325,585
Storage	196,399	211,336	196,399	211,336
	779,442	**637,752**	**618,125**	**541,193**

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28. Other gains and (losses)

28.1 Other gains and (losses) comprise:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Gain or (loss) on disposal of assets	87,300	(11,544)	-	(11,544)
Gain or (loss) on foreign exchange differences on cash and cash equivalents	12,951,870	(9,755,031)	12,951,870	(9,755,031)
Gain or (loss) on foreign exchange differences on statements of profit or loss and other comprehensive income items	(19,657,010)	3,098,254	(19,657,010)	3,098,642
Unrealised gain or (loss) on foreign exchange	-	6,000	-	6,000
Total other gains and (losses)	**(6,617,840)**	**(6,662,321)**	**(6,705,140)**	**(6,661,933)**

29. Profit from operating activities

29.1 Profit from operating activities includes the following separately disclosable items:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Other operating expenses				
Property, plant and equipment				
- Depreciation	6,570,000	7,415,737	6,644,978	7,287,714
Intangible assets				
- Impairment loss	-	30,885,522	-	-
Other (impairment reversals)/impairment				
- Investments in subsidiaries, associates and joint ventures	-	-	2,282,311	30,017,768
Audit fees				
Auditor's remuneration - fees	603,322	562,974	555,278	446,549

30. Interest income

30.1 Interest income comprises:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Interest received	10,130,643	16,107,053	10,026,240	15,972,067
Total finance income	10,130,643	16,107,053	10,026,240	15,972,067

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31. Finance costs

31.1 Finance costs included in profit or loss

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Borrowings	2,214,453	4,260,408	2,214,412	4,260,408
Lease liability	-	-	359,261	393,708
Trade and other payables	(9,277)	2,447	-	-
Taxation payables	155,608	-	155,608	-
Total finance costs	**2,360,784**	**4,262,855**	**2,729,281**	**4,654,116**

32. Income tax expense

32.1 Income tax recognised in profit or loss

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Current tax				
Local income tax - current period	73,853,340	30,358,381	73,853,340	30,358,381
Total current tax	**73,853,340**	**30,358,381**	**73,853,340**	**30,358,381**
Deferred tax				
Originating and reversing temporary differences	(186,890)	(916,728)	(491,660)	(1,062,581)
Arising from prior period adjustments	(3,140)	-	-	-
Total deferred tax	**(190,030)**	**(916,728)**	**(491,660)**	**(1,062,581)**
Total income tax expense	**73,663,310**	**29,441,653**	**73,361,680**	**29,295,800**

32.2 The income tax for the year can be reconciled to the accounting profit as follows:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Profit before tax from operations	218,356,568	42,783,681	209,777,184	61,915,267
Income tax calculated at 32.0%	69,874,102	13,690,778	67,128,699	19,812,885
Tax effect of adjustments on taxable income				
- Permanent difference	3,789,208	15,750,875	6,232,981	9,482,915
Tax charge	**73,663,310**	**29,441,653**	**73,361,680**	**29,295,800**

33. Related parties

33.1 Group companies

Parent company	The Government of the Republic of Namibia
Ultimate parent	The Government of the Republic of Namibia
Subsidiaries	Eumbo Property Investment (Pty) Ltd [Reg No. 2017/0771] – Refer to note 7
	Namgem Diamond Manufacturing Company (Pty) Ltd [Reg No. 1996/0461] – Refer to note 7

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33. Related parties (continued)

33.2 Other related parties

Entity name	Nature of relationship
The NAMDIA Foundation (Non-Profit Association Incorporated Under Section 21) [Reg No. 21/2019/0816]	Founder
B.K.G. Eiseb	Director
J.H. Hausiku	Director
N.S. Shimutwikeni	Director
L.M. Muatunga	Director
Chief Executive Officer	Key Management
Company Secretary & Legal Advisor	Key Management
GM: Finance	Key Management
GM: Sales & Marketing	Key Management
GM: Security & Safety	Key Management
GM: HR & Administration	Key Management

33.3 Compensation paid to key management personnel

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Short-term employee benefits	13,078,583	10,921,603	13,078,583	10,921,603
Total compensation paid to key management personnel	**13,078,583**	**10,921,603**	**13,078,583**	**10,921,603**

33.4 Compensation paid to directors and prescribed officers

Name	Sitting fees	Expense allowance	Total remuneration
2022			
B.K.G. Eiseb	279,311	15,643	294,954
J.H. Hausiku	246,322	15,643	261,965
N.S. Shimutwikeni	246,322	15,643	261,965
L.M. Muatunga	215,863	93,547	309,410
Total compensation paid to directors and prescribed officers	**987,818**	**140,476**	**1,128,294**
2021			
B.K.G. Eiseb	226,953	-	226,953
J.H. Hausiku	205,943	-	205,943
N.S. Shimutwikeni	257,776	-	257,776
L.M. Muatunga	228,047	65,856	293,903
J.V. Pack	247,453	-	247,453
Total compensation paid to directors and prescribed officers	**1,166,172**	**65,856**	**1,232,028**

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33. Related parties (continued)

33.5 Related party transactions and balances

	Government of the Republic of Namibia	Eumbo Property Investments (Pty) Ltd	Namgem Diamond Manufacturers (Pty) Ltd	The NAMDIA Foundation	Total
Year ended 28 February 2022					
Related party transactions					
Dividends declared	(40,000,000)	-	-	-	**(40,000,000)**
Donations	-	-	-	(13,373,791)	**(13,373,791)**
Leases as lessee - commercial rental	-	(612,000)	-	-	**(612,000)**
Leases as lessee - sub-charges	-	(414,203)	-	-	**(414,203)**
Outstanding balances for related party transactions					
Amounts payable	-	-	-	(10,972,040)	**(10,972,040)**
Outstanding loan accounts					
Amounts receivable	-	20,032,770	10,092,382	-	**30,125,152**
Year ended 28 February 2021					
Related party transactions					
Donations	-	-	-	(4,000,000)	**(4,000,000)**
Leases as lessee - commercial rental	-	(612,000)	-	-	**(612,000)**
Leases as lessee - sub-charges	-	(325,584)	-	-	**(325,584)**
Outstanding balances for related party transactions					
Amounts payable	-	-	-	(4,000,000)	**(4,000,000)**
Outstanding loan accounts					
Amounts receivable	-	20,603,844	8,332,571	-	**28,936,415**

34. Business combinations

34.1 Details of acquisition

Name of acquiree	Principal activity	Date of acquisition	Proportion of voting equity interests acquired	
			%	N$
Namgem Diamond Manufacturing Company (Pty) Ltd	The cutting and polishing of diamonds	27 Mar 2020	50	34,795,197
Namgem Diamond Manufacturing Company (Pty) Ltd	The cutting and polishing of diamonds	26 Feb 2021	50	2

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34. Business combinations (continued)

34.1 Details of acquisition (continued)

On 20 December 2018 a deposit of USD925,000 was paid to Lazare Kaplan International Inc. ["LKI"] for the acquisition of 50% of Namgem Diamond Manufacturing Company (Pty) Ltd ["Namgem"]. The remaining deposit was settled on 27 March 2020 once the conditions were met.

On 26 February 2021, the Government of the Republic of Namibia agreed to sell its 50% shareholding in Namgem Diamond Manufacturing Company (Pty) Ltd for a nominal value of N$2.00 to Namib Desert Diamonds (Pty) Ltd.

34.2 Consideration transferred

	Namgem Diamond Manufacturing Company (Pty) Ltd	Total
Cash transferred	34,795,197	34,795,197
Total consideration transferred	**34,795,197**	**34,795,197**

34.3 Assets acquired and liabilities recognised at fair value at the date of acquisition

	Namgem Diamond Manufacturing Company (Pty) Ltd	Total
Non-current assets		
Property, plant and equipment	14,310,000	**14,310,000**
	14,310,000	**14,310,000**
Current assets		
Trade and other current receivables	64,119	**64,119**
Cash and cash equivalents	15,032	**15,032**
	79,151	**79,151**
Non-current liabilities		
Other non-current financial liabilities	(5,670,881)	**(5,670,881)**
	(5,670,881)	**(5,670,881)**
Current liabilities		
Current provisions	(179,550)	**(179,550)**
Trade and other current payables	(719,369)	**(719,369)**
	(898,919)	**(898,919)**
Assets acquired and liabilities recognised at the date of acquisition (i.e. Net Assets)	**7,819,351**	**7,819,351**

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34. Business combinations (continued)

34.4 Goodwill arising on acquisition

	Namgem Diamond Manufacturing Company (Pty) Ltd	Total
Consideration transferred	34,795,197	34,795,197
Plus non-controlling interest	3,909,676	3,909,676
Share capital of subsidiary	(4)	(4)
Share premium of subsidiary	(49,799,486)	(49,799,486)
Opening retained earnings of subsidiary	98,610,368	98,610,368
Current year profit of subsidiary at acquisition	(43,511,396)	(43,511,396)
Revaluation reserve of subsidiary	(13,118,833)	(13,118,833)
Goodwill arising at acquisition	**30,885,522**	**30,885,522**

34.5 Impact of acquisitions on the results of the Group

	Namgem Diamond Manufacturing Company (Pty) Ltd	Total
Profit or loss since acquisition included in results	(2,369,170)	(2,369,170)
Attributable to non-controlling interest	(1,184,585)	(1,184,585)
Attributable to owners of parent	(1,184,585)	(1,184,585)
	(2,369,170)	**(2,369,170)**

34.6 Net cash flow from acquisition of subsidiaries

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Movement in investments in subsidiaries before adjustments	-	-	(30,017,768)	(34,795,197)
Less non-cash items	-	-	30,017,768	19,219,796
Total net cash flow from acquisition of subsidiaries	-	-	-	**(15,575,401)**

34.7 Non-controlling interests

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Non-controlling interest recognised at acquisition date	-	3,909,676	-	-

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35. Financial risk management

Overview

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports quarterly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

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

The Company is exposed to credit risk on loans receivable, trade and other receivables, contract receivables, cash and cash equivalents, loan commitments and financial guarantees.

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

There is minimal credit risk exposure to VAT refunds which are included in trade and other receivables, as the VAT refunds are received within a reasonable time of them being declared as refundable. These refunds are due from Namibia Revenue Agency (NamRA).

		Group 2022		
	Notes	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	10	57,626,830	-	57,626,830
Cash and cash equivalents	11	395,016,092	-	395,016,092
		452,642,922	-	**452,642,922**

		Group 2021		
	Notes	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	10	48,853,833	-	48,853,833
Cash and cash equivalents	11	292,228,538	-	292,228,538
		341,082,371	-	**341,082,371**

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35. Financial risk management (continued)

			Company 2022	
	Notes	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	10	57,620,245	-	57,620,245
Cash and cash equivalents	11	390,748,697	-	390,748,697
		448,368,942	-	**448,368,942**

			Company 2021	
	Notes	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	10	48,771,542	-	48,771,542
Cash and cash equivalents	11	288,468,236	-	288,468,236
		337,239,778	-	**337,239,778**

Liquidity risk

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

The Company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings.

Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at credible banking institutions.

Figures in N$	Notes	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Current liabilities					
Trade and other payables	18	7,363,683	914,459	7,004,651	254,928
Intercompany payables	19	-	-	10,972,040	4,000,000
		7,363,683	**914,459**	**17,976,691**	**4,254,928**

			Group 2022		
	Notes	Less than 1 year	2-5 years	Total undiscounted cash flows	Carrying amount as per financial statements
Non-current					
Lease liability	16	-	-	-	-
Financial liabilities	16	-	-	-	-
		-	-	-	-
Current					
Lease liability	15	-			-
Financial liabilities	16	-	-	-	-
Trade and other payables	18	7,363,683	-	7,363,683	7,363,683
Intercompany payables	19	-	-	-	-
		7,363,683	-	**7,363,683**	**7,363,683**
		7,363,683	-	**7,363,683**	**7,363,683**

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35. Financial risk management (continued)

		Group 2021			
	Notes	Less than 1 year	2-5 years	Total undiscounted cash flows	Carrying amount as per financial statements
Non-current					
Lease liability	15	-	-	-	-
Financial liabilities	16	-	2,698,546	2,698,546	2,663,100
		-	**2,698,546**	**2,698,546**	**2,663,100**
Current					
Lease liability	15	-	-	-	-
Financial liabilities	16	5,489,816	-	5,489,816	5,160,000
Trade and other payables	18	914,459	-	914,459	914,459
Intercompany payables	19	-	-	-	-
		6,404,275	**-**	**6,404,275**	**6,074,459**
		6,404,275	**2,698,546**	**9,102,821**	**8,737,559**

		Company 2022			
	Notes	Less than 1 year	2-5 years	Total undiscounted cash flows	Carrying amount as per financial statements
Non-current					
Lease liability	15	-	-	-	2,004,327
Financial liabilities	16	-	-	-	-
		-	**-**	**-**	**2,004,327**
Current					
Lease liability	15	612,000		612,000	292,623
Financial liabilities	16	-	-	-	-
Trade and other payables	18	7,004,651	-	7,004,651	7,004,651
Intercompany payables	19	10,972,040	-	10,972,040	10,972,040
		18,588,691	**-**	**18,588,691**	**18,269,314**
		18,588,691	**-**	**18,588,691**	**20,273,641**

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35. Financial risk management (continued)

		Company 2021			
	Notes	Less than 1 year	2-5 years	Total undiscounted cash flows	Carrying amount as per financial statements
Non-current					
Lease liability	15	-	3,366,000	3,366,000	2,296,950
Financial liabilities	16	-	2,698,546	2,698,546	2,663,100
		-	**6,064,546**	**6,064,546**	**4,960,050**
Current					
Lease liability	15	612,000	-	612,000	252,739
Financial liabilities	16	5,489,816	-	5,489,816	5,160,000
Trade and other payables	18	254,928	-	254,928	254,928
Intercompany payables	19	4,000,000	-	4,000,000	4,000,000
		10,356,744	-	**10,356,744**	**9,667,667**
		10,356,744	**6,064,546**	**16,421,290**	**14,627,717**

Currency risk

The Company trades in US Dollars by acquiring diamonds in US Dollars from its supplier and by selling diamonds in US Dollars to its customers. The Company has three US Dollar denominated bank accounts which it uses for trading in diamonds. At year end all US Dollar suppliers were paid in full and no amounts were outstanding from US Dollar customers. At year end the US Dollar bank accounts were translated to Namibian Dollars as the entity presents its annual financial statements in Namibian Dollars. Realised and unrealised foreign currency exchange gains/losses arise of the commodity (rough diamonds) being traded in US Dollars and the market-to-market of any balances in the US Dollar denominated bank accounts.

Exposure in Namibian Dollars

The Company settles all its operating expenses and tax expenses in Namibian Dollars. Due to the fact that the Company earns a majority of its income in US Dollars but settles its operating expenses and tax expenses in Namibian Dollars, it is exposed to foreign currency risk when it transfers money from its US Dollar denominated bank accounts to Namibian Dollars. Refer to note 28 for realised foreign currency gains (losses).

The net carrying amounts, in Namibian Dollars, of the various exposures, are denominated in the following currencies. The amounts have been presented in Namibian Dollars by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar exposure

Figures in N$	Notes	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Current assets					
FNB CFC Account, USD 1,419 (2021: USD 1,419)	11	21,574	20,623	21,574	20,623
RMB CFC Account, USD 591,881 (2021: 591,881)	11	63,602,343	8,600,034	63,602,343	8,600,034
		63,623,917	**8,620,657**	**63,623,917**	**8,620,657**

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35. Financial risk management (continued)

Exchange rates

	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Namibian Dollar per unit of foreign currency				
US Dollar	15.200	14.530	15.200	14.530

Interest rate risk
Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the Company is comprised of different instruments (credit cards, short-term financing for commodity acquisition, property financing loans etc.), which bear interest at floating interest rates. The ratio of the fixed component and the variable component within the floating rate instruments in the debt portfolio is monitored and managed. Interest rates on all borrowings compare favourably with those rates available in the market.

The Company policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

Interest rate sensitivity analysis
The interest rate sensitivity is immaterial, therefore it will not be disclosed.

Price risk
The Company is not exposed to price risk as it does not invest in investments subject to price risk, does not have any financial guarantees, does not have any equity instruments or holdings of equity in another entity or any other financial instruments exposed to price risk.

This note explains the Group's and Company's exposure to financial risks and how these risks could affect the Group's and Company's future financial performance. Current year profit and loss information has been included where relevant to add further context.

36. Capital management

The Group's and Company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Group and Company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the Group may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

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36. Capital management (continued)

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

Figures in N$	Notes	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Financial liabilities	16	-	7,823,100	-	7,823,100
Lease liability	15	-	-	2,296,950	2,549,689
Trade and other payables	18	7,363,683	914,459	7,004,651	254,928
Total borrowings		**7,363,683**	**8,737,559**	**9,301,601**	**10,627,717**
Cash and cash equivalents	11	(395,016,092)	(292,192,121)	(390,748,697)	(288,431,819)
Net borrowings		**(387,652,409)**	**(283,454,562)**	**(381,447,096)**	**(277,804,102)**
Share capital	13	1,000	1,000	1,000	1,000
Share premium	13	49,999,000	49,999,000	49,999,000	49,999,000
Retained earnings		450,527,918	345,834,660	434,206,685	337,791,170
Total equity		**500,527,918**	**395,834,660**	**484,206,685**	**387,791,170**
Gearing ratio		**-77 %**	**-72 %**	**-79 %**	**-72 %**

37. Cash flows from operating activities

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Profit for the year	**218,356,568**	**42,783,681**	**209,777,184**	**43,691,671**
Adjustments for:				
Finance income	(10,130,643)	(16,107,053)	(10,026,240)	(15,972,067)
Finance costs	2,360,784	4,262,855	2,729,281	4,654,116
Depreciation and amortisation expense	6,570,000	7,415,737	6,644,978	7,287,714
Impairment losses and reversal of impairment losses recognised in profit or (loss)	-	30,885,522	2,282,311	30,017,768
Gain or (loss) on foreign exchange differences on cash and cash equivalents	(12,951,870)	9,755,031	(12,951,870)	9,755,031
Movements for provisions	(288,284)	(285,684)	(735,852)	858,329
Non-cash losses on disposal of non-current assets	-	11,544	-	11,544
Non-cash revaluations on property, plant and equipment	(262,339)	(13,118,833)	-	-
Unrealised (gain)/loss on foreign exchange	-	6,000	-	6,000
Change in operating assets and liabilities:				
Adjustments for decrease / (increase) in trade accounts receivable	145,300	(145,300)	145,300	(145,300)
Adjustments for increase in other operating receivables	(9,470,941)	(7,418,116)	(8,994,004)	(7,860,786)
Adjustments for increase / (decrease) in trade accounts payable	840,833	(44,469)	837,187	(191,726)
Adjustments for increase / (decrease) in other operating payables	5,928,871	633,291	5,912,547	(177,964)
Adjustments for increase in intercompany payables	-	-	6,972,040	4,000,000
Net cash flows from operations	**201,098,279**	**58,634,206**	**202,592,862**	**75,934,330**

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38. Dividend paid

38.1 Dividend paid is calculated as follows:

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Dividend declared	(40,000,000)	-	(40,000,000)	-
	(40,000,000)	-	**(40,000,000)**	-
Dividend paid cash flows are classified as follows:				
Financing cash flow	(40,000,000)	-	(40,000,000)	-
	(40,000,000)	-	**(40,000,000)**	-

39. Income tax paid

39.1 Income tax paid

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Amounts receivable / (payable) at the beginning of the year	(9,424,945)	(11,416,592)	(9,466,157)	(11,457,804)
Amounts (receivable) / payable at the end of the year	12,302,273	9,424,945	12,343,485	9,466,157
Taxation expense (credit)	(73,663,310)	(29,441,653)	(73,361,680)	(29,295,800)
Less deferred tax included in taxation expense	(190,030)	(916,728)	(491,660)	(1,062,581)
	(70,976,012)	**(32,350,028)**	**(70,976,012)**	**(32,350,028)**
Income tax cash flows are classified as follows:				
Operating cash flow	(70,976,012)	(32,350,028)	(70,976,012)	(32,350,028)
	(70,976,012)	**(32,350,028)**	**(70,976,012)**	**(32,350,028)**

40. Cash flow calculations

40.1 Proceeds from sales of property, plant and equipment

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Proceeds from sales of property, plant and equipment before adjustments	19,284,535	(11,023)	-	(11,023)
Transfers from property, plant and equipment to investment property	(19,197,235)	-	-	-
Other non-cash impact	-	11,544	-	11,544
	87,300	521	-	521

40.2 Purchase of property, plant and equipment

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Purchase of property, plant and equipment before adjustments	(284,224)	(821,660)	(284,225)	(821,660)
	(284,224)	**(821,660)**	**(284,225)**	**(821,660)**

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40. Cash flow calculations (continued)

40.3 Goodwill acquired through business combination

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Purchase of intangible assets before adjustments	-	(30,885,522)	-	-
Other non-cash impact	-	30,885,522	-	
	-	-	-	-

40.4 Loans to subsidiaries

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Movement in loans to subsidiaries before adjustments	-	-	(1,188,737)	(7,835,608)
Other non-cash impact	-	-	-	5,587,880
	-	-	**(1,188,737)**	**(2,247,728)**

40.5 Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2022 Group

Figures in N$	Opening balance	New leases	Interest	Cash outflow	Total movements	Closing balance
Other financial liabilities measured as fair value	7,823,100	-	758,335	(6,049,976)	(5,291,641)	-
Lease liability	-	-	-	-	-	-
	7,823,100	-	**758,335**	**(6,049,976)**	**(5,291,641)**	-
Total liabilities from financing activities	**7,823,100**	-	**758,335**	**(6,049,976)**	**(5,291,641)**	-

Reconciliation of liabilities arising from financing activities - 2021 Group

Figures in N$	Opening balance	New leases	Interest	Cash outflow	Total movements	Closing balance
Other financial liabilities measured as fair value	13,114,741	-	758,335	(6,049,976)	(5,291,641)	7,823,100
Lease liability	-	-	-	-	-	-
	13,114,741	-	**758,335**	**(6,049,976)**	**(5,291,641)**	**7,823,100**
Total liabilities from financing activities	**13,114,741**	-	**758,335**	**(6,049,976)**	**(5,291,641)**	**7,823,100**

The tables above detail changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes. Liabilities arising from the financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

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40. Cash flow calculations (continued)

40.5 Changes in liabilities arising from financing activities (continued)

Reconciliation of liabilities arising from financing activities - 2022 Company

Figures in N$	Opening balance	Interest	Cash outflow	Total movements	Closing balance
Other financial liabilities measured as fair value	7,823,100	758,335	(6,049,976)	(5,291,641)	-
Lease liability	2,549,689	359,261	(612,000)	(252,739)	2,296,950
	10,372,789	**1,117,596**	**(6,661,976)**	**(5,544,380)**	**2,296,950**
Total liabilities from financing activities	**10,372,789**	**1,117,596**	**(6,661,976)**	**(5,544,380)**	**2,296,950**

Reconciliation of liabilities arising from financing activities - 2021 Company

Figures in N$	Opening balance	Interest	Cash outflow	Total movements	Closing balance
Other financial liabilities measured as fair value	13,114,741	758,335	(6,049,976)	(5,291,641)	7,823,100
Lease liability	2,767,981	393,708	(612,000)	(218,292)	2,549,689
	15,882,722	**1,152,043**	**(6,661,976)**	**(5,509,933)**	**10,372,789**
Total liabilities from financing activities	**15,882,722**	**1,152,043**	**(6,661,976)**	**(5,509,933)**	**10,372,789**

The tables above detail changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes. Liabilities arising from the financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

41. Contingent liabilities and contingent assets

41.1 Bravo Compliance (Pty) Ltd

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Estimated financial effect	1,000,000	1,000,000	1,000,000	1,000,000

The contingent liability relates to a legal proceeding instituted by Bravo Compliance against NAMDIA for the payment of alleged invoices and damages for a contract award that was cancelled by NAMDIA. The likelihood of the reimbursement of N$1,000,000 (2021: N$1,000,000) claimed by Bravo Compliance is considered to be remote, and no outflow of economic benefits is expected.

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42. Prior period error

The following prior period error was corrected in the current year. The effect of the error is disclosed below.

42.1 Impairment of the investment in subsidiary

In the prior period, the recoverable amount of the investment in the a subsidiary [Namgem Diamond Manufacturing Company (Pty) Ltd] was incorrectly calculated due the incorrect timing of the expected future cash flows from the subsidiary used in the calculation.

This revision will result in an additional impairment on investment in subsidiary of N$18,223,596 in the prior period, and the total impairment that should be recognised in the prior period should be N$30,017,768. This change is considered material and necessitated the restatement of the prior period. The impact on each line item of the annual financial statements will be as follows:

Extracts from the Statement of Financial Position	Group		Company	
	2021	2021 (Restated)	2021	2021 (Restated)
Assets				
Non-current assets				
Investment in subsidiary	-	-	36,807,876	18,584,280
Equity and liabilities				
Equity				
Retained income	345,834,660	345,834,660	356,014,766	337,791,170

Extracts from the Statement of Profit or Loss and Other Comprehensive Income	Group		Company	
	2021	2021 (Restated)	2021	2021 (Restated)
Impairment losses	(30,885,522)	(30,885,522)	(2,282,311)	(30,017,768)

Extracts from the Notes to the Consolidated and Separate Annual Financial Statements	Group		Company	
	2021	2021 (Restated)	2021	2021 (Restated)
7. Investment in subsidiaries				
7.1 The amounts included on the statements of financial position comprise the following:				
Investments in subsidiaries	-	-	36,807,876	18,584,280
Investments in subsidiaries	-	-	**36,807,876**	**18,584,280**
Eumbo Property Investment (Pty) Ltd			13,806,851	13,806,851
Cost			13,806,851	13,806,851
Namgem Diamond Manufacturing Company (Pty) Ltd			23,001,025	4,777,429
Cost			34,795,197	34,795,197
Accumulated impairment			(11,794,172)	(30,017,768)
			36,807,876	**18,584,280**

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42.1 Impairment of the investment in subsidiary (continued)

Extracts from the Notes to the Consolidated and Separate Annual Financial Statements	Group		Company	
	2021	2021 (Restated)	2021	2021 (Restated)
25. Impairment losses				
25.1 Impairment losses comprise:				
Intangible assets	(30,885,522)	(30,885,522)	-	-
Investments in Group companies	-	-	(2,282,311)	(30,017,768)
Total impairments	**(30,885,522)**	**(30,885,522)**	**(2,282,311)**	**(30,017,768)**

43. Going concern

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

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Detailed Income Statement

Figures in N$	Notes	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Revenue	22				
Other revenue - donations received		1,782,015	104,340	-	-
Rent income		592,000	-	-	-
Sales - rough diamonds recognised at a point in time		1,902,000,898	1,135,371,564	1,902,000,898	1,135,371,564
		1,904,374,913	**1,135,475,904**	**1,902,000,898**	**1,135,371,564**
Cost of sales	23				
Diamond selling costs		197,939	(1,036,475)	197,939	(1,036,475)
Diamond valuation costs		(7,611)	-	(7,611)	-
Discount received		13,359	12,181	13,359	12,181
Export levies		(19,110,525)	(11,301,730)	(19,110,525)	(11,301,730)
Import permit		(2,000)	(218)	(2,000)	(218)
Purchases - rough diamonds		(1,601,024,842)	(1,007,514,482)	(1,601,024,842)	(1,007,514,482)
Transport and shipping charges		(368,956)	(237,734)	(368,956)	(237,734)
		(1,620,302,636)	**(1,020,078,458)**	**(1,620,302,636)**	**(1,020,078,458)**
Gross profit		**284,072,277**	**115,397,446**	**281,698,262**	**115,293,106**
Other income	24				
Bid documents		6,400	8,000	6,400	8,000
Deposits from applicants		1,812,107	3,942,745	1,812,107	3,942,745
Impairments and reversals	25				
Impairments and reversals - investments		-	(30,885,522)	(2,282,311)	(30,017,768)
Administrative expenses	26				
Accounting fees		(398,340)	(130,935)	(308,240)	(93,325)
Annual duty		(65,480)	(65,620)	(32,660)	(32,500)
Auditor's remuneration - fees		(603,322)	(562,974)	(555,278)	(446,549)
Bank charges		(1,046,129)	(1,406,087)	(1,036,068)	(1,397,074)
Computer expenses		(578,223)	(506,379)	(537,424)	(458,734)
Secretarial fees		(35,461)	(1,900)	(3,674)	(1,900)
Subscriptions		(1,265,685)	(1,164,723)	(1,225,685)	(1,152,291)
Telecommunication		(909,390)	(783,524)	(846,830)	(713,136)
		(4,902,030)	**(4,622,142)**	**(4,545,859)**	**(4,295,509)**
Other expenses	27				
Advertising		(1,479,868)	(482,939)	(1,206,806)	(468,294)
Assessment rates and municipal charges		(168,263)	(105,904)	-	-
Cleaning		(266,929)	(223,484)	(266,025)	(223,484)
Consulting fees		(1,487,642)	(1,304,140)	(1,487,642)	(1,304,140)

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Detailed Income Statement

Figures in N$	Notes	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Consumables		(510,213)	(113,262)	(392,170)	(91,631)
Depreciation - property, plant and equipment		(6,570,000)	(7,415,737)	(6,644,978)	(7,287,714)
Donations		(6,857,827)	(2,240,337)	-	-
Electricity and water		(228,405)	(371,762)	-	-
Employee costs - directors		(1,027,843)	(1,232,027)	(1,027,843)	(1,232,027)
Employee costs - salaries		(35,312,487)	(26,496,225)	(33,331,454)	(25,422,642)
Entertainment		(323,949)	(273,969)	(266,763)	(233,864)
General expenses		767,002	2,362	(29,155)	(31,833)
Gifts		-	(4,530)	-	(4,530)
Insurance		(2,114,708)	(2,357,109)	(1,958,860)	(2,263,458)
Legal expense		(676,185)	(300,242)	(676,185)	(300,242)
Licences		(10,000)	-	(10,000)	-
Motor vehicle expenses		(79,856)	(98,749)	(43,705)	(31,097)
Printing and stationery		(146,540)	(198,167)	(141,692)	(198,167)
Promotions		(479,423)	(731,367)	(479,423)	(731,367)
Property related expenses		(1,051,520)	(637,752)	(618,125)	(541,193)
Repairs and maintenance		(265,627)	(176,736)	(244,432)	(172,026)
Security		(741,972)	(804,521)	(645,375)	(708,132)
Sponsorship - non-tax deductible		5,392	(34,313)	(13,368,399)	(4,034,313)
Staff welfare		(641,166)	(306,990)	(641,166)	(306,990)
Stamp duty		(42,824)	(14,300)	(12,651)	(12,800)
Training		(136,588)	(108,367)	(124,237)	(102,603)
Travel - local		(74,773)	(23,282)	(24,157)	(7,500)
Travel - overseas		(3,861,991)	(184,874)	(3,861,991)	(184,874)
		(63,784,205)	**(46,238,723)**	**(67,503,234)**	**(45,894,921)**
Other gains and losses	28				
Forex gain or loss - cash and cash equivalents		12,951,870	(9,755,031)	12,951,870	(9,755,031)
Forex gain or loss - non-cash assets		(19,657,010)	3,104,254	(19,657,010)	3,104,642
Gain or loss on sale - property, plant and equipment		87,300	(11,544)	-	(11,544)
		(6,617,840)	**(6,662,321)**	**(6,705,140)**	**(6,661,933)**
Profit from operating activities	29	**210,586,709**	**30,939,483**	**202,480,225**	**32,373,720**
Finance income	30				
Interest received		10,130,643	16,107,053	10,026,240	15,972,067

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Detailed Income Statement

Figures in N$	Notes	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Finance costs	31				
Borrowings		(2,214,453)	(4,260,408)	(2,214,412)	(4,260,408)
Lease liability		-	-	(359,261)	(393,708)
Taxation payables		(155,608)	-	(155,608)	-
Trade and other payables		9,277	(2,447)	-	-
		(2,360,784)	**(4,262,855)**	**(2,729,281)**	**(4,654,116)**
Profit before tax		**218,356,568**	**42,783,681**	**209,777,184**	**43,691,671**
Income tax	32				
Current tax		(73,853,340)	(30,358,381)	(73,853,340)	(30,358,381)
Deferred tax		190,030	916,728	491,660	1,062,581
		(73,663,310)	**(29,441,653)**	**(73,361,680)**	**(29,295,800)**
Profit for the year		**144,693,258**	**13,342,028**	**136,415,504**	**14,395,871**

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Value Added Statement

"Value added" is the measure of wealth the Company has created in its operations by "adding value" to the costs of products and services. The statement below summarises the total wealth created and shows how it was shared by the employees and other parties who contributed to its creation. Also set out below is the amount retained and re- invested in the Company for the replacement of assets and the further development.

	Group		Group		Group	
	2022 N$	2022 %	2021 N$	2021 %	2020 N$	2020 %
VALUE ADDED						
Value added by operating activities						
Revenue	1,904,374,913		1,135,475,904		1,959,148,635	
Bought - in materials and services	(1,646,078,541)		(1,066,680,856)		(1,783,359,724)	
Other income	1,818,507		3,950,745		2,300	
Other operating gains (losses)	(6,617,840)		(6,662,321)		(3,297,320)	
	253,497,039	**96**	**66,083,472**	**80**	**172,493,891**	**92**
Value added by investing activities						
Investment income	10,130,643		16,107,053		15,667,440	
	10,130,643	**4**	**16,107,053**	**20**	**15,667,440**	**8**
Total value added	**263,627,682**	**100**	**82,190,525**	**100**	**188,161,331**	**100**
VALUE DISTRIBUTED						
To pay employees						
Salaries, wages, medical and other benefits	36,340,330		27,728,252		25,741,357	
	36,340,330	**14**	**27,728,252**	**34**	**25,741,357**	**(14)**
To pay providers of capital						
Finance costs	2,360,784		4,262,855		5,578,057	
	2,360,784	**1**	**4,262,855**	**5**	**5,578,057**	**3**
To pay Government						
Income tax	73,853,340		30,358,381		59,707,596	
	73,853,340	**28**	**30,358,381**	**37**	**59,707,596**	**32**
To be retained in the business for expansion and future wealth creation:						
Value reinvested						
Depreciation, amortisation and impairments	6,570,000		7,415,737		6,647,604	
Deferred tax	(190,030)		(916,728)		(4,710,454)	
	6,379,970	**2**	**6,499,009**	**8**	**1,937,150**	**1**
Value retained						
Retained profit	144,693,258		17,251,703		95,249,097	
	144,693,258	**55**	**17,251,703**	**21**	**95,249,097**	**51**
Total value distributed	**263,627,682**	**100**	**86,100,200**	**105**	**188,213,257**	**100**

Namib Desert Diamonds (Proprietary) Limited

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Three Year Financial Summary

	Group 2022	Group 2021	Group 2020
CONDENSED BALANCE SHEET			
Fixed assets	78,975,735	79,143,766	76,981,489
Net current assets/(liabilities)	429,184,940	321,466,232	312,585,182
	508,160,675	**400,609,998**	**389,566,671**
Deferred taxation	(1,755,418)	(2,112,246)	(3,028,974)
Long term liabilities	(4,586,605)	(5,956,190)	(11,883,519)
Total net assets	**501,818,652**	**392,541,562**	**374,654,178**
FINANCED BY			
Share capital	1,000	1,000	1,000
Share premium	49,999,000	49,999,000	49,999,000
Retained income	450,527,918	345,834,660	328,582,957
	500,527,918	**395,834,660**	**378,582,957**
CONDENSED INCOME STATEMENT			
Turnover	1,904,374,913	1,135,475,904	1,959,148,635
Profit before taxation	218,356,568	42,783,681	150,194,313
Taxation	(73,663,310)	(29,441,653)	(54,945,217)
Profit for the period	**144,693,258**	**13,342,028**	**95,197,171**
Retained income for the period	**144,693,258**	**13,342,028**	**95,197,171**
CONDENSED STATEMENT OF CASH FLOWS			
Cash flow from operating activities	137,892,126	38,128,376	113,178,554
Cash flow from investing activities	(196,924)	(821,660)	(11,804,599)
Cash flow from financing activities	(47,823,100)	(8,016,732)	(85,241,567)
	89,872,102	**29,289,984**	**16,132,388**
FINANCIAL RATIOS			
Liquidity ratios			
Current ratio	19.26	17.35	16.52
Quick ratio	19.26	17.35	16.52
Profitability %			
Return on operating assets	36.46%	3.96%	28.69%
Profit for the year	144,693,258	13,342,028	95,249,096
Return on equity	36.55%	3.52%	26.22%
Gross margin	14.92%	10.16%	10.68%

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Ratio Analysis

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Liquidity ratios				
Current ratio	19.26	17.35	13.36	14.75
Acid test ratio	19.26	17.35	13.36	14.75
Asset management ratios				
The asset management analysis consists of the calculation of five ratios:				
Receivables turnover – collection period	37.50	26.82	37.49	26.85
Days sales in receivables	10.62	14.83	10.63	14.81
Days purchases in creditors	1.59	0.30	1.51	0.09
Profitability ratios				
Gross profit margin	14.92%	10.16%	14.81%	10.15%
Return on operating assets	36.46%	3.96%	36.16%	9.82%
Profit for the year	144,693,258	13,342,028	136,415,504	32,619,467

Income Tax Computation

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Profit before tax	**218,356,568**	**42,783,681**	**209,777,184**	**61,915,267**
Add back non-tax deductible expenditures				
Consulting fees - capital in nature	-	510,349	-	510,349
Depreciation per statements of profit or loss and other comprehensive income	6,570,000	7,415,737	6,644,978	7,287,714
Donations and sponsorships	6,852,435	2,274,650	13,368,399	4,034,313
General expenses	(794,807)	(34,195)	1,350	-
Interest on lease liability	-	30,885,522	359,261	393,708
Interest on tax accounts	155,608	-	155,608	-
Impairment on investment in subsidiary	-	-	2,282,311	30,017,768
Legal expenses	676,185	300,242	-	300,242
Loss/(gains) on diposal of assets	(87,300)	11,544	-	11,544
Stamp duty	42,824	14,300	12,651	12,800

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Income Tax Computation

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Deduct specific tax-deductible expenditure, non-taxable income				
Wear and tear	(528,038)	(1,433,751)	(528,038)	(1,433,751)
Rent paid (remove IFRS16 adjustments)	(612,000)	(612,000)	(612,000)	(612,000)
Building allowance [s17(1)(f)]	(326,259)	(326,259)	-	-
	(1,466,297)	**(2,372,010)**	**(1,140,038)**	**(2,045,751)**
Other temporary difference				
Severance pay provision (CY)	1,485,873	1,277,531	1,061,761	1,277,531
Severance pay provision (PY)	(1,277,531)	(778,620)	(1,277,531)	(778,620)
Conditional accrued expenses (CY)	5,893,171	-	5,893,171	-
Forex unrealised gains (CY)	-	6,000	-	6,000
Forex unrealised gains (PY)	(6,000)	-	(6,000)	-
Unrealised forex gains/losses - Bank (CY)	(4,931,232)	9,755,031	(4,931,232)	9,755,031
Unrealised forex gains/losses - Bank (PY)	1,005,279	-	1,005,279	-
Prepaid expenses (CY)	(1,646,284)	249,100	(1,646,284)	249,100
Prepaid expenses (PY)	(249,100)	(212,877)	(249,100)	(212,877)
Leave pay provision (CY)	2,306,153	2,802,779	1,892,525	2,412,607
Leave pay provision (PY)	(2,802,779)	(2,053,189)	(2,412,607)	(2,053,189)
	(222,450)	**11,045,755**	**(670,018)**	**10,655,583**
Computed income for the year	**230,082,766**	**92,835,575**	**230,791,686**	**94,869,941**
Assessed loss brought forward	(2,352,592)	(2,352,592)	-	-
Taxable income	**227,730,174**	**90,482,983**	**230,791,686**	**94,869,941**
Normal tax	**73,853,340**	**30,358,381**	**73,853,340**	**30,358,381**
Deferred tax	(190,030)	(916,728)	(491,660)	(1,062,581)
Total per statements of profit or loss and other comprehensive income	**73,663,310**	**29,441,653**	**73,361,680**	**29,295,800**

Figures in N$	Group 2022	Group 2021	Company 2022	Company 2021 (Restated)
Total tax for the year	**73,663,310**	**29,441,653**	**73,361,680**	**29,295,800**
Provisional tax - 1st payment	(19,856,894)	-	(19,856,894)	-
Provisional tax - 2nd payment	(41,652,960)	(20,892,224)	(41,652,960)	(20,892,224)
Provisional tax - 3rd payment	(9,466,157)	(11,457,804)	(9,466,157)	(11,457,804)
Deferred tax	190,030	916,728	491,660	1,062,581
(Debit) / credit balance brought forward	9,424,945	11,416,592	9,466,157	11,457,804
Total per statement of financial position - (asset) / liability	**12,302,273**	**9,424,945**	**12,343,485**	**9,466,157**

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