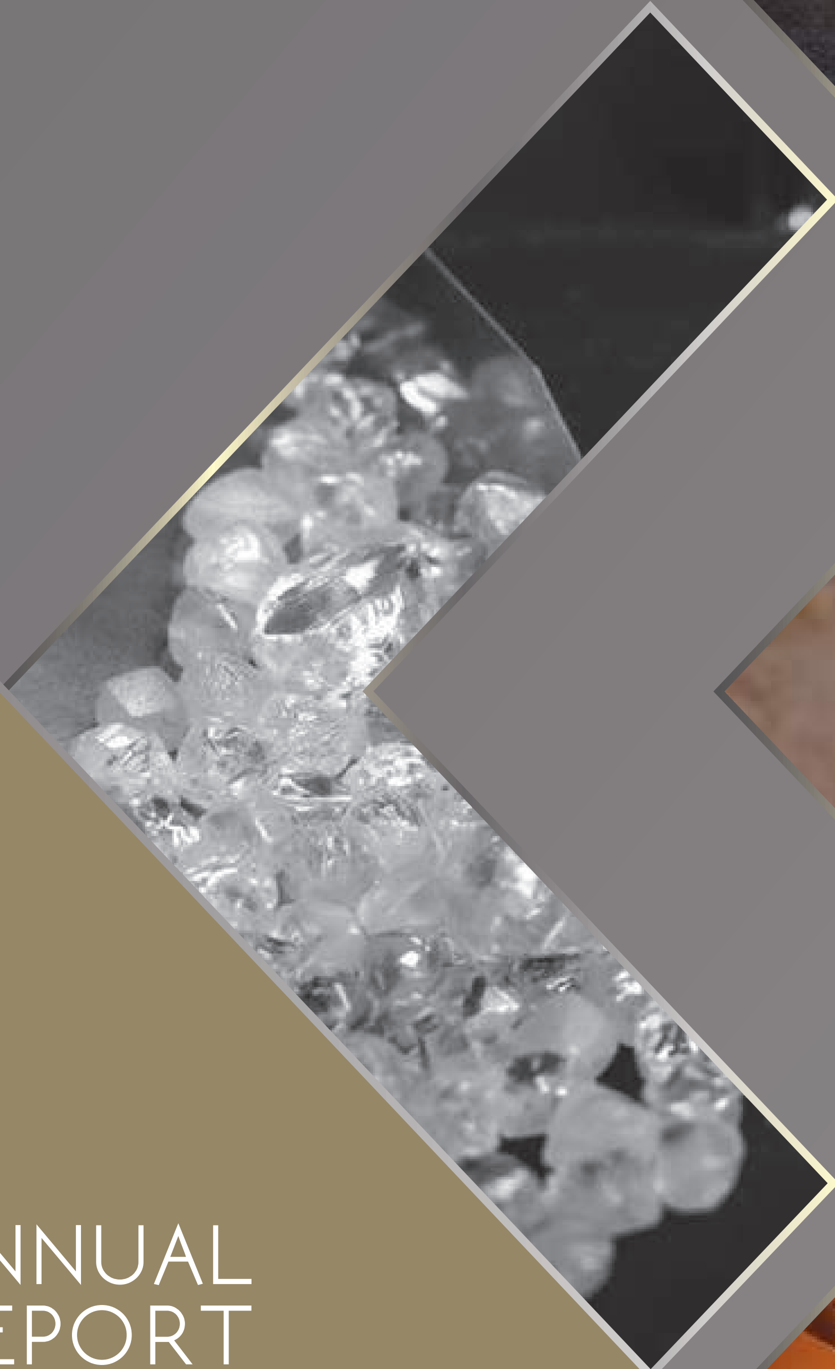
NAMDIA
NAMIB DESERT DIAMONDS (PTY) LTD



ANNUAL REPORT

2022/2023

"To encourage our people to aspire for greater achievements, it is essential that we create a **lasting legacy** that instills a sense of hope in our country."

President of the Republic of Namibia,
His Excellency, Dr. Hage Geingob

During his visit to the NAMDIA Headquarters

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1 About Us

1. About Us

1.1 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.

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 the manufacture of jewellery.

1.2 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
- Build expertise and enable local participation in the entire diamond value chain

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

The Fish River Canyon in the south of Namibia, the second largest canyon in the world

2 Message from the Chairperson

2 > Message from the Chairperson

Bryan Eiseb
Chairperson, NAMDIA Board

On behalf of the Board of Directors, I am pleased to present the Annual Report of Namib Desert Diamonds (Pty) Ltd (NAMDIA) for the financial year 1 March 2022 to 28 February 2023. The report has been prepared pursuant to articles 100 and 101 of the Articles of Association and in compliance with the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019).

NAMDIA's mission is to market, sell and create opportunities for local value addition to Namibian rough diamonds. I invite our stakeholders to reflect on NAMDIA's activities, operations, finances and achievements during the financial year within the context of global trends and factors impacting the diamond industry, such as the Environmental, Social and Governance (ESG) agenda and the future of Artificial Intelligence (AI).

I remain confident of NAMDIA's ability to actively participate, thrive and improve our ranking among the world's exporters of gem quality diamonds.

Overview of the Current Global Diamond Industry

Given the fact that the international marketplace shows a great demand for Namibian rough diamonds, we closely monitor global trends and adjust our strategies accordingly. We have observed that several factors, such as the COVID-19 pandemic, lab-grown diamonds, technological advancements and current global geo-political tensions, have impacted the global diamond industry. Nevertheless, we are pleased to note a rebound in the diamond industry. We are particularly interested in the recovery of rough diamond sales, which increased by more than 60 percent in 2021, with Russia, Canada and Botswana leading the way in production.

However, we are aware of the current shortage of rough diamonds in the international market due to the ongoing Russia-Ukraine conflict and resultant sanctions on Russian-produced diamonds. Despite these challenges and uncertainties in the diamond industry, we see an opportunity to increase our market share and meet the growing demand for Namibian rough diamonds in the international market. Thus, we remain committed to analysing, planning and adjusting our strategies to ensure that we continue to be a valuable player in the domestic and global diamond industry.

The Future of Artificial Intelligence in the Diamond Industry

The use of Artificial Intelligence (AI) has greatly impacted various industries, including the diamond industry. At NAMDIA, we are exploring the potential of AI to sort rough diamonds based on their size, shape and clarity, which will make branding and marketing of Namibian diamonds more accurate and traceable. In the future, AI is expected to be used for diamond identification, supply chain management and customer engagement. AI-powered machines can accurately identify lab-grown diamonds, preventing them from being sold as natural diamonds. Additionally, integrating blockchain technology with AI can enhance the transparency and traceability of the supply chain, reducing the risk of fraud and unethical practices.

At NAMDIA, we prioritise the promotion of sustainable, ethical and high-quality natural Namibian diamonds, while mitigating risks for our consumers. AI-powered chatbots can provide instant answers to customer queries, making the buying process more efficient and personalised. We recognise the significant role technology plays in achieving our objectives and are open to investing in and integrating the latest technologies.

NAMDIA's Performance

The Board is pleased to report that NAMDIA is making significant progress towards achieving its strategic goals as outlined in the Integrated Strategic Business Plan 2022 – 2026. Our hybrid selling method, which includes direct sales and competitive bidding, has helped NAMDIA diversify its business model and has led to exceptional results, as highlighted in the financial report.

Our Commitment to Sustainable Development

Our mission is to use natural resources as a means of promoting sustainable development and economic growth for all Namibians. We aim to achieve this by maximising the value of Namibian diamonds in a sustainable manner. As part of this mission, we established the NAMDIA Foundation Bursary Scheme in honour of Zacharias Lewala, a Namibian worker who discovered a diamond in Lüderitz in 1908. This scheme will provide funding for tertiary education for fourteen (14) students from previously disadvantaged communities in Namibia, who have gained admittance into institutions of higher learning in Namibia and SADC. The Board approved an amount of N$20 million to support the activities of the NAMDIA Foundation for the financial year under review.

Strengthening Our Organisational Capacity

The Board has successfully completed its restructuring process to improve the company's organisational capacity.

We have developed a new organisational structure that aligns with the Integrated Strategic Business Plan, ensuring continuity and successful execution of the strategy. Alisa Amupolo was appointed as Chief Executive Officer from 1 October 2022 to 30 September 2027, and the Board has complete confidence in her competence, skills and expertise to successfully lead NAMDIA with a more stakeholder-centric orientation.

Additionally, NAMDIA has reduced its Executive Management structure from six to three members. With the retirement of some executives and the contract expiration of others, we have recruited two new executives to support the CEO in implementing the Integrated Strategic Business Plan. The Executive Management team is now fully staffed to support, implement and position NAMDIA as a model public enterprise known for superior governance and exceptional performance.

Optimisation of Corporate Governance and Internal Processes

As per the requirements of section 14 of the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019), the Board has submitted its Annual Business and Financial Plan to the Minister of Finance and Public Enterprises. Moreover, the Board held its Annual General Meeting with its shareholder within the timelines stipulated in the Companies Act, 2008 (Act No. 71 of 2008), and the Public Enterprises Governance Act. The Board has also approved various policies and procedures to ensure that operational processes are established effectively.

Looking Ahead: Key Focus Areas for 2023/2024

We remain steadfast in pursuit of our objective and work towards it by executing diverse programmes, one of which involves increasing NAMDIA's purchase entitlement to benefit Namibia and her people. Our aspiration to enable and capacitate Namibians in the cutting and polishing of Namibian diamonds will shift our strategic focus to give preference and make our Namibian diamonds available to companies with a presence in Namibia and that employ Namibians.

This approach will enhance existing efforts and align NAMDIA with the "Growth at Home Strategy" and the Minerals Beneficiation Policy. In addition, by implementing technology, we will meet the industry's demand for improved transparency and reduced mine-to-market timelines, lower financing costs throughout our operations, and obtain better results.

The ESG Agenda

At NAMDIA, we are committed to upholding our economic, social and environmental responsibilities, while also making a positive and long-lasting impact on the communities and environment in which we operate. We believe that leveraging new technologies will help us achieve our Environmental, Social and Governance (ESG) goals and ensure a greener operational environment. We aim to integrate digital tracking solutions to enable retailers to track a Namibian diamond's journey from acquisition to sale, thereby boosting consumer confidence. This will help restore the industry's credibility by addressing past concerns about unethical mining practices in conflict regions.

Transforming Our Corporate Culture

With the streamlining of Executive Management and the addition of new positions as part of our restructuring process, NAMDIA is embarking on a cultural transformation journey that will harness the value of all employees individually and create synergies among business units to ensure the effective, efficient, and most importantly, ethical execution of our mandate. We are committed to embedding a corporate culture that is driven by NAMDIA values and characterised by zero tolerance for corruption and other ill practices.

Acknowledgments

On behalf of the Board, I extend our heartfelt appreciation to the Minister of Finance and Public Enterprises. We are also grateful for the guidance and collaboration of the Minister of Mines and Energy, who has graciously extended an open-door policy to us. In addition, we acknowledge all the other Ministries that have assisted NAMDIA in its operations.

Furthermore, we would like to thank all our stakeholders and look forward to continuing to foster mutually beneficial relationships. We are indebted to our faithful clients, who have shown unwavering commitment to our relationship, especially during the introduction of our new sales method.

Finally, the Board recognises that the success of NAMDIA is directly linked to the hard work of all our employees, commonly referred to as NAMDIANS. We sincerely thank our dynamic workforce for their energy and unparalleled commitment to driving our business forward. Together, we have made remarkable progress during the past year. Through collective and concerted efforts, we endeavour to build a legacy of which Namibia can be proud.

Bryan Eiseb
Chairperson

"NAMDIA's hybrid selling method, which includes direct sales and competitive bidding, has helped us diversify our business model and led to **exceptional results** for the 2022/2023 financial year."

Bryan Eiseb
Chairperson

Himba woman near Kamanjab in Northern Namibia

3 Chief Executive Officer's Report

3 > Chief Executive Officer's Report

Alisa Amupolo
Chief Executive Officer, NAMDIA

I am proud to report on the operations of NAMDIA for the financial year 1 March 2022 to 28 February 2023. The year was truly a remarkable one, with NAMDIA achieving record growth and the best financial results since its establishment in 2016.

Building on the achievements of the past seven years, the Integrated Strategic Business Plan, launched at the beginning of the reporting period, sees NAMDIA perfectly poised to chart a new path of growth and success. We are confident that our innovative strategies and the unparalleled beauty and quality of Namibian diamonds will continue to create value for our shareholder and the Namibian people.

Overview of the Diamond Industry

The diamond industry is a significant contributor to the global economy, with a rich history and culture dating back centuries. In Namibia, the diamond industry makes up 40 percent of export revenue, and in 2022, it contributed 6 percent to GDP and 9 percent to government revenue. Despite its fair share of challenges in recent years, the diamond industry remains brilliant and resilient.

In 2022, various factors, including geopolitical events, the after-effects of the COVID-19 pandemic, evolving consumer preferences, and technological advancements, drove trends in the diamond market. In addition, the industry continued to be impacted by the growing lab-grown diamond market.

Among these factors, the Russia-Ukraine war had a significant impact on global market dynamics. The conflict impacted consumer spending in the USA and China, the biggest markets for diamond jewellery. On the other hand, however, the conflict shifted sourcing demand, which together with inventory restocking in the midstream post-COVID-19, helped to create favourable market conditions, driving up prices and demand.

The industry continued to strengthen its Environmental, Social and Governance (ESG) credentials. In the coming years, the ESG agenda is set to become even more integral to the natural diamond purchase journey, as consumers increasingly prioritise sustainability and ethics in addition to design, quality and price, when choosing diamonds.

Going forward, the signing of a new ten-year sales agreement between De Beers and the Government of the Republic of Botswana could have wider significance for the Namibian and global diamond industry.

NAMDIA Performance

The 2022/2023 financial year saw NAMDIA's strongest performance since inception, with revenue reaching N$3.1 billion, an astounding 63 percent increase compared to last year's revenue of N$1.9 billion. Several factors contributed to this strong performance, chief among them the introduction of the competitive bidding sales channel as part of NAMIDIA's innovative new sales strategy. Coupled with exceptionally high demand and prices in the first half of 2022, this new strategy enabled NAMDIA to record its highest margins since inception, achieving 15.2 percent above Standard Selling Value (SSV). NAMDIA concluded nine (9) sales during the period under review, with its purchase entitlement increasing by 24.9 percent, from 222,978 carats in the previous year to 278,609 carats.

This was made possible by the 46 percent increase in Namibia's rough diamond production, from 1.467 million carats in 2021 to 2.137 million carats in 2022, mainly due to the inauguration of the diamond recovery vessel, Benguela Gem, which enabled Debmarine Namibia to up production by 52 percent, from 1.137 million carats in 2021 to 1.725 million carats in 2022. In addition, the treatment of higher-grade ore at Namdeb's land operations drove up rough diamond production.

Value Creation for Our Shareholder

We are pleased to announce that NAMDIA declared a dividend of N$150 million to our shareholder, the Government of the Republic of Namibia, after assessing the results of the 2021/2022 financial year. This is a significant increase compared to the previous year's dividend of N$40 million.

Our People

At NAMDIA, we place great importance on fostering an environment in which employees can thrive and are optimally engaged, challenged, empowered and enabled to deliver superior organisational and individual performance. Our diverse workforce, with a balanced gender distribution across all levels and departments, is reflective of NAMDIA's commitment to gender equality and inclusivity.

To support an engaged and innovative workforce, NAMDIA continuously invests in employee training and development and fosters a culture of lifelong learning and knowledge sharing. Such investment not only benefits individual employees, but also contributes to the overall growth and success of the organisation.

The NAMDIA Employee Study Scheme, which supports the educational needs and aspirations of employees, is one example of our commitment to employee growth and development.

Making an Impact through the NAMDIA Foundation

Since NAMDIA's inception in 2016, the organisation has invested over N$40 million in Corporate Social Responsibility (CSR) initiatives. The NAMDIA Foundation, which was established in 2018, lent a structured approach to our CSR initiatives and highlighted the power of Namibian diamonds to drive positive change and enhance the lives of Namibians.

Every year, 2 to 5 percent of NAMDIA's gross profits are channeled into community development initiatives through the Foundation. During the reporting period, a total of N$5.6 million was invested in a variety of projects, including the launch of our annual bursary scheme to support the tertiary education of disadvantaged Namibians.

Going forward, we remain committed to contributing to the advancement and prosperity of our fellow Namibians and alleviating the country's most pressing social issues. As we continue to expand our CSR efforts, we foresee recruiting a dedicated team to manage the operations and programmes of the NAMDIA Foundation.

Safety and Security

Safety and Security are paramount to NAMDIA's reputation as an ethical diamond company that adheres to stringent security measures to protect the integrity and value of our diamonds. We are proud of our record of zero incidents and zero loss of diamonds since the inception of the company.

In addition to ensuring the protection of the NAMDIA community, our Safety and Security team plays a critical role in safeguarding all aspects of NAMDIA's operations. By identifying potential threats to the business and remaining up to date with the fast-changing diamond industry and crime prevention trends, the team also ensures that NAMDIA stays ahead of potential risks and offers timely advice to Management to support a secure and resilient operational environment.

Information and Communication Technology

By leveraging cutting-edge technologies and implementing robust cybersecurity measures, NAMDIA remains at the forefront of digital innovation in the diamond industry. Our investment in Information and Communication Technology (ICT) has not only improved the security posture of the organisation, but also enhanced operational efficiencies, productivity and resilience.

During the reporting period, the company implemented several ICT initiatives with a specific focus on enhancing security, including a sophisticated Artificial Intelligence-powered cybersecurity system, and a world-class email security and anti-spam solution. Throughout the reporting period, our ICT systems maintained an impressive uptime and availability rate of 99.5 percent, thereby supporting uninterrupted operations and enabling us to serve our stakeholders effectively and efficiently.

Properties

NAMDIA manages its properties through the subsidiary company Eumbo Property Investment (Pty) Ltd. In January 2019, we acquired the erf adjacent to NAMDIA's head office in Dr. Kwame Nkrumah Avenue. After having to postpone the property's development due to the COVID-19 pandemic, an internal committee has begun work on concepts for an office of collaboration, innovation and co-creation in line with NAMDIA's strategic objectives. The aim is to capture increased value from Namibian diamonds for our shareholder and stakeholders, and to drive excellence in the Namibian diamond industry.

Procurement

NAMDIA carries out its procurement activities in line with the Public Procurement Act, 2015 (Act No. 15 of 2015). In order to strengthen NAMDIA's procurement processes and ensure full compliance with the Act, we are in the process of establishing a Procurement Management Unit, with the new position of a Procurement Officer set to be filled early in the 2023/2024 financial year.

Public Relations and Stakeholder Engagement

Over the past year, NAMDIA executed a comprehensive and strategic public relations (PR) programme with the aim of enhancing brand reputation, engaging key stakeholders, and fostering positive sentiment. In addition, the company refined its corporate messaging framework to ensure consistent and impactful communication.

Measurement and evaluation strategies are vital for assessing the effectiveness of PR efforts and identifying areas for improvement. By leveraging data-driven insights, NAMDIA was able to refine its PR strategies to ensure alignment with business objectives and to deliver measurable results.

Moving forward, we remain committed to adapting our PR strategies to the evolving media landscape and stakeholder expectations. We aim to leverage emerging communication channels, embrace innovative storytelling techniques, and prioritise transparency to further enhance NAMDIA's brand reputation, strengthen stakeholder relationships and drive sustainable growth.

Conclusion

In closing, I would like to acknowledge our shareholder, the Government of the Republic of Namibia, as well as the Ministry of Mines and Energy, and the Ministry of Finance and Public Enterprises for their ongoing guidance and support.

My sincere gratitude goes to the Board of Directors for their visionary leadership and expert counsel as I took up the mantle of CEO in October 2022 and learned to navigate the highly-specialised diamond industry. I would also like to thank Executive Management and our staff for their unwavering commitment, and our loyal clients for continuing to carry our premium product worldwide.

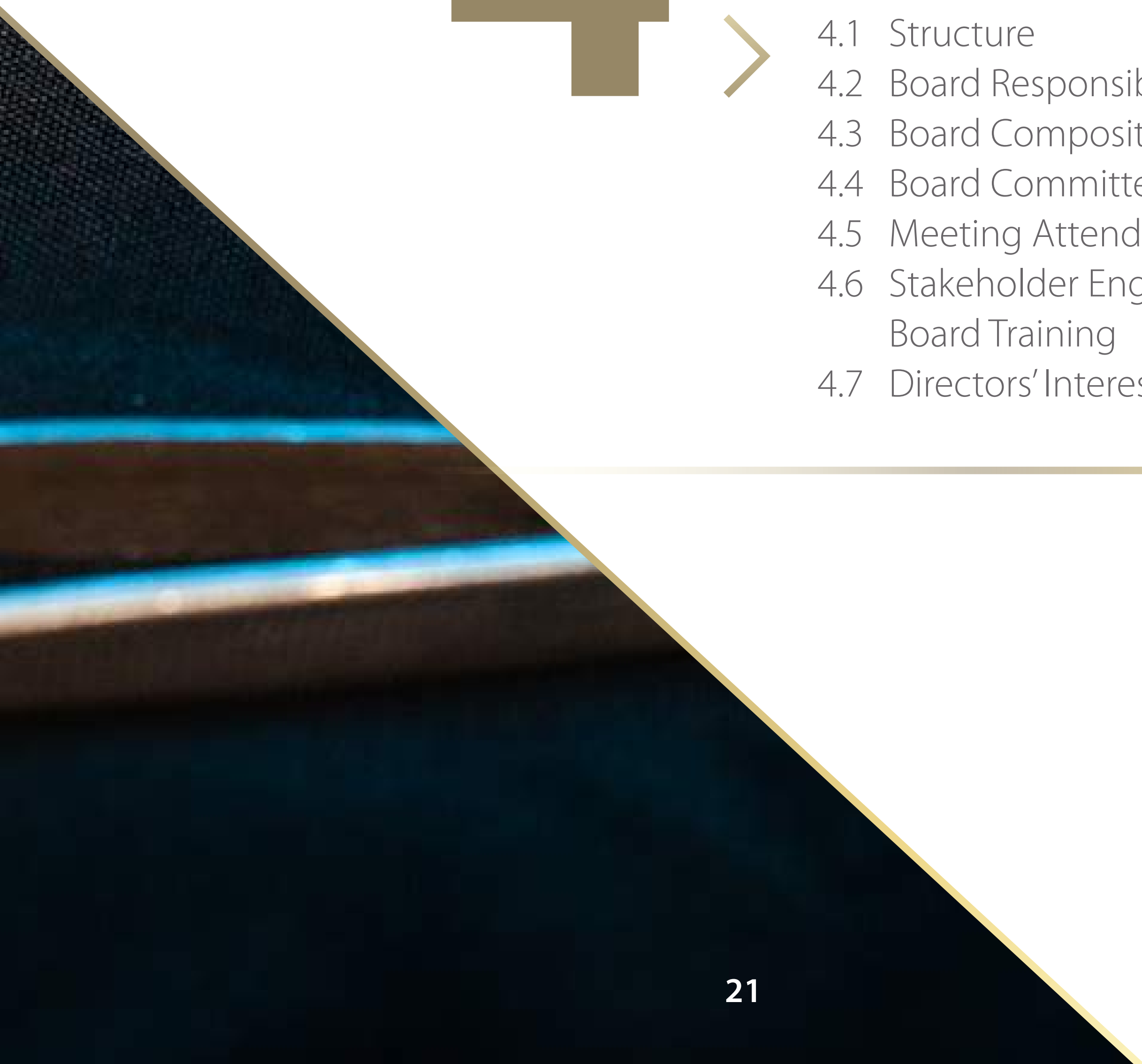
I feel privileged for having been entrusted to add value to Namibia's economy and her people. My team and I are committed to fulfilling our mandate with superior governance, transparency and credibility, and are confident that Namibian diamonds – called the Queen of Diamonds for their exceptional beauty and brilliance – will help to build a brighter and inclusive future for all Namibians.

Alisa Amupolo
Chief Executive Officer

"The 2022/2023 financial year saw NAMDIA's **strongest performance** since inception, with revenue reaching N$3.1 billion."

Alisa Amupolo
Chief Executive Officer

4 Corporate Governance



4. Corporate Governance

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).

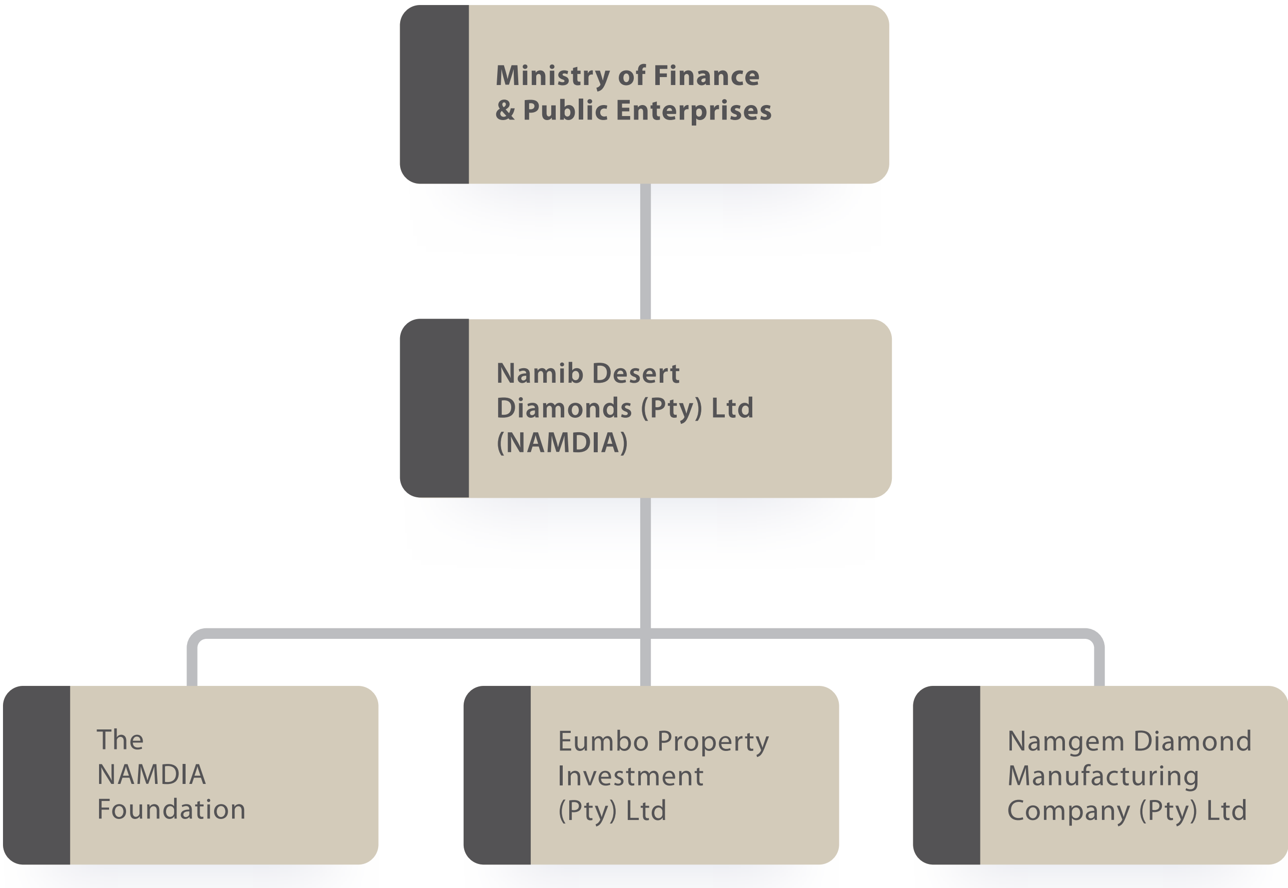
NAMDIA's Integrated Strategic Business Plan and sound corporate governance practices are designed to support the delivery of our mandate by ensuring that all functions are executed ethically, professionally and with integrity.

We entrench good corporate governance principles and ethics into our values and corporate culture, which in turn enables our employees to execute the NAMDIA strategy ethically, responsibly, fairly and professionally.

4.1 Structure

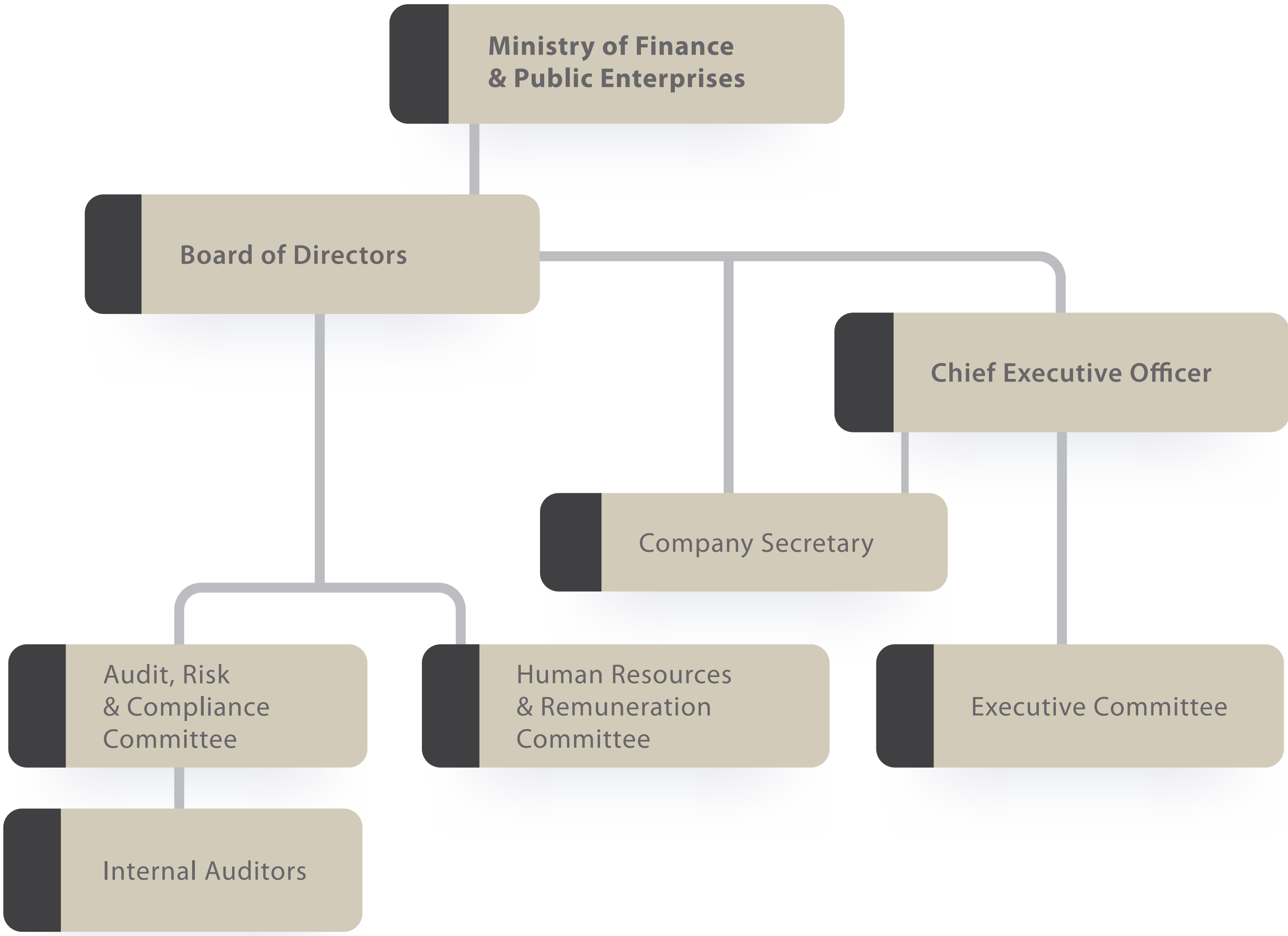
Legal and ownership structure

Registered under the Companies Act, 2004 (No. 28 of 2004) in 2016, Namib Desert Diamonds (Pty) Ltd (NAMDIA) is a commercial public enterprise with a mandate to market and sell diamonds on behalf of the Government of the Republic of Namibia.



Governance structure

Responsibility for good governance is entrusted to 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.



4.2 Board Responsibilities

As the focal point and custodian of corporate governance, the Board of Directors is responsible for setting and steering NAMDIA's strategy and culture. Board members are collectively and individually accountable for their ethical and effective leadership of NAMDIA.

The Board is accountable and responsible to NAMDIA's shareholder, the Government of the Republic of Namibia, through the Ministry of Finance and Public Enterprises.

To create and sustain value for our stakeholders, the Board commits to good corporate governance, employs suitably qualified and diversified leaders, manages the business ethically and transparently, and strives to maintain NAMDIA's reputation as a responsible corporate citizen.

The Board's primary roles and responsibilities are outlined in the Board Charter:

- Provide effective leadership based on the ethical values of responsibility, accountability, fairness and transparency
- Ensure compliance with all relevant laws, regulations and codes
- Ensure good corporate governance
- Direct the company by formulating and reviewing the company's policies, strategies and major plans of action
- Review risk and risk policies, approve annual budget and business plans, set performance objectives, monitor the implementation of approved strategies and oversee corporate performance
- Control the company by laying down a code of conduct, overseeing the process of disclosure and communications, ensuring that appropriate systems for financial control, reporting and monitoring risk are in place, and evaluating the performance of management and directors
- Create, protect and enhance the wealth and resources of the company and report to the shareholder on the company's performance in a timely and transparent manner

The Board is satisfied that it has fulfilled its responsibilities during the year under review in accordance with the Board Charter.

4.3 Board Composition and Term

The Minister of Finance and Public Enterprises, in consultation with the Minister of Mines and Energy, appoints the NAMDIA Board for a term of three (3) years. Since the Board's tenure came to an end during the period under review, the Minister of Finance and Public Enterprises extended the Board members' terms until 31 March 2023.

Board Composition 2022/2023

Name	Position	Effective Date	End of Term
B. Eiseb	Chairperson	12 December 2022	31 March 2023
L. Muatunga	Director	01 June 2022	30 November 2022*
S. Shimutwikeni	Director	12 December 2022	31 March 2023
J. Hausiku	Director	12 December 2022	31 March 2023

** Term further extended to 31 March 2023*

The Board has since been reappointed for another term, effective from 01 May 2023 to 30 April 2026.

4.4 Board Committees

The Board of Directors appoints two (2) Board committees to assist it with discharging its duties and responsibilities:

- 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 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.

To ensure oversight of significant strategic and operational matters, the Board reviews the mandate and Terms of Reference of each committee when the need arises. The Board committees are chaired by independent non-executive directors and are constituted of a minimum of three (3) members with the necessary combination of knowledge, skills, experience and capacity. The committees report to the Board through their respective chairpersons.

Board Committee Membership 2022/2023

Name	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.

Independence

Unitary board of four 100% independent non-executive directors

Gender Diversity

50% Women
50% Men

Tenure

3-year term
All current directors serving 2nd term

Board Expertise

Law – **2 directors**
Business & Strategic Management – **4 directors**
Leadership – **4 directors**
Accounting – **1 director**
Human Resources – **1 director**

4.5 Meeting Attendance

During the financial year under review, the Board held three (3) ordinary meetings and one (1) extraordinary meeting, at which the annual financial statements were considered. The Board committees held four (4) meetings each.

The Board and committees achieved a nearly 100 percent attendance rate at scheduled meetings, which is indicative of the directors' commitment to realising NAMDIA's strategic objectives and fulfilling its mandate.

Meeting Attendance 2022/2023

Director	B. Eiseb	L. Muatunga	J. Hausiku	S. Shimutwikeni
Board (4)	4	4	4	3
Audit, Risk & Compliance Committee (4)	-	4	4	4
Human Resources & Remuneration Committee (4)	-	4	4	4
Annual General Meeting (1)	-	1	1	1
Total	**4**	**13**	**13**	**12**

4.6 Stakeholder Engagement and Board Training

During the year under review, the Board attended two (2) industry shows, namely the JGT Dubai Exhibition and JGW Singapore. Together with NAMDIA Management and the Minister of Mines and Energy, three (3) directors paid a courtesy visit to the Okavango Diamond Company.

NAMDIA's Key Accounts Manager provided the Board with essential knowledge and training on the diamond industry.

4.7 Directors' Interests in Contracts

During the financial year, NAMDIA did not enter into any contracts in which the directors had an interest or which significantly affected the business of NAMDIA.

The Atlantic Ocean where 80% of Namibia's diamonds are sourced

Elephants at Etosha National Park

5 Market Development, Sales and Branding

5. Market Development, Sales and Branding

5.1 Market Conditions

The diamond industry began 2022 with a healthy balance between supply and demand, with diamond trade riding the wave of a recovery from the COVID-19 pandemic due to increasing demand and strong earnings in the retail sector during the 2021 holiday season.

However, from February 2022 onwards, the Russia-Ukraine crisis disrupted trade and resulted in supply shortages, as historically, Russia is the largest diamond producer in the world by volume. In 2021, Alrosa, a Russian group of diamond mining companies, accounted for 31 percent of global rough diamond production, with an even greater share in select categories such as small goods, particularly top-quality melee, where it accounted for over 50 percent of supply.

As supply shortages were experienced throughout the rough diamond market, compounded by strong demand for non-Russian rough diamonds, lower rough diamond production, changes in rough diamond distribution, and reduced manufacturing resulting from COVID-19, there was a strong upward price movement of both rough and polished diamonds.

During the second quarter of 2022, high inflation in the United States, the biggest consumer of diamonds, and a resurgence of COVID-19 in China, which prompted restrictions on movement and commerce, placed additional pressure on the diamond industry. Together with the Russia-Ukraine war, these factors affected global economic sentiment and, in turn, demand for diamonds. Despite these challenges, US consumer spending on jewellery remained steady.

The sanctions on Russia highlighted the importance of provenance and traceability, that is, being able to identify the source of origin of a diamond, with consumers increasingly willing to pay more for responsibly-sourced diamonds.

The industry also experienced an increase in the production of lab-grown diamonds, which has an impact on the production of and demand for natural diamonds. Lab-grown diamonds are more affordable than natural diamonds, making them an attractive choice for consumers, and giving rise to sustainability concerns within the natural diamond industry.

5.2 Sales

During the financial year, NAMDIA's purchase entitlement increased by 24.9 percent to 278,609 carats, mostly due to the increased production of Namibian diamonds made possible by the inauguration of the Benguela Gem, Debmarine Namibia's N$7-billion diamond recovery vessel, in March 2022.

NAMDIA held nine (9) sales during the reporting period. The average buying price was US$581 per carat and the average selling price US$669 per carat, translating to margins of 15.2 percent above Standard Selling Value (SSV) in the 2022/2023 financial year.

The double-digit margins, the company's highest since its establishment seven (7) years ago, are attributed to the strong performance of the diamond industry during the first half of the year and the diversification of NAMDIA's sales channels to include competitive bidding.

NAMDIA's new hybrid selling method is made up of 60 percent direct sales and 40 percent competitive bidding, and serves to optimise and obtain the best sales value for Namibian diamonds. The first competitive bidding sale was held in February 2022.

NAMDIA entered into a Joint Venture agreement with one of its clients, Samir Gems, to allow NAMDIA to follow diamonds from 'mine to market' and share in the proceeds from the sale of polished diamonds. The once-off agreement opened a door into the downstream market, and going forward, similar opportunities will be explored in pursuit of NAMDIA's price discovery mandate.

Sales Highlights at a Glance

36 Clients

9 Sales

278,609 carats

Purchase entitlement

US$581 per carat

Average buying price

US$669 per carat

Average selling price

Sales channels

60%

Direct sales

40%

Competitive bidding

Margin above SSV

15.2%

5.3 Clients

After undergoing the selection process in line with NAMDIA's Client Selection Policy, NAMDIA increased its client base from sixteen (16) clients to thirty-six (36) clients in March 2022. The clients represent most of the diamond trading centres across the globe, namely India, Dubai, Belgium, Israel, Namibia and the United States.

5.4 Public Relations

In the 2022/2023 financial year, NAMDIA's public relations (PR) strategy focused on building strong relationships with the media, and implementing policies to effectively convey corporate messaging and manage its reputation in the face of evolving challenges.

NAMDIA took a proactive approach to media engagement, establishing robust connections with journalists across various industries. By issuing media releases and extending invitations to external events, the company secured coverage in prominent print, broadcast and online media. The resulting increased visibility and broader reach contributed to the enhancement of the NAMDIA brand.

The company also placed a strong emphasis on refining its corporate messaging framework to ensure consistent and impactful communication. By emphasising its mission, values and unique differentiators, NAMDIA effectively conveyed its strategic initiatives and social responsibility efforts to stakeholders. Through media releases, speeches and digital platforms, the company engaged with stakeholders and fostered a deeper understanding of and connection with the NAMDIA brand.

NAMDIA's PR initiatives extended beyond media engagement to include a broader stakeholder community. Clients, employees and other key stakeholders were actively engaged through various channels, such as social media and stakeholder engagement events. These efforts strengthened relationships, built brand advocates, and enhanced NAMDIA's reputation as a responsible corporate citizen.

During the reporting period, NAMDIA also implemented comprehensive measurement and evaluation strategies to assess the effectiveness of its PR efforts. These strategies included monitoring media coverage through Meltwater, conducting sentiment analysis, and evaluating social media engagement to gauge the impact of PR campaigns and identify areas for improvement.

Media highlights included the announcement of the company's new client list and the declaration of a dividend of N$150 million for the 2021/2022 financial year. Notable engagements included interactions with journalists from various newspapers, visits from government officials, including from His Excellency, Dr. Hage G. Geingob, and the Governor of the Bank of Namibia, as well as NAMDIA's first exhibition outside the country at the JGW in Singapore.

5.5 Outlook

Maximising value from Namibian diamonds

Going forward, NAMDIA will continue to undertake price discovery in the global diamond market, with a view to benchmark the true value of Namibian diamonds. By continuing to explore new markets and pursue co-branding opportunities with niche and reputable brands, NAMDIA aims to strengthen the position of Namibian diamonds as a luxury product of a higher quality and thus a higher market value. Ultimately, the objective is to establish brand awareness and acceptance of Namibian diamonds to be able to fetch higher premiums and generate maximum value.

Refining our sales strategy

As NAMDIA enters the second year of implementing its Integrated Strategic Business Plan, the current sales strategy will be reviewed using an integrated approach. The reviewed sales strategy will provide a roadmap for securing steady, long-term revenue through alignment with the company's overall business goals, acquiring new clients, and exploring and leveraging new business opportunities in the evolving environment within which NAMDIA operates.

Capitalising on opportunities

As consumers, brands and environmentally and socially conscious suppliers are placing increasing importance on source verification, diamond provenance initiatives have become a priority in the industry. In addition to increasing its storytelling appeal, providing customers with the original source of a diamond communicates that it is a real, natural and conflict-free diamond.

This development is boosted by the availability of new technologies that make verifiable tracking of a diamond through the supply chain a reality. In the past, enacting traceability chain-of-custody programmes for diamonds seemed unfeasible, as diamonds change hands several times before reaching the consumer.

Downstream value addition

Eumbo Star

In March 2022, NAMDIA and Samir Gems entered into a Joint Venture agreement to bring an exceptionally-sized Namibian rough diamond weighing 37.67 carats to the global downstream market. This was a first for the Namibian diamond industry.

After polishing, the 15.06 carat round-brilliant cut diamond was graded by the world's foremost authority on diamonds, the Gemological Institute of America (GIA). Further GIA certification indicated the diamond's origin, giving great provenance to Namibia.

The exceptionally-graded diamond – named the Eumbo Star – was valuated at U$1.5 million (roughly N$26 million at the time), highlighting a price appreciation of 59 percent from rough to polished, and reinforcing the undeniable importance of value addition and beneficiation.

Our Eumbo Star

Delivering value beyond the rough

Back in the olden days in Namibia, the majority of people in villages lived in traditional houses. Homesteads were made up of huts built from sticks and strong poles that surrounded the entire house. Today, homesteads are a combination of both huts and modern structures. Most homesteads are still surrounded by sticks which act as a boundary wall and create an open view of the sky from above. When night would fall, households with no electricity would gather around the fire and tell stories while marvelling at the sky above them.

Underneath the night sky surrounded by friends and family is where traditions where shared and tales of a thousand years were told. It was there where the story of the shooting star was born. It is believed that there was a special star that would leave streaks of light in the sky, this star was called the shooting star. Elders believed the star to be sign of good luck and one that improved fertility and brought love into people’s lives. It is said that should you be the first to see the shooting star, you should immediately make a wish and the star would sprout into thousands of starlets.

Our maiden polished diamond was named after the NAMDIA Headquarters, which was coined by Kerry McNamara Architects, who came up with the name “Eumbo”, encapsulating many of the historical as well as the future development and design intentions of the NAMDIA building project. Eumbo is the Oshiwambo word for home. The building, also known as the “Old White House”, is significant in Namibian history in that it housed liberation struggle veteran, Danie Botha, a Member of Parliament in Independent Namibia’s first Parliament in 1991. In the pre-independence era the house became a sanctuary for struggle stalwarts when they needed a safe space and a place where comrades of all races would come together for social gatherings.

As part of NAMDIA’s price discovery mandate, we seek value beyond the rough by catapulting our model into the downstream and further into the diamond retail value chain. Our aim in so doing is to give the Namibian diamond more prominence globally by leveraging smart partnerships; enlisting value add partners and distribution channel partners. The Eumbo Star marks the beginning of such partnerships with many polished diamonds to follow.

The Eumbo Star, which is on its way to finding a new home in the global niche market will continue to mark its radiant Namibian beauty and will be the symbol of a turning point; heralding diversification of our revenue streams through value addition beyond the rough.

NAMDIA is a truly Namibian company that embraces diversity and is the embodiment of a truly multicultural entity that all Namibians can be proud of.

Stakeholder Engagement at a Glance


President Hage Geingob's visit to NAMDIA


Minister of Mines & Energy visit to NAMDIA


Minister of Environment, Forestry and Tourism visit to NAMDIA


Client engagement event in Dubai


Bank of Namibia visit to NAMDIA


Jewellery & Gem World (JGW) Singapore stakeholder engagement


Media visit to NAMDIA


Staff Wellness Day


New Year's welcome back engagement for staff


NAMDIA at Volleyball For All 2023

A San family north of Tsumkwe

6 Operations

6. Operations

6.1 Human Resources

We firmly believe that a diverse workforce contributes to a dynamic and innovative work environment, enabling us to better serve our stakeholders and fulfill our organisational objectives. NAMDIA is dedicated to fostering an inclusive culture that values and respects the contributions of all employees and embraces diversity.

Staff complement and composition

As at 28 February 2023, NAMDIA had twenty-one (21) employees, of whom seventeen (17) were permanent employees, three (3) had fixed-term contracts, and one (1) had a temporary contract.

Gender representation within our organisation is equally distributed across all levels and departments, with men comprising 45.83 percent of the total workforce and women representing 54.17 percent.

NAMDIA is in compliance with the Affirmative Action (Employment) Act, 1998 (Act No. 29 of 1998), a testament to the company's commitment to achieving employment equity and inclusivity.

Recruitment

In October 2022, NAMDIA recruited a new Chief Executive Officer, and in January 2023 the positions of Chief Operations Officer and Executive: Market Development, Sales & Branding were filled. The recruitments were part of NAMDIA's restructuring process in line with the Integrated Strategic Business Plan 2022 – 2026.

With the Executive team fully capacitated, the recruitment process for management level positions has commenced.

Training and Employee Study Scheme

At NAMDIA, we promote a work environment that enables continued high performance through the Employee Study Scheme and regular training opportunities for staff. We believe that fostering a culture of lifelong learning and knowledge sharing is the key to building an interdependent, innovative and engaged workforce, with staff being generous with their time and talents, and continually collaborating to reposition NAMDIA to deal with the evolving complexities in the industry and external environment. Similarly, as a responsible and forward-thinking organisation, we recognise the importance of investing in the growth and development of our employees.

The NAMDIA Employee Study Scheme offers financial assistance, guidance and resources to employees to support their pursuit of further education, professional certifications and skills-building programmes. We expect employees to share their newly-acquired knowledge and skills with their respective teams and departments, fostering a culture of continuous learning and improvement.

An amount of N$490,000 was invested in employee training during the year under review. In February 2023, the new Executive team completed a rough diamond evaluation course at Harry Oppenheimer Academy as part of the onboarding process, while the Safety and Security team successfully completed SAMTRAC (Safety Management Training Course), First Aid and firefighting training.

In addition, a training needs analysis was conducted during the period under review to ensure NAMDIA's workforce continues to be equipped with the requisite expertise to navigate the fast-evolving diamond industry.

Staff welfare

At NAMDIA, we believe that employees are our most valuable assets, and as such, their wellbeing is a top priority. During the financial period under review, NAMDIA invested N$1 million on several wellness initiatives aimed at promoting employee wellbeing.

In addition, NAMDIA entered a partnership with the Mine Workers Union (MUN) to ensure comprehensive representation for our employees. This collaboration marks a significant milestone in our commitment to fostering a supportive and inclusive work environment. By partnering with the union, we aim to create a platform where the voice of our employees can be heard, their rights protected, and their interests advocated for in a fair and transparent manner.

6.2 Information and Communication Technology

NAMDIA recognises the importance of adopting and leveraging the latest world-class technologies to enhance its business operations, improve efficiencies, and most importantly, enhance security. Our ongoing investment in Information and Communication Technology (ICT) is an important strategic enabler for the success of NAMDIA's Integrated Strategic Business Plan.

NAMDIA's new organisational structure provides for a dedicated ICT team, which will serve to enhance governance within the ICT space and ensure that the organisation is operating at a level commensurate with the sophistication of its ICT systems.

Cybersecurity enhancement

During the reporting period, NAMDIA enhanced cybersecurity by implementing Darktrace, a globally-recognised leader in Artificial Intelligence-powered cybersecurity solutions that combat cyber threats and disruptions. Darktrace's advanced technology obtained ISO/IEC 27001:2013 certification for information security compliance from the British Standards Institution and protects NAMDIA from complex threats, including ransomware, cloud attacks and SaaS attacks.

Email migration and security

NAMDIA migrated its email platform from cPanel to Microsoft 365 Business Suite. Microsoft 365 is a comprehensive enterprise solution that connects employees to the people, information and content they need to excel in their work, regardless of their device or location. As part of the email migration process, NAMDIA enforced Multi-Factor Authentication for all users, adding an extra layer of security to prevent unauthorised access.

To further bolster email security, NAMDIA implemented Mimecast, a world-class email security and anti-spam solution. Mimecast utilises artificial intelligence (AI) technology to detect and block a wide range of email-based threats, including phishing, social engineering, payment fraud and impersonation fraud, thereby preventing the loss of sensitive information, financial fraud, and the spread of threats from within and outside NAMDIA. In addition, Mimecast enhances employee security awareness, contributing to a more secure digital environment.

Disaster recovery

NAMDIA prioritised disaster recovery by implementing Veeam Backup for Microsoft 365 to ensure the company maintains access to and control over email data through a dedicated backup repository and regular backups. This proactive approach to data backup and recovery minimises the risk of data loss and ensures business continuity, even in the event of unforeseen disruptions.

Uptime and availability

During the reporting period, NAMDIA maintained consistent systems uptime and availability of 99.5 percent.

6.3 Safety and Security

The Safety and Security team is comprised of seven (7) highly dedicated and well-trained protection officers, who ensure the comprehensive protection of the NAMDIA community, including employees, clients and other key stakeholders. The team also plays a critical role in safeguarding all aspects of NAMDIA's operations, including the import, sorting, client viewing, sale and export of diamonds.

The team's expertise extends beyond physical protection. By conducting vulnerability assessments, they are also able to identify potential threats to the business and offer timely advice to Management to support a secure and resilient operational environment.

During the reporting period, the team ensured a safe and secure environment and operations, with no incidents or loss of diamonds being recorded, thereby maintaining NAMDIA's impressive record of zero incidents and zero loss of diamonds since inception.

To ensure NAMDIA stays up to speed with crime prevention trends in the context of the fast-changing diamond industry, Safety and Security policies were revised and the team continually engaged with stakeholders and peers. This proactive approach enables NAMDIA to stay ahead of potential risks and protects our employees, clients and valuable assets.
Finally, the safety of our clients remained a top priority, with our security team offering clients world-class protection during the financial year.

6.4 Finance

Record financial performance

In the 2022/2023 financial year, the Group, comprising of Namib Desert Diamonds (Pty) Ltd, Eumbo Property Investment (Pty) Ltd, Namgem Diamond Manufacturing Company (Pty) Ltd and the NAMDIA Foundation (section 21 company), produced its strongest financial results since establishment.

Revenue for the year amounted to N$3.1 billion, an increase of 63 percent compared to the N$1.9 billion achieved in the previous year. The company recorded a gross profit of N$628 million, compared to N$284 million in the previous year. This resulted in profit before tax of N$612 million, compared to N$218 million in the 2021/2022 financial year, and a profit after tax of N$409 million in comparison to N$144 million in the 2021/2022 financial year.

Operating costs amounted to N$75.8 million, a marginal increase compared to N$68.6 million in the previous year.

NAMDIA's exceptional performance can be attributed to the 24.9 percent increase of its purchase entitlement, the diversification of NAMDIA sales channels to include competitive bidding and the strong performance of the diamond industry during the first half of 2022.

Other income

During the financial year, NAMDIA earned N$16 million interest on the surplus funds held in Call Accounts and Time Deposits at various banks.

Income tax

Income tax amounting to N$202 million was paid for the 2022/2023 financial year.

VAT refunds

Obtaining VAT refunds in a timely manner to finance operating expenses is a key strategic finance aspect for NAMDIA's cash flows. 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, NAMDIA was successful in receiving all VAT refunds due except for the last VAT period refund, which was received after year end.

Property revaluation

In February 2023, the two (2) NAMDIA properties in Windhoek were revaluated by an independent property valuator, resulting in a fair value loss of N$5.5 million for Erf 336, Klein Windhoek, and a fair value loss of N$2.5 million for Erf 337, Klein Windhoek.

Operations & Finances at a Glance

N$3.1 billion
Revenue

Staff complement
21 Employees

N$628 million
Gross profit

N$612 million
Profit before tax

N$409 million
Profit after tax

N$490,000
Employee training spend

N$1 million
Employee welfare spend

Zero
Incidents

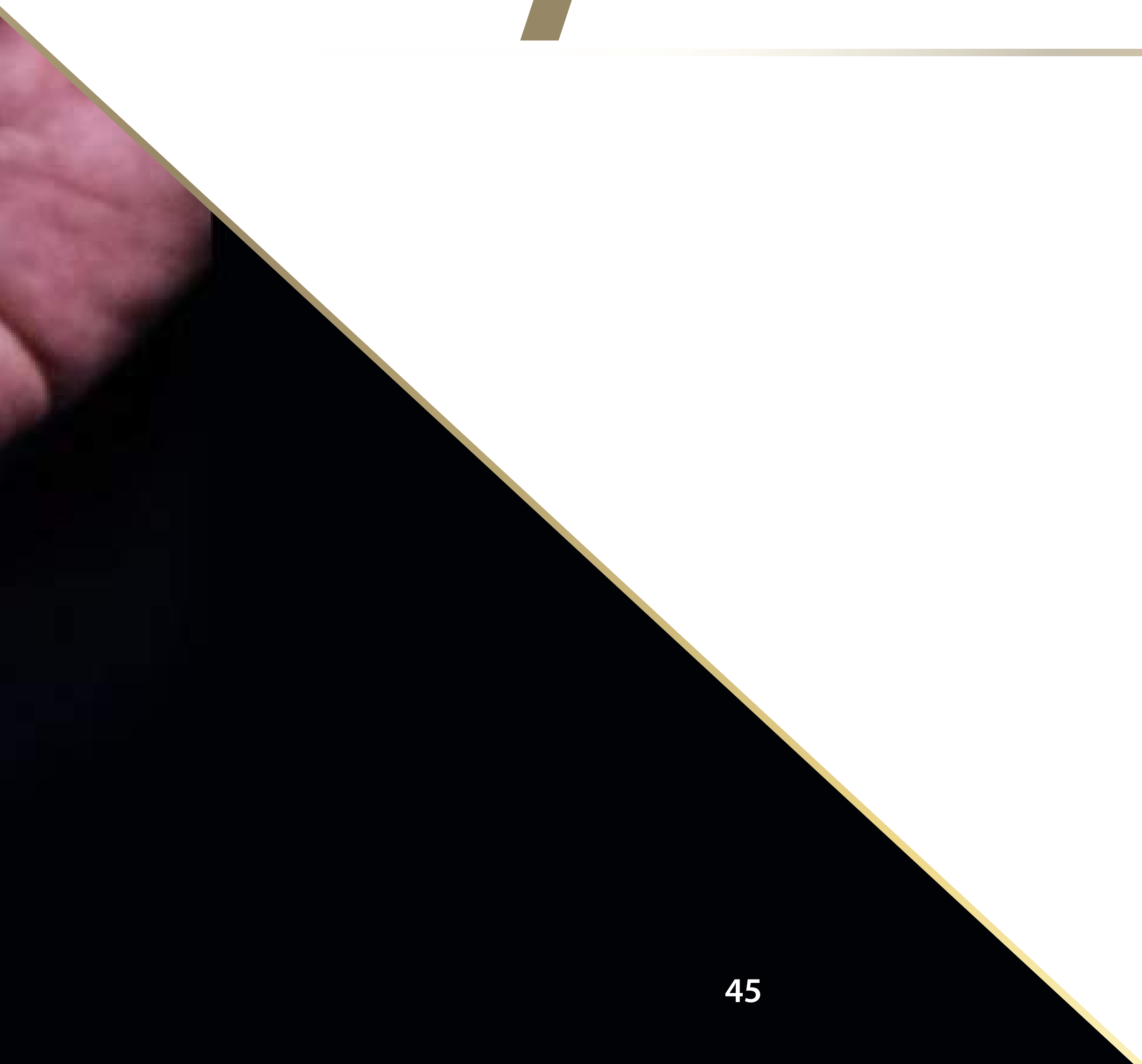
Zero
Loss of diamonds

Gender distribution of workforce

54.17%
Women

45.83%
Men

7 Board of Directors



7. Board of Directors

Bryan Eiseb
Chairperson

Liina Muatunga
Director

Selma Shimutwikeni
Director

Justus Hausiku
Director

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**
- **Build expertise and enable local participation in the entire diamond value chain**

Our Mission

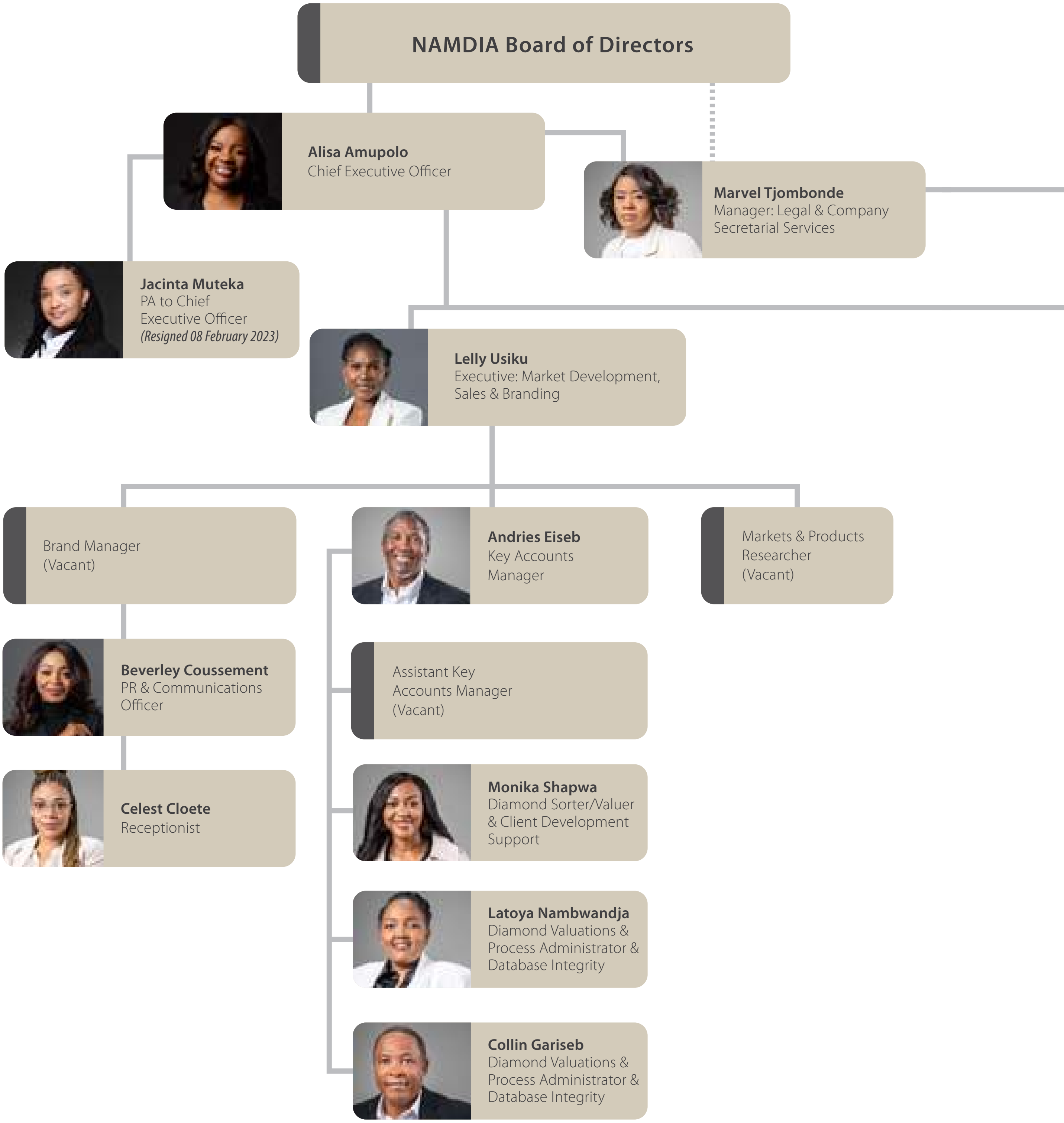
NAMDIA's purpose is to contribute to the upliftment of all Namibians by sustainably maximising the full value of our diamonds.

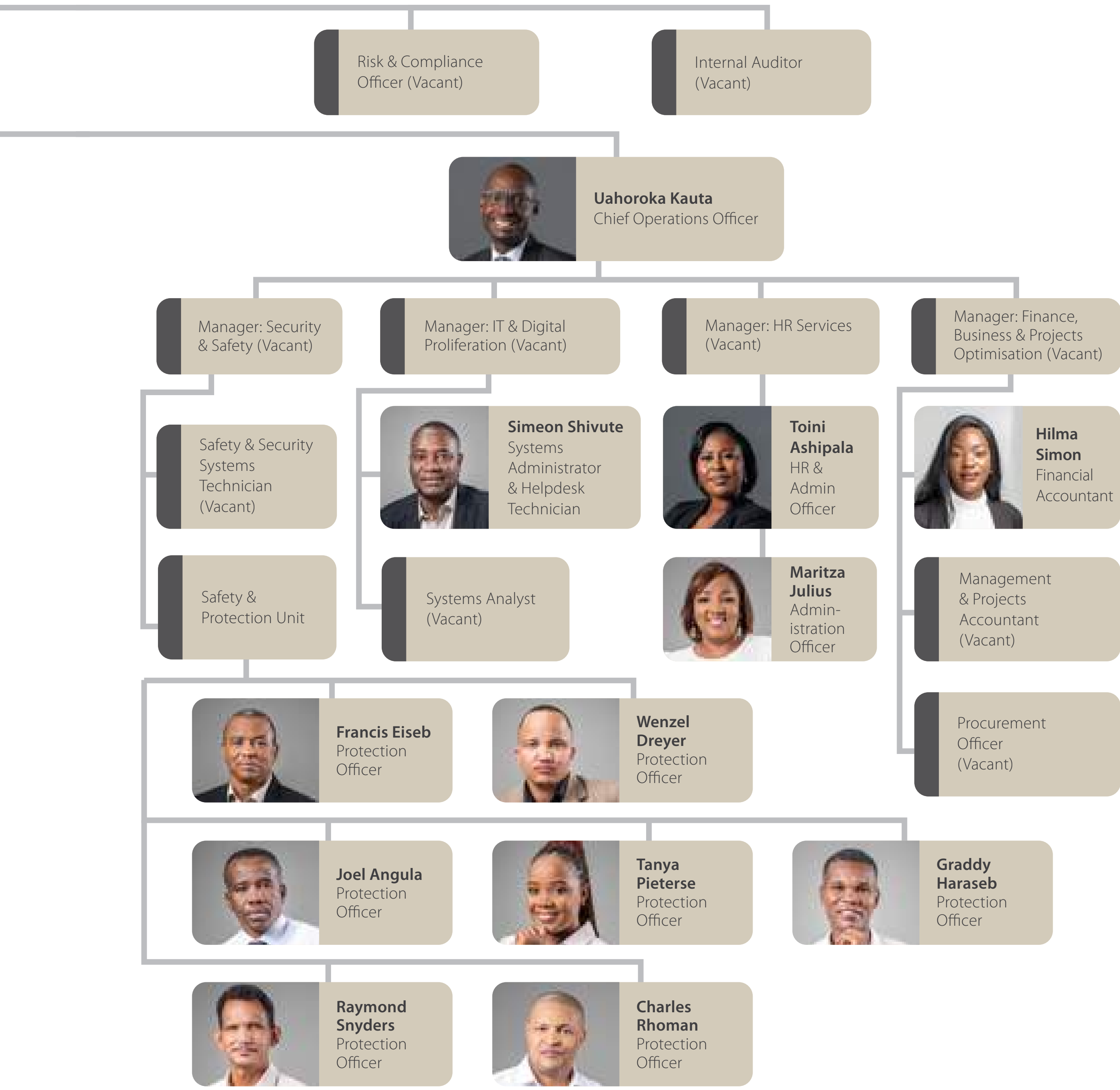
Rolling Sossusvlei dunes in the Namib Desert, the oldest desert in the world

8 The NAMDIA Team

8. The NAMDIA Team

8.1 Organisational Structure




Risk & Compliance Officer (Vacant)
Internal Auditor (Vacant)
Uahoroka Kauta
Chief Operations Officer
Manager: Security & Safety (Vacant)
Manager: IT & Digital Proliferation (Vacant)
Manager: HR Services (Vacant)
Manager: Finance, Business & Projects Optimisation (Vacant)
Safety & Security Systems Technician (Vacant)
Simeon Shivute
Systems Administrator & Helpdesk Technician
Toini Ashipala
HR & Admin Officer
Hilma Simon
Financial Accountant
Safety & Protection Unit
Systems Analyst (Vacant)
Maritza Julius
Admin-istration Officer
Management & Projects Accountant (Vacant)
Francis Eiseb
Protection Officer
Wenzel Dreyer
Protection Officer
Procurement Officer (Vacant)
Joel Angula
Protection Officer
Tanya Pieterse
Protection Officer
Graddy Haraseb
Protection Officer
Raymond Snyders
Protection Officer
Charles Rhoman
Protection Officer

8.2 Staff Changes

The following staff members left NAMDIA during the reporting period:

Kennedy Hamutenya
Chief Executive Officer
(Contract ended 30 June 2022)

Sven von Blottnitz
GM: Finance
(Contract ended 31 October 2022)

Clarky McKay
GM: Safety & Security
(Retired 31 December 2022)

The Namib Desert plunging into the Atlantic Ocean where 80% of Namibia's diamonds are sourced


NAMDiA
NAMDiA

9 The NAMDIA Foundation

9. The NAMDIA Foundation

The NAMDIA Foundation was established in October 2018 to act as the organisation's Corporate Social Responsibility vehicle. The NAMDIA Foundation actively engages with local communities to address pressing social issues and drive positive change through its focus areas of Education, Health and Sports.

Over the past year, the NAMDIA Foundation once again demonstrated a strong commitment to the Namibian people by investing a total of N$5.6 million in various philanthropic initiatives that focused on empowering individuals, fostering educational opportunities and driving social change. Due to the lack of capacity and sufficient manpower to execute the Foundation's planned projects, the total investment was less than the budget approved by the Board for 2022/2023. The remainder of the budget is carried over to the next financial year.

9.1 Bursary Scheme

The launch of the NAMDIA Foundation Bursary Scheme in August 2022 was a significant milestone and key initiative in line with NAMDIA's mission to support educational excellence and provide equal opportunities. With an annual investment of N$2.8 million, the bursary scheme will enable students from underprivileged backgrounds to pursue higher education and fulfil their academic aspirations.

After a rigorous evaluation of applications based on predetermined criteria, including academic merit, financial need and demonstrated potential, the first cohort of fourteen (14) bursary recipients was selected during the reporting period. A dedicated committee reviewed each application thoroughly to ensure fairness and transparency in the selection process.

The deserving bursary recipients were celebrated at a launch and handover event that showcased the NAMDIA Foundation's commitment to supporting education and creating life-changing opportunities for young Namibians.

9.2 Projects and Initiatives 2022/2023

During the period under review, the NAMDIA Foundation formed strategic partnerships with non-profit organisations, government agencies and various institutions to collaborate on initiatives focused on youth empowerment, healthcare improvement, and sports development. By working together with stakeholders, the Foundation maximises its impact and fosters long-term, sustainable solutions to the challenges faced by the communities it serves.

EDUCATION		
Institution / Beneficiary	**Description**	**Value in N$**
Five (5) schools in Windhoek area	Stationery	100,000
Onampira Combined School	Photocopy paper	23,747
Pandu & Selma Children's Trust	Christmas books for primary school pupils	50,000
Development Aid from People to People (DAPP)	Teacher training & development	96,000
Tsintsabis Combined School	Computers for school lab	150,000
Cheshire Home Katima Mulilo	School shoes for learners	10,000
Project Never Walk Alone – Concert	Shoes for school children	100,000
Project Never Walk Alone – Leader Base	Shoes for school children	100,000
Grasshoek Primary School	School trip to Okahandja for workshop	10,000
Namibia Women in Engineering (NAMWIE)	Development programme	90,000
National Hackathlon Namibia	Hackathlon event	15,000
Nghifindjala Training & Research Centre	Garden equipment & tools	20,000

HEALTH		
Institution / Beneficiary	**Description**	**Value in N$**
K'Negongo Foundation	Locally produced sanitary pads for distribution to school girls	150,000
Cancer Association of Namibia	Fundraiser	20,000
Omnicare Trust	Funding for a mobile cervical cancer screening trailer & mobile clinic	179,570
Nampharm Foundation Trust	Children's facial reconstruction	250,000
Dr. Esperance Luvindao	Placement of 20 copper intra-uterine contraceptive devices	50,000
Otavi Community Library	Printing machine	20,000
Namibia National Heart Trust	Congenital heart disease project	50,000
SPORTS		
Institution / Beneficiary	**Description**	**Value in N$**
David Dam (track athlete)	Participation in track event in South Africa	50,000
Athletics Namibia	2022 African Championships	400,000
Cricket Namibia	Development programme	300,000
Namibia Football Association	COSAFA Cup	874,000
Namibian Deaf Sports Federation	Deaf Soccer Championships 2022 in Eswatini	110,000
Namibia Sports Commission	Coach of the Year & Umpire of the Year	100,000
Namibia Hockey Union	Women's team's participation at African Hockey Championships	445,000
Namibia Canoeing & Rowing Federation	Commonwealth Coastal Rowing Games in Walvis Bay	407,750
Old Crocks Football Club	Soccer Tournament in Tjaka Village, Omaheke Region	10,000
Namibia Broadcasting Corporation	FIFA World Cup 2022 broadcasting	200,000
Technical Basketball Academy	Skills development clinic	20,000
NUST Football Club	USSA Games in South Africa	32,524
Herman Dulinai Simon (cyclist)	Nedbank Desert Dash	13,000
OTHER		
Institution / Beneficiary	**Description**	**Value in N$**
Office of the Prime Minister	Independence celebration, Swakopmund	100,000
Standard Bank	Buy-a-Brick fundraiser	25,000
PAN Afrikan Centre Namibia – PACON	Centenary commemoration of the murder of Abraham Morris	135,000
Erongo Regional Council	Senior citizens Christmas event, Eumbo Star	100,000
One Economy Foundation	Fundraiser	70,000
Namibia Airports Company	Namibia Aviation & Connectivity Forum	125,000
Diana Andimba	Miss Earth 2022, for a charity of her choice	10,000
Omaruru School of Music	Musical instruments & monetary donation	50,000
Good Food Namibia	Agricultural projects with Grow Green Communities	50,000
Berseba Village Council	16 Days of Activism Campaign	5,100
Ministry of Sport,Youth & National Service	Omaheke Youth Business Trade Expo	15,000
Berseba Village Council	Rebuild houses of fire victims	5,000
Association of Local Authorities in Namibia	Development fund fundraiser	9,000
Young Men's Christian Association of Namibia	Osire Refugee Camp clean-up campaign	25,000
Dieter Mare	Community food parcel distribution	10,000
National Federation of People with Disabilities in Namibia (NFPDN)	Trade expo	15,000
Oshana flood victims	Mosquito nets	182,840
Ohangwena flood victims	Mosquito nets	182,840
TOTAL		**5,561,371**

9.3 Looking Ahead

The NAMDIA Foundation remains committed to driving meaningful change and social progress. In the coming financial year, the Foundation aims to expand the reach of its bursary scheme to positively impact more lives and promote educational equality. Furthermore, the Foundation will explore innovative approaches and drive sustainable projects to make a lasting difference in the communities it serves. By continuing its CSR initiatives, NAMDIA actively contributes to the betterment of Namibian society.


Launch of the NAMDIA Foundation Bursary Scheme


Sponsorship of middle-distance athlete David Dam


Sponsorship of Namibian Deaf Sports Federation


Sponsorship of Women's National Indoor Hockey Team


Cricket Namibia - Development programme


Sponsorship of NUST Football Team

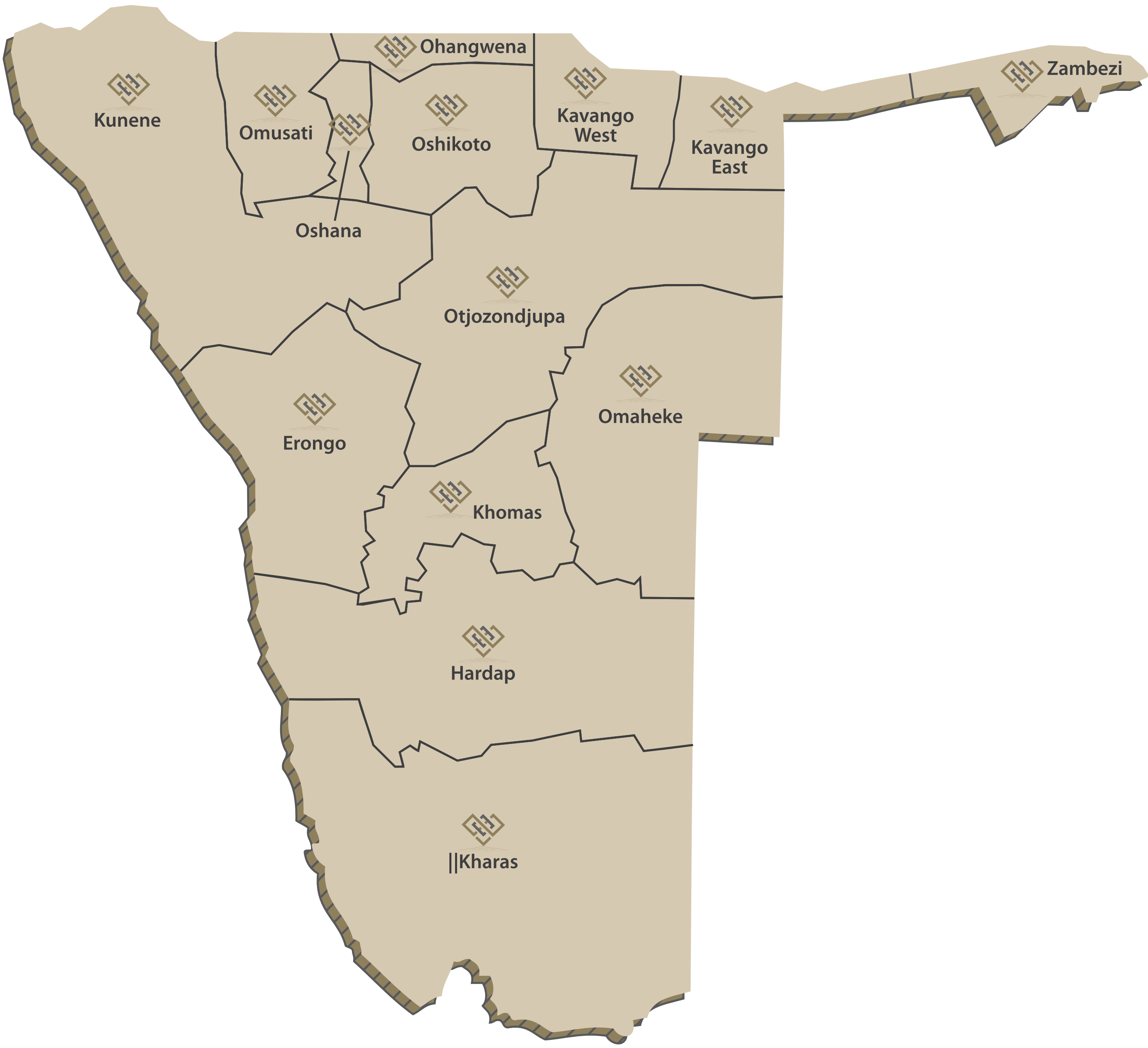

Sponsorship of Namibia Rowing & Cannoeing Federation


Bursary recipients announcement

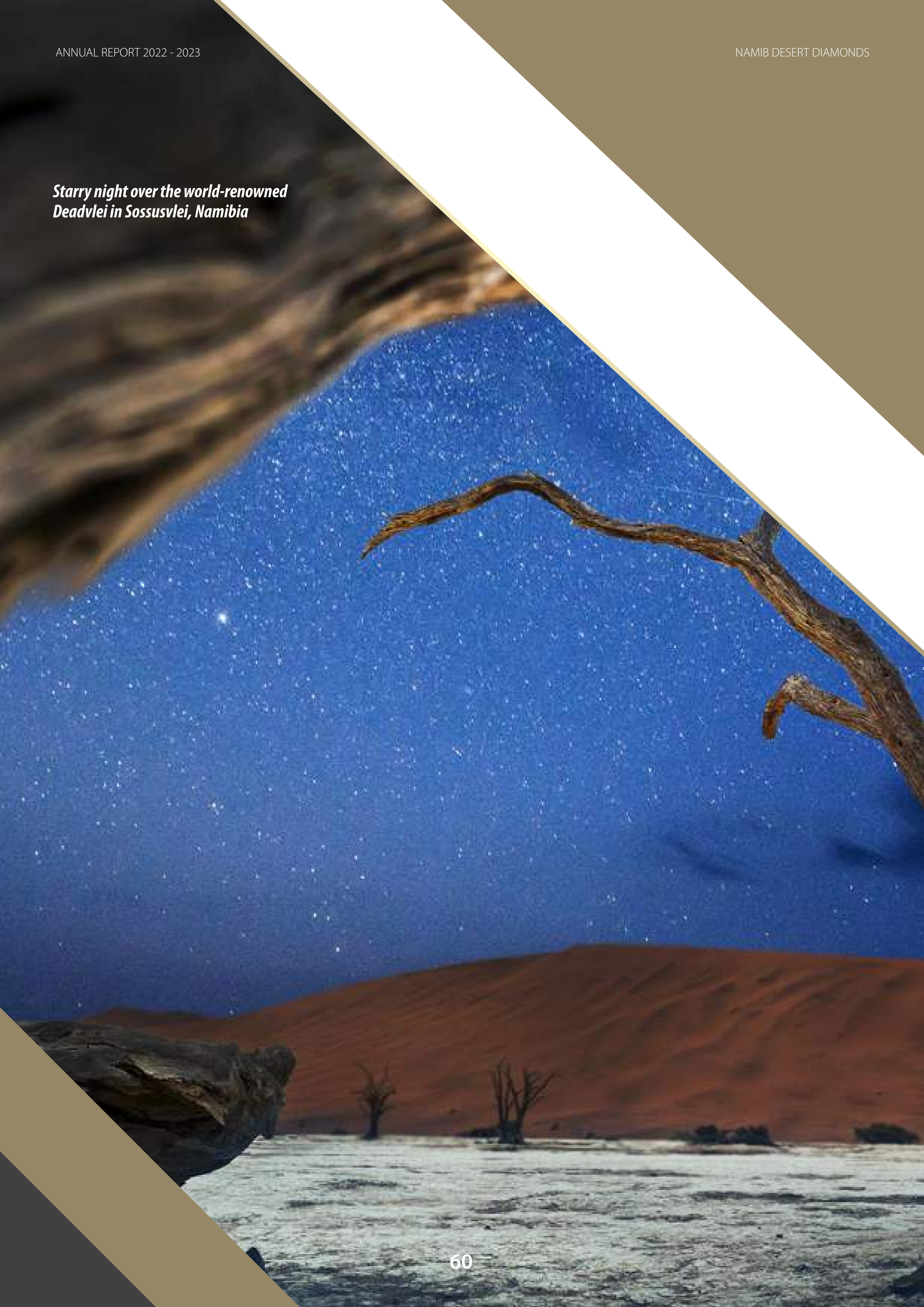

Sponsorship of Athletics Namibia


Cricket Namibia - Development programme

NAMDIA Foundation Regional Footprint Since Inception



Starry night over the world-renowned Deadvlei in Sossusvlei, Namibia



10 Annual Financial Statements

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)
Consolidated and Separate Annual Financial Statements for the year ended 28 February 2023

Index

The supplementary information presented does not form part of the Consolidated and Separate 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 2023

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 2023

DON CONSULTING SERVICES
Reg. No. CC/2011/0924
No. 41 Corner of Johann Albrecht & Sturrock St.
Windhoek North, P.O. Box 26546, Postal Code 10005
Windhoek, Namibia

Tel: +264 61 302 391, Fax: +264 61 302 394
info@dcs.com.na, www.dcs.com.na

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 consolidated and separate annual financial statements comprise the consolidated and separate statements of financial position as at 28 February 2023, 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 **15 June 2023**

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 2023

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 2024 and, in light of this review and the current financial position, they are satisfied that the Group and Company have or had adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Group's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the Group's external auditors and their unqualified audit report is presented on pages 66 to 68.

The consolidated and separate annual financial statements set out on pages 70 to 142, and the supplementary information set out on pages 143 to 150 which have been prepared on the going concern basis, were authorised and approved by the directors and were signed on 15 June 2023 on their behalf by:

Authorisation and approval of financial statements

B.K.G. Eiseb
Chairperson

J.H. Hausiku

pwc

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 2023, 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 70 to 142 comprise:

- the directors' report for the year ended 28 February 2023;
- the consolidated and separate statements of financial position as at 28 February 2023;
- the consolidated and separate statements of profit or 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 2023". 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Namib Desert Diamonds (Proprietary) Limited

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- 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

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Samuel N Ndahangwapo
Partner

Windhoek
Date: 29 June 2023

PricewaterhouseCoopers, Registered Auditors,
344 Independence Avenue, Windhoek, P O Box 1571, Windhoek, Namibia Practice Number 9406, T:+ 264 (61) 284 1000, F: +264 (61) 284 1001, www.pwc.com/na

Country Senior Partner: Chantell N Husselmann
Partners: Louis van der Riet, Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Hannes van den Berg, Willem A Burger


NAMDIA

Namib Desert Diamonds (Proprietary) Limited

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Consolidated and Separate Annual Financial Statements for the year ended 28 February 2023

Directors' Report

The directors present their report for the year ended 28 February 2023.

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 2007. The address of the registered office is set out on page 63.

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 activities of the Company are 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 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 2023 of N$409,218,701 (2022: N$144,693,258).

The Group's revenue increased from N$1,904,374,913 in the prior year to N$3,107,122,942 for the year ended 28 February 2023.

Group cash flows from operating activities changed from an inflow of N$137,892,126 in the prior year to an inflow of N$251,251,257 for the year ended 28 February 2023.

4. Authorised and issued share capital

	Group 2023	Group 2022
Authorised		**Number of shares**
Ordinary shares	4,000	4,000

	Group 2023	Group 2022	Group 2023	Group 2022
Issued	**N$**	**N$**		**Number of shares**
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

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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 recommend the approval of a final dividend of N$150,000,000 (2022: N$40,000,000).

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

All the directors have been reappointed to serve another 3-year tenure effective from 01 May 2023 till 30 April 2026.

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 their 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 their assets and did not identify any impairment on any assets as a result.

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Directors' Report

11. Going concern

The consolidated and separate annual financial statements were prepared on a going concern basis. The directors have reviewed the Group's 2024 forecasts and considered the Group's ability to continue as a going concern in light of current and anticipated economic conditions. On the basis of this review the directors are satisfied that the Group has adequate resources to continue in business for the foreseeable future and the going concern basis has been adopted in the preparation of the annual financial statements.

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 requirement 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
Private Bag 91600
Klein Windhoek
Windhoek
Namibia

Business address
Erf 336 Cnr of Dr Kwame Nkrumah Avenue & Dr Sam Nujoma Drive
Klein Windhoek
Windhoek
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
P.O. Box 26546
Windhoek
Namibia

Business address
No. 41 c/o Johann Albrecht & Sturrock Street
Windhoek North, Windhoek
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

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Consolidated and Separate Annual Financial Statements for the year ended 28 February 2023

Statements of Financial Position as at 28 February 2023

Figures in N$	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Assets					
Non-current assets					
Property, plant and equipment	4	51,878,270	65,175,735	20,092,270	25,674,975
Investment property	5	13,550,000	13,800,000	-	-
Investment in subsidiaries	6	-	-	16,301,969	16,301,969
Loans to subsidiaries	7	-	-	31,370,097	30,125,152
Deferred tax assets	15	-	2,831,187	-	3,566,211
Total non-current assets		65,428,270	81,806,922	67,764,336	75,668,307
Current assets					
Inventories	8	198,428,505	-	198,428,505	-
Trade and other receivables	9	93,660,882	57,626,830	93,516,708	57,620,245
Current tax assets	10	41,212	41,212	-	-
Intercompany receivables	11	-	-	63,352	-
Cash and cash equivalents	12	513,117,028	395,016,092	484,580,042	390,748,697
Total current assets		**805,247,627**	**452,684,134**	**776,588,607**	**448,368,942**
Total assets		**870,675,897**	**534,491,056**	**844,352,943**	**524,037,249**
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		709,746,619	450,527,918	683,581,330	434,206,674
Other non-distributable reserves	14	(2,335,000)	5,877,339	-	-
Total equity		**757,411,619**	**506,405,257**	**733,581,330**	**484,206,674**
Liabilities					
Non-current liabilities					
Deferred tax liabilities	15	4,845,312	4,586,605	3,974,594	4,259,152
Lease liability	16	-	-	1,711,704	2,004,327
Total non-current liabilities		**4,845,312**	**4,586,605**	**5,686,298**	**6,263,479**
Current liabilities					
Provisions	17	6,536,322	3,792,026	5,652,162	2,954,286
Trade and other payables	18	4,249,691	7,363,683	1,507,577	7,004,662
Current tax liabilities	10	1,268,280	12,343,485	1,268,280	12,343,485
Lease liability	16	80,262	-	372,885	292,623
Intercompany payables	19	-	-	-	10,972,040
Deferred revenue	20	96,284,411	-	96,284,411	-
Total current liabilities		**108,418,966**	**23,499,194**	**105,085,315**	**33,567,096**
Total liabilities		**113,264,278**	**28,085,799**	**110,771,613**	**39,830,575**
Total equity and liabilities		**870,675,897**	**534,491,056**	**844,352,943**	**524,037,249**

Namib Desert Diamonds (Proprietary) Limited

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Consolidated and Separate Annual Financial Statements for the year ended 28 February 2023

Statements of Profit or Loss and Other Comprehensive Income

Figures in N$	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Revenue	23	3,107,122,942	1,904,374,913	3,106,516,283	1,902,000,898
Cost of sales	24	(2,478,335,321)	(1,620,302,636)	(2,478,335,321)	(1,620,302,636)
Gross profit		**628,787,621**	**284,072,277**	**628,180,962**	**281,698,262**
Other income	25	-	1,818,507	-	1,818,507
Impairment losses	26	-	-	-	(2,282,311)
Administrative expenses	27	(5,503,558)	(4,902,030)	(5,261,549)	(4,545,859)
Other operating expenses	28	(69,486,126)	(63,784,205)	(78,124,950)	(67,503,234)
Other gains and (losses)	29	37,392,004	(6,617,840)	37,642,004	(6,705,140)
Profit from operating activities	**30**	**591,189,941**	**210,586,709**	**582,436,467**	**202,480,225**
Finance income	31	26,816,072	10,130,643	26,024,487	10,026,240
Finance costs	32	(5,861,982)	(2,360,784)	(6,181,359)	(2,729,281)
Profit before tax		**612,144,031**	**218,356,568**	**602,279,595**	**209,777,184**
Income tax expense	33	(202,925,330)	(73,663,310)	(202,904,939)	(73,361,680)
Profit for the year		**409,218,701**	**144,693,258**	**399,374,656**	**136,415,504**
Total comprehensive income		**409,218,701**	**144,693,258**	**399,374,656**	**136,415,504**
Comprehensive income attributable to:					
Comprehensive income, attributable to owners of parent		409,218,701	144,693,258	399,374,656	136,415,504
Comprehensive income, attributable to non-controlling interests		-	-	-	-
		409,218,701	**144,693,258**	**399,374,656**	**136,415,504**

Namib Desert Diamonds (Proprietary) Limited

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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 the parent	Non-controlling interests	Total
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
Dividend recognised as distributions to shareholder	-	-	-	(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**
Balance at 1 March 2022	**1,000**	**49,999,000**	**5,877,339**	**450,527,918**	**506,405,257**	**-**	**506,405,257**
Changes in equity	-	-	-	-	-	-	-
Profit for the year	-	-	-	409,218,701	409,218,701	-	409,218,701
Other comprehensive	-	-	-	-	-	-	-
income	-	-	-	-	-	-	-
Total comprehensive	-	-	-	-	-	-	-
income for the year	-	-	-	409,218,701	409,218,701	-	409,218,701
Dividends paid	-	-	-	(150,000,000)	(150,000,000)	-	(150,000,000)
Fair value adjustment	-	-	(8,212,339)	-	(8,212,339)	-	(8,212,339)
Balance at 28 February	-	-	-	-	-	-	-
2023	**1,000**	**49,999,000**	**(2,335,000)**	**709,746,619**	**757,411,619**	**-**	**757,411,619**
Note	**13**	**13**	**14**				

Namib Desert Diamonds (Proprietary) Limited

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Statement of Changes in Equity - Company

Figures in N$	Note	Issued capital	Share premium	Retained income	Total
Balance at 1 March 2021		1,000	49,999,000	337,791,181	387,791,181
Changes in equity					
Profit for the year		-	-	136,415,504	136,415,504
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	136,415,504	136,415,504
Dividend recognised as distributions to shareholder		-	-	(40,000,000)	(40,000,000)
Balance at 28 February 2022		**1,000**	**49,999,000**	**434,206,685**	**484,206,685**
Balance at 1 March 2022		**1,000**	**49,999,000**	**434,206,685**	**484,206,685**
Changes in equity					
Profit for the year		-	-	399,374,656	399,374,656
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	399,374,656	399,374,656
Dividend recognised as distributions to shareholder		-	-	(150,000,000)	(150,000,000)
Balance at 28 February 2023		**1,000**	**49,999,000**	**683,581,341**	**733,581,341**
	Note	**13**	**13**		

Namib Desert Diamonds (Proprietary) Limited

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Statements of Cash Flows

Figures in N$	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Net cash flows from operations	37	**440,995,658**	**201,098,279**	**419,409,578**	**202,592,862**
Finance costs	32	(5,861,982)	(2,360,784)	(6,181,359)	(2,729,281)
Interest income	31	26,816,072	10,130,643	26,024,487	10,026,240
Income taxes paid	39	(210,698,491)	(70,976,012)	(210,698,491)	(70,976,012)
Net cash flows from operating activities		**251,251,257**	**137,892,126**	**228,554,215**	**138,913,809**
Cash flows used in investing activities					
Proceeds from sales of property, plant and equipment	40	(28,902)	87,300	-	-
Purchase of property, plant and equipment	40	(494,606)	(284,224)	(495,139)	(284,225)
Loans advanced to subsidiaries	40.3	-	-	(1,244,945)	(1,188,737)
Intercompany receivables	11	-	-	(63,352)	-
Cash flows used in investing activities		**(523,508)**	**(196,924)**	**(1,803,436)**	**(1,472,962)**
Cash flows used in financing activities					
Repayment of financial liabilities	40.4	-	(7,823,100)	-	(7,823,100)
Lease liability principle portion	40.4	80,262	-	(212,360)	(252,739)
Dividend paid	38	(150,000,000)	(40,000,000)	(150,000,000)	(40,000,000)
Cash flows used in financing activities		**(149,919,738)**	**(47,823,100)**	**(150,212,360)**	**(48,075,839)**
Net increase in cash and cash equivalents before effect of exchange rate changes		**100,808,011**	**89,872,102**	**76,538,419**	**89,365,008**
Effect of exchange rate changes on cash and cash equivalents	29	17,292,926	12,951,870	17,292,926	12,951,870
Net increase in cash and cash equivalents		**118,100,937**	**102,823,972**	**93,831,345**	**102,316,878**
Cash and cash equivalents at beginning of the year		395,016,091	292,192,120	390,748,697	288,431,819
Cash and cash equivalents at end of the year	**12**	**513,117,028**	**395,016,092**	**484,580,042**	**390,748,697**

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 and the Namibian Companies Act 28 of 2004. The consolidated and separate annual financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and investment property measured at fair value.

The preparation of consolidated and separate annual financial statements in conformity with International Financial Reporting Standards 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 values 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 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.

Accounting Policies

1. Significant accounting policies (continued)

1.2 Consolidation (continued)

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.

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 are 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 functional 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 borrowings and 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'.

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 statements 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.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate at each reporting date.

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Accounting Policies

1. Significant accounting policies (continued)

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.

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.

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	Measurement base	Useful life / depreciation rate	Depreciation method
Land		Indefinite	None
Buildings		20 years	Straight line
Machinery		10 years	Straight line
Motor vehicles		3-5 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 asset		10 years	Straight line

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. Significant accounting policies (continued)

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.

Accounting Policies

1. Significant accounting policies (continued)

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 acquisition 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. Significant accounting policies (continued)

1.7 Intangible assets (continued)

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

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 with 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 as 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
- 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).

Accounting Policies

1. Significant accounting policies (continued)

1.8 Financial instruments (continued)

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 as at fair value through profit or loss).

Financial assets (Note 21) and financial liabilities (Note 22) presents the financial instruments held by the Company based on their specific classifications.

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

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

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.

Accounting Policies

1. Significant accounting policies (continued)

1.8 Financial instruments (continued)

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.

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Accounting Policies

1. Significant accounting policies (continued)

1.8 Financial instruments (continued)

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 includes 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 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.
- 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.

- Fair value through OCI: elected to present fair value gains and losses on equity investments in OCI
  - 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.

Accounting Policies

1. Significant accounting policies (continued)

1.8 Financial instruments (continued)

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.

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 Group 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.

Accounting Policies

1. Significant accounting policies (continued)

1.8 Financial instruments (continued)

Loans to subsidiaries
Classification
Loans to subsidiaries (Note 7) are classified as financial assets subsequently measured at amortised cost.

Recognition and measurement
Financial assets from 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.

It is 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 32).

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 liability 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 9).

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

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

They are subsequently measured at amortised cost.

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

Accounting Policies

1. Significant accounting policies (continued)

1.8 Financial instruments (continued)

Trade and other payables
Classification
Trade and other payables (Note 18), excluding VAT and amount 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 32).

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 Prepayments

Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.

1.10 Inventories

Definition
Inventories are assets:
- held for sale in the ordinary course of business;

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

Measurement
Inventories are measured at the lower of cost and net realisable value using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

Accounting Policies

1. Significant accounting policies (continued)

1.10 Inventories (continued)

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

The cost of inventories of items that are not ordinarily interchangeable and goods segregated for specific projects are assigned by using specific identification of their individual costs.

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

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and the write-down or reversal is recognised against the expense as indicated above.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at financial year-end. Movements in this provision are included in the expense recognised as indicated above.

1.11 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.

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.

Accounting Policies

1. Significant accounting policies (continued)

1.11 Tax (continued)

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 carryforward 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.

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.

Accounting Policies

1. Significant accounting policies (continued)

1.12 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 is 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.

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 are 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.

Accounting Policies

1. Significant accounting policies (continued)

1.12 Leases (continued)

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 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 of 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 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.

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Accounting Policies

1. Significant accounting policies (continued)

1.12 Leases (continued)

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.

1.13 Leases as lessor

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 component as well as a non-lease component, the consideration is allocated between the components in accordance with the requirements of revenue from contracts with customers.

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 by the lessee, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised by the lessee.

The assessment of the reasonable certainty of the exercising of options to extend the lease by the lessee, or not exercising of options to terminate the lease by the lessee, 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.

Accounting Policies

1. Significant accounting policies (continued)

1.13 Leases as lessor (continued)

Classification
Leases are classified as either an operating lease or a finance lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Operating leases
Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis. Another systematic basis is applied if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

Costs, including depreciation, incurred in earning the lease income are recognised as an expense.

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and those costs are recognised as an expense over the lease term on the same basis as the lease income.

Depreciation and impairment is calculated and recognised on the underlying asset in accordance with the relevant policy for the class of underlying asset.

Lease modifications
Modifications to an operating lease are accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

1.14 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.

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.

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Accounting Policies

1. Significant accounting policies (continued)

1.14 Provisions and contingencies (continued)

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
- there has been raised a valid expectation 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 consolidated and separate annual financial statements.

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

1.16 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.

Accounting Policies

1. Significant accounting policies (continued)

1.17 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 to pre-approved customers (sightholders). The sightholders are approved on following a comprehensive onboarding process in accordance with the Company's registration policy.

The Company signs a rough diamond supply agreement or contract with each sightholder before they can participate in the purchase of the rough diamonds. The signed contract contains each party's rights and obligations which include payment terms, and delivery of diamonds, amongst others.

In terms of the contract, the single performance obligation of the Company is the delivery or transfer of rough diamonds to the sightholders. There are no other promises being transferred to the customer.

The Company avails the diamonds to the invited sightholders to view the diamond lots available for sale and the sightholders place their bids thereafter at the auction held on the selected day. The sale of each diamond lot is allocated to the highest bidder. These highest bids represent the transaction price for the sale of the rough diamond. The entire transaction price is allocated to the one performance obligation.

Revenue is recognised at a point in time when control of rough diamonds transfers to the sightholder.

Measurement
Revenue is recognised when the Company fulfils its performance obligation in terms of the contract which is when the control of the rough diamonds has transferred to the sightholder. Control of the rough diamonds transfers when the cash is received from sightholder, Kimberly certification process completed, diamonds sealed and delivered to the contractually agreed courier at the location of sale. At this point the insurance risk also transfers from the Company to the sightholder.

Deferred revenue
Deferred revenue relates to the cash received from customers in respect of the sales of rough diamonds where control of the rough diamonds has not transferred to the customer at year end. Deferred revenue is recognised as earned revenue when the rough diamonds are delivered to the customer(s).

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.

Accounting Policies

1. Significant accounting policies (continued)

1.18 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 is 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.

1.19 Borrowing costs

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

Accounting Policies

1. Significant accounting policies (continued)

1.20 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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Accounting Policies

2. Critical accounting estimates and judgements (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 26 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/appraiser) 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 loan to this subsidiary.

Refer to Note 4.3.1, Note 6 and Note 7 for additional details.

The market value (as determined independently by a sworn valuator/appraiser) for the investment property owned by Namgem Diamond Manufacturing 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 6 and Note 7 for additional details.

2.1.3 Distinguishing 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 differs 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 15 for additional details.

Accounting Policies

2. Critical accounting estimates and judgements (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 2023, the following IFRSs were adopted:

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.

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

Accounting Policies

3. Changes in accounting policies and disclosures (continued)

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 2022 (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 annual 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.

The mandatory implementation required by the standard is for years beginning on or after 1 January 2024. This change in accounting policy will be implemented for the first time for the financial year ending 28 February 2025.

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The International Accounting Standards Board (IASB) has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance.

Similar to existing requirements in IAS 1, the classification of liabilities is unaffected by management's intentions or expectations about whether the company will exercise its right to defer settlement or will choose to settle early.

A company will classify a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement.

After reconsidering certain aspects of the 2020 amendments 1, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current.

Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

The anticipated adoption of this amended accounting standard will not materially alter the disclosure in future financial periods based on the liabilities currently applicable to the Group.

IFRS 17 Insurance Contracts
IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.

Accounting Policies

3. Changes in accounting policies and disclosures (continued)

3.2 New standards and interpretations not yet adopted (continued)

IFRS 17 defines insurance contracts as contracts under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The compensation could be a cash payment or a payment in kind (for example, repairing or replacing a broken product).

Uncertainty (or risk) is the essence of an insurance contract. At least one of the following is uncertain at the inception of an insurance contract:
- the probability of an insured event occurring;
- when it will occur; or
- how much the entity will need to pay if it occurs.

IFRS 17 typically applies to the issuer, and not the holder, of insurance contracts. An entity which owns a building and takes out buildings insurance is the holder, and it does not apply IFRS 17 to that purchased insurance contract. The only situation where the holder applies IFRS 17 is when an entity holds a reinsurance contract to transfer the insurance risk arising from an underlying insurance contract that it has issued.

Even if a contract is an 'insurance contract' as defined in IFRS 17, it will not be accounted for under IFRS 17 if it meets a scope exclusion. These exclusions cover various common contracts that a non-insurer might enter into, and so they are useful to be aware of before going into further detail on the criteria for identifying 'insurance contracts'.

Mandatory exclusion that allows other Standards apply other than IFRS 17 relate to the following (even if the definition of an insurance contract is met):
- Product warranties provided by a manufacturer, retailer or dealer in connection with the sale of its products (either a good or a service) to a customer are within the scope of IFRS 15 and IAS 37.
- Employers' assets and liabilities from employee benefit plans (see IAS 19 and IFRS 2), and retirement benefit obligations reported by defined benefit retirement plans, are within the scope of IAS 26.
- Contractual rights or obligations that are contingent on the future use of, or the right to use, a nonfinancial item is within the scope of IFRS 16, IFRS 15 and IAS 38.
- Residual value guarantees provided by a manufacturer, dealer or retailer are within the scope of IFRS 15.
- Residual value guarantees for lessees embedded in a lease are within the scope of IFRS 16.
- Contingent consideration payable on a business combination is within the scope of IFRS 3.
- Insurance contracts in which the entity is the policyholder, unless those contracts are reinsurance contracts held.
- Credit card contracts (or similar contracts that provide credit or payment arrangements) that meet the definition of an insurance contract if, and only if, the entity does not reflect an assessment of the insurance risk associated with an individual customer in setting the price of the contract with that customer.

Other scope exclusions are optional or apply only if certain conditions are met:
- Fixed-fee contracts - An entity can choose to apply either IFRS 15 or IFRS 17 to some contracts that provide a service for a fixed fee.
- Loans with death waivers - Provided that no other scope exclusions apply, an entity can choose to apply either IFRS 9 or IFRS 17 to contracts which limit the compensation to the amount otherwise required to settle the policyholder's obligation created by the contract.
- Financial guarantee contracts - Financial guarantee contracts that require the issuer to make specified payments, to reimburse the holder for a loss that it incurs because a specified debtor fails to make a payment when due, meet the definition of an insurance contract.
- Credit cards and other payment arrangements - Some credit card contracts (or similar contracts that provide credit or payment arrangements) meet the definition of an insurance contract, because they make payments to the card holder in circumstances that meet the definition of insurance risk.

Accounting Policies

3. Changes in accounting policies and disclosures (continued)

3.2 New standards and interpretations not yet adopted (continued)

The Group will need to assess if all its existing contracts meet the requirements of an insurance contract, and if so, if such contracts are within the mandatory exclusion of IFRS 17 or part of the optional scope exclusion if certain conditions are met. We anticipate the future adoption of IFRS 17 could result in signaficant changes to the statement of financial position, statement of profit or loss and the related notes to the annual financial statements for insurance contracts that will be within the scope of IFRS 17.

The mandatory implementation required by the standard is for years beginning on or after 1 January 2023. This change in accounting policy will be implemented for the first time for the financial year ending 29 February 2024.

Amendments to IFRS 17
Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017. The main changes are:

- Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023.
- Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk.
- Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination.
- Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level.
- Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements.
- Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives.
- Amendments to require an entity that at initial recognition recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held.
- Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts.
- Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach.

The Group will need to assess if all its existing contracts meet the requirements of an insurance contract, and if so, if such contracts are within the mandatory exclusion of IFRS 17 or part of the optional scope exclusion if certain conditions are met. We anticipate the future adoption of IFRS 17 could result in signaficant changes to the statement of financial position, statement of profit or loss and the related notes to the annual financial statements for insurance contracts that will be within the scope of IFRS 17.

The mandatory implementation required by the standard is for years beginning on or after 1 January 2023. This change in accounting policy will be implemented for the first time for the financial year ending 29 February 2024.

Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17)
The amendment permits entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before.

The anticipated adoption of this accounting standard might materially alter the disclosure and related comparative information.

There is no mandatory implementation date required by the standard.

Accounting Policies

3. Changes in accounting policies and disclosures (continued)

3.2 New standards and interpretations not yet adopted (continued)

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.

The narrow-scope amendments to IAS 1 require entities to disclose their material accounting policy information, instead of significant accounting policies.

The Board amended IAS 1 Presentation of Financial Statements to require companies to disclose their material accounting policy information rather than their significant accounting policies. Paragraph 117 of the amendment provides the following definition of material accounting policy information:

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements."

The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements.

Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

The mandatory implementation required by the standard is for years beginning on or after 1 January 2023. This change in accounting policy will be implemented for the first time for the financial year ending 29 February 2024.

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.

The change in the definition of accounting estimates is likely to reduce the chances of the Company having prior period errors corrections/adjustment especially to items that have measurement uncertainty such as impairments of prior period investments and assets.

The mandatory implementation required by the standard is for years beginning on or after 1 January 2023. This change in accounting policy will be implemented for the first time for the financial year ending 29 February 2024.

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.

The amendment is not expected to affect materially what is calculated and disclosed by the Company in relation to its deferred tax assets and liabilities.

The mandatory implementation required by the standard is for years beginning on or after 1 January 2023. This change in accounting policy will be implemented for the first time for the financial year ending 29 February 2024.

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4. Property, plant and equipment

4.1 Balances at year end and movements for the year

Figures in N$

Reconciliation for the year ended 28 February 2023 - Group	Land & Buildings	Machinery	Motor vehicles	Fixtures & fittings	Office equipment	Computer equipment	Other equipment	Security equipment	Total
Balance at 1 March 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**
Movements for the year ended 28 February 2023									
Additions from acquisitions	-	-	-	5,437	4,098	342,805	142,266	-	**494,606**
Depreciation	(3,162,603)	(33,372)	(44,438)	(456,829)	(5,852)	(557,883)	(275,888)	(1,276,303)	**(5,813,168)**
Fair value adjustment	(7,950,000)	-	-	-	-	-	-	-	**(7,950,000)**
Disposals - costs reversed	-	-	-	-	-	(360,996)	(7,999)	-	**(368,995)**
Disposals - accumulated depreciation reversed	-	-	-	-	-	333,506	6,587	-	**340,093**
Property, plant and equipment at the end of the year	**48,549,608**	**103,379**	**1,136,717**	**65,179**	**6,553**	**430,091**	**1,503,570**	**83,172**	**51,878,269**
Closing balance at 28 February 2023									
At cost or revaluation	64,791,022	18,377,337	2,908,118	3,171,089	658,518	5,523,853	3,008,297	9,239,601	**107,677,835**
Accumulated depreciation	(16,241,414)	(18,273,958)	(1,771,401)	(3,105,910)	(651,965)	(5,093,762)	(1,504,727)	(9,156,429)	**(55,799,566)**
Net book value	**48,549,608**	**103,379**	**1,136,717**	**65,179**	**6,553**	**430,091**	**1,503,570**	**83,172**	**51,878,269**

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4. Property, plant and equipment (continued)

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

Figures in N$

Reconciliation for the year ended 28 February 2022 - Group	Land & Buildings	Machinery	Motor vehicles	Fixtures & fittings	Office equipment	Computer equipment	Other equipment	Security equipment	Total
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)	(7,224)	(583,427)	(294,784)	(1,675,058)	**(6,513,791)**
Revaluation increase	5,615,000	-	-	-	-	-	-	-	**5,615,000**
Disposals	(6,078,402)	-	-	-	-	-	-	-	**(6,078,402)**
Reversal of accumulated depreciation on disposal	(13,118,833)	-	-	-	-	-	-	-	**(13,118,833)**
Decrease through classified as held for sale	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**	**8,309**	**672,659**	**1,638,604**	**1,359,475**	**65,175,735**
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)	(646,113)	(4,869,386)	(1,235,426)	(7,886,826)	**(50,341,329)**
Net book value	**59,662,211**	**136,751**	**1,181,155**	**516,571**	**8,309**	**672,659**	**1,638,604**	**1,359,475**	**65,175,735**

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4. Property, plant and equipment (continued)

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

Figures in N$

Reconciliation for the year ended 28 February 2023 - Company	Leasehold improvements	Motor vehicles	Fixtures & fittings	Office equipment	Computer equipment	Other equipment	Security equipment	Right-of-use asset	Total
Balance at 1 March 2022									
At cost	31,626,022	2,840,854	2,810,991	473,285	3,193,634	2,756,564	7,879,411	2,956,520	**54,537,281**
Accumulated depreciation	(13,078,811)	(1,659,699)	(2,295,105)	(469,507)	(2,526,606)	(1,118,975)	(6,670,125)	(1,043,478)	**(28,862,306)**
Net book value	**18,547,211**	**1,181,155**	**515,886**	**3,778**	**667,028**	**1,637,589**	**1,209,286**	**1,913,042**	**25,674,975**
Movements for the year ended 28 February 2023									
Additions from acquisitions	-	-	5,438	4,096	343,339	142,266	-	-	**495,139**
Depreciation	(3,162,602)	(44,438)	(456,315)	(3,675)	(553,768)	(275,517)	(1,204,800)	(347,826)	**(6,048,941)**
Disposals	-	-	-	-	(360,996)	(7,999)	-	-	**(368,995)**
Reversal of accumulated depreciation on disposal	-	-	-	-	333,506	6,587	-	-	**340,093**
Property, plant and equipment at the end of the year	**15,384,609**	**1,136,717**	**65,009**	**4,199**	**429,109**	**1,502,926**	**4,486**	**1,565,216**	**20,092,271**
Closing balance at 28 February 2023									
At cost	31,626,022	2,840,854	2,816,429	477,381	3,175,977	2,890,831	7,879,411	2,956,520	**54,663,425**
Accumulated depreciation	(16,241,413)	(1,704,137)	(2,751,420)	(473,182)	(2,746,868)	(1,387,905)	(7,874,925)	(1,391,304)	**(34,571,154)**
Net book value	**15,384,609**	**1,136,717**	**65,009**	**4,199**	**429,109**	**1,502,926**	**4,486**	**1,565,216**	**20,092,271**

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4. Property, plant and equipment (continued)

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

Figures in N$

Reconciliation for the year ended 28 February 2022 - Company	Leasehold improve-ments	Motor vehicles	Fixtures & fittings	Office equipment	Computer equipment	Other equipment	Security equipment	Right-of-use asset	Total
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	31,626,022	2,840,854	2,810,991	473,285	3,193,634	2,756,564	7,879,411	2,956,520	**54,537,281**
Accumulated depreciation	(13,078,811)	(1,659,699)	(2,295,105)	(469,508)	(2,526,606)	(1,118,975)	(6,670,125)	(1,043,478)	**(28,862,307)**
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)

4.2 Additional disclosures

4.3 Depreciation and impairment losses

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Depreciation and impairment losses have been included under the following expenditures:				
Other operating expenses				
Buildings	-	56,206	-	-
Leasehold improvements	3,162,602	3,162,602	3,162,602	3,162,602
Machinery	33,372	100,823	-	-
Motor vehicles	44,438	122,123	44,438	122,123
Fixtures and fittings	456,830	567,751	456,315	561,264
Office equipment	5,852	7,226	3,675	2,793
Computer equipment	557,883	583,427	553,768	578,342
Other equipment	275,888	294,784	275,517	294,146
Security equipment	1,276,303	1,675,058	1,204,800	1,575,882
Right-of-use asset	-	-	347,826	347,826
	5,813,168	**6,570,000**	**6,048,941**	**6,644,978**

4.4 Property details

4.4.1 Remainder of Erf No. 336 Klein Windhoek

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Opening costs and valuation	41,115,000	35,500,000	-	-
Fair value adjustments	(5,495,000)	5,615,000	-	-
Costs transferred to Erf 337 to be disclosed separately	(5,500,000)	-	-	-
Closing costs and valuation	**30,120,000**	**41,115,000**	**-**	**-**

In the current period, the remainder of Erf 336 Klein Windhoek had a market value of N$30,120,000 as determined on 05 April 2023 by an independent property valuator, Ngonyofi Property Investments CC represented by Ms Desiree Shikalepo, resulting in a fair value loss of N$5,495,000 in the current period. Additionally, the value of Erf 337 amounting to N$5,500,000 was transferred to Erf 337 to be disclosed separately in the current period.

In the prior period, this property had 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 in the prior period.

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.

Direct expenses incurred during the current year relating to the property were assessment rates and municipal charges of N$451,628 (2022: N$414,203).

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4. Property, plant and equipment (continued)

4.4.2 Erf No. 337 Klein Windhoek

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Costs transferred from Erf 336 to be disclosed separately	5,500,000	-	-	-
Fair value adjustments	(2,455,000)	-	-	-
Closing costs and valuation	**3,045,000**	**-**	**-**	**-**

In the current period, the property had a market value of N$3,045,000 as determined on 05 April 2023 by an independent property valuer Ngonyofi Property Investments CC represented by Ms Desiree Shikalepo. This was the first valuation adjustment done since the property was acquired for N$5,500,000 in February 2019. This resulted in a fair value loss of N$2,455,000.

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.

T367/2019: Remainder of Erf No. 337, Klein Windhoek, Division "K", Khomas Region, measuring 1,372 square metres. The property is held by Eumbo Property Investment (Pty) Ltd.

5. Investment property

5.1 Balances at year end and movements for the year

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Reconciliation for the year				
Balance at the beginning of the year	13,800,000	-	-	-
Transferred from owner-occupied property	-	446,536	-	-
Fair value adjustments	(250,000)	13,353,464	-	-
Net book value	**13,550,000**	**13,800,000**	-	-
Movements for the year				
(Losses) / gains on fair value adjustment	(250,000)	13,353,464	-	-
Transferred from owner-occupied property to investment property	-	446,536	-	-
Investment property at the end of the year	**13,550,000**	**13,800,000**	**-**	**-**
Closing balance at the end of the year				
At fair value	13,550,000	13,800,000	-	-
Net book value	**13,550,000**	**13,800,000**	**-**	**-**

5.2 Rental income from investment property, net of direct operating expense

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Rental income from investment property	606,659	592,000	-	-
Repairs and maintenance expense	-	(21,195)	-	-
Municipal services	(2,201)	(185,575)	-	-
Property rates	(170,150)	(168,263)	-	-
Cleaning and gardening	-	(904)	-	-
Security	-	(96,597)	-	-
Insurance	(143,523)	(155,848)	-	-
	290,785	**(36,382)**	**-**	**-**

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5. Investment property (continued)

5.3 Detail of properties

5.3.1 Erf 2399 Okahandja

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Opening fair value	13,800,000	-	-	-
Transferred from owner-occupied property	-	418,828	-	-
Fair value adjustments	250,000	13,381,172	-	-
Closing fair value	**14,050,000**	**13,800,000**	**-**	**-**

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 prior 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.

In the current period, this property was revalued on 28 February 2023 to a valuation of N$13,550,000.00 (2022: on 27 April 2021 had a valuation of N$13,800,000.00) by Eaton Property Valuations represented by Mr. Eugene Lofty- Eaton (professional/sworn appraiser).

6. Investment in subsidiaries

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

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Investments in subsidiaries	-	-	16,301,969	16,301,969
Investments in subsidiaries	**-**	**-**	**16,301,969**	**16,301,969**
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	2,495,118
Cost			34,795,197	34,795,197
Accumulated impairment			(32,300,079)	(32,300,079)
Total investment in subsidiaries			16,301,969	16,301,969

The impairment loss relating to the investment in subsidairy (Namgem Diamond Manufacturing Company (Pty) Ltd) is NIL (2022: N$2,282,311). An impairment loss occurs when the carrying amount of the investment exceeds its recoverable amount. Refer to Note 26 for additional information.

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7. Loans to subsidiaries

7.1 Loans to subsidiaries comprise the following balances:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Eumbo Property Investment (Pty) Ltd	-	-	19,421,754	20,032,770
The loan is interest-free, unsecured and unconditional. This arrangement is reviewed from time to time by the directors.		-		
Namgem Diamond Manufacturing Company (Pty) Ltd	-	-	11,948,343	10,092,382
The loan is interest-free, unsecured and unconditional. This arrangement is reviewed from time to time by the directors.		-		
		-	**31,370,097**	**30,125,152**

The holding company has no intention to recall the loans to the subsidiaries in the next 12 months.

8. Inventories

8.1 Inventories comprise:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Rough diamonds	198,428,505	-	198,428,505	-
	198,428,505	**-**	**198,428,505**	**-**

9. Trade and other receivables

9.1 Trade and other receivables comprise:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Prepaid expenses	392,451	1,646,284	249,100	1,646,284
Deposits	4,399	6,399	2,499	2,499
Value added tax	82,829,256	53,753,727	82,835,657	53,756,366
Other receivables	10,434,776	2,220,420	10,429,452	2,215,096
Total trade and other receivables	**93,660,882**	**57,626,830**	**93,516,708**	**57,620,245**

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

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Prepaid expenses	392,451	1,646,284	249,100	1,646,284
Deposits	4,399	6,399	2,499	2,499
Value added tax	82,829,256	53,753,727	82,835,657	53,756,366
Other receivables	10,434,776	2,220,420	10,429,452	2,215,096
Total non-financial instruments included in trade and other receivables	**93,660,882**	**57,626,830**	**93,516,708**	**57,620,245**
At amortised costs	-	-	-	-
Total trade and other receivables	**93,660,882**	**57,626,830**	**93,516,708**	**57,620,245**

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

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10. Current tax assets and liabilities

10.1 Current tax assets and liabilities comprise the following balances:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Amounts payable at the beginning of the year	(12,302,273)	(9,424,945)	(12,343,485)	(9,466,157)
Taxation expense	(202,925,330)	(73,663,310)	(202,904,939)	(73,361,680)
Less deferred tax included in taxation expense	3,302,044	(190,030)	3,281,653	(491,660)
Taxation paid	210,698,491	70,976,012	210,698,491	70,976,012
Amounts payable at the end of the year	**(1,227,068)**	**(12,302,273)**	**(1,268,280)**	**(12,343,485)**

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Split between current asset and liability				
Current asset	41,212	41,212	-	
Current liability	(1,268,280)	(12,343,485)	(1,268,280)	(12,343,485)
	(1,227,068)	**(12,302,273)**	**(1,268,280)**	**(12,343,485)**

11. Intercompany receivables

11.1 Intercompany receivables comprise the following balances:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
The NAMDIA Foundation	-	-	63,352	-
	-	**-**	**63,352**	**-**

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12. Cash and cash equivalents

12.1 Cash and cash equivalents included in current assets:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Cash				
Cash on hand	-	4,534	-	2,880
Balances with banks	513,117,028	395,011,558	484,580,042	390,745,817
	513,117,028	**395,016,092**	**484,580,042**	**390,748,697**

12.2 Net cash and cash equivalents

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Current assets	513,117,028	395,016,092	484,580,042	390,748,697
	513,117,028	**395,016,092**	**484,580,042**	**390,748,697**

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

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

Bank	Rating Agency	Rating
First National Bank of Namibia Ltd	Global Credit Rating	AA(NA)A1+(NA)
Standard Bank of Namibia Ltd	Moody's Investor Services	Ba3
Bank Windhoek Ltd	Global Credit Rating	AA(NA)A1+(NA)
Nedbank Namibia Ltd	Moody's Investor Services	AA(NA)A1+(NA)

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Bank				
First National Bank of Namibia Ltd	479,372,866	385,644,001	479,372,866	385,642,347
Standard Bank of Namibia Ltd	5,207,176	5,106,350	5,207,176	5,106,350
Bank Windhoek Ltd	28,519,965	4,240,862	-	-
Nedbank Namibia Ltd	17,021	24,879	-	-
	513,117,028	**395,016,092**	**484,580,042**	**390,748,697**

12.3 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

12.4 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.

Notes to the Consolidated and Separate Annual Financial Statements

13. Issued capital

13.1 Authorised and issued share capital

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Authorised				
4000 Ordinary shares of N$1.00 each	4,000	4,000	4,000	4,000
	4,000	**4,000**	**4,000**	**4,000**
Issued				
1000 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**

All issued shares are fully paid.

13.2 Additional disclosures

Total dividends declared (N$)	150,000,000	40,000,000	150,000,000	40,000,000
Dividends per share (N$)	150,000	40,000	150,000	40,000

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14. Other non-distributable reserves

14.1 Classification of reserves

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Revaluation reserve on land and buildings	(2,335,000)	5,877,339	-	-
Total reserves	**(2,335,000)**	**5,877,339**	**-**	**-**

Composition of revaluation reserve				
Remainder of Erf No. 336 Klein Windhoek	120,000	5,615,000		
Erf No. 337 Klein Windhoek	(2,455,000)	-		
Erf 2399 Okahandja	-	262,339		
	(2,335,000)	**5,877,339**	**-**	**-**

14.2 Nature and purpose of reserves

Revaluation of Remainder of Erf No. 336 Klein Windhoek
In the current period, this property had a market value of N$30,120,000 as determined on 05 April 2023 by an independent property valuator, Ngonyofi Property Investments CC represented by Ms Desiree Shikalepo, resulting in a fair value loss of N$5,495,000 in the current period.

In the prior period, this property had 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 No. 337 Klein Windhoek
In the current period, this property had a market value of N$3,045,000 as determined on 05 April 2023 by an independent property valuer Ngonyofi Property Investments CC represented by Ms Desiree Shikalepo. This was the first valuation adjustment done since the property was acquired for N$5,500,000 in February 2019. This resulted in a fair value loss of N$2,455,000 in the current period.

Revaluation of Erf 2399 Okahandja
This property is owned by Namgem Diamond Manufacturing Company (Pty) Ltd, and is leased to third parties independent from the Group, which prompted a change to investment property from owner occupied property, and accordingly any fair value changes are now recorded in the statement of profit or loss and will no longer be part of the revaluation reserve.

In the current period, the property had a market value of N$13,550,000 as determined on 28 February 2023 (2022: 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 gain recognised for the Group is 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 done to the value of the property relating to this revaluation as this was obtained after the reporting date.

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15. Deferred tax

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

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Deferred tax assets:				
- Accrued liabilities	68,255	1,885,815	10,451	1,885,815
- Provisions	2,091,623	945,372	1,808,692	945,372
- Deferred revenue	30,811,012	-	30,811,012	-
- Income received in advance	78,552	-	-	-
- Lease liabilities	25,684	-	667,068	735,024
Deferred tax balances from temporary differences other than unused tax losses	33,075,126	2,831,187	33,297,223	3,566,211
Total deferred tax asset	**33,075,126**	**2,831,187**	**33,297,223**	**3,566,211**
Deferred tax liabilities:				
- Property, plant and equipment	(1,983,216)	(2,481,800)	(879,598)	(1,542,174)
- Prepaid expenses	(125,584)	(526,811)	(79,712)	(526,811)
- IFRS 15 costs on deferred revenue	(27,444,912)	-	(27,444,912)	-
- Unrealised forex	(5,639,725)	(1,577,994)	(5,639,725)	(1,577,994)
- Right-of-use assets	-	-	(500,869)	(612,173)
- Other	(2,727,001)	-	(2,727,001)	-
Total deferred tax liability	**(37,920,438)**	**(4,586,605)**	**(37,271,817)**	**(4,259,152)**
Total net deferred tax liabilities	**(4,845,312)**	**(1,755,418)**	**(3,974,594)**	**(692,941)**
Deferred tax asset	33,075,126	2,831,187	33,297,223	3,566,211
Deferred tax liability	(37,920,438)	(4,586,605)	(37,271,817)	(4,259,152)
Total net deferred tax liability	**(4,845,312)**	**(1,755,418)**	**(3,974,594)**	**(692,941)**

Notes to the Consolidated and Separate Annual Financial Statements

15. Deferred tax (continued)

15.2 Reconciliation of deferred tax asset/(liability)

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
At the beginning of the year	(1,755,418)	(2,112,246)	(692,941)	(1,184,601)
Reversing temporary differences in property, plant and equipment	498,584	731,574	662,576	835,978
Originating/(reversing) temporary differences in provisions	1,146,251	(235,471)	863,320	(235,471)
Reversing/(originating) temporary differences in prepaid expenses	401,227	(447,096)	447,099	(447,096)
(Originating) temporary differences in IFRS 15 costs on deferred revenue	(27,444,912)	-	(27,444,912)	-
Reversing temporary differences in deferred revenue	30,811,012	-	30,811,012	-
Originating temporary differences in income received in advance	78,552	-	-	-
(Reversing)/originating temporary difference on accrued liabilities	(1,817,560)	1,885,815	(1,875,364)	1,885,815
Taxable temporary differences on unrealised foreign exchange	(4,061,731)	(1,577,994)	(4,061,731)	(1,577,994)
Reversing/(originating) temporary differences in right-of-use assets	-	-	111,304	111,304
(Reversing)/originating temporary differences in lease liabilities	25,684	-	(67,956)	(80,876)
	(2,118,311)	**(1,755,418)**	**(1,247,593)**	**(692,941)**

16. Lease liability

16.1 Lease liability comprises:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Minimum lease payments due				
- within one year	80,262	-	372,885	292,623
- in second to fifth year inclusive	-	-	1,711,704	2,004,327
Present value of minimum lease payments	**80,262**	**-**	**2,084,589**	**2,296,950**
Non-current liabilities	-	-	1,711,704	2,004,327
Current liabilities	80,262	-	372,885	292,623
	80,262	**-**	**2,084,589**	**2,296,950**

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

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Other expenses and gains				
Interest expense	-	-	319,377	359,261
	-	**-**	**319,377**	**359,261**

16.3 Amounts recognised in the statements of cash flows

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Total cash outflow for leases	80,262	-	(212,361)	(252,739)
	80,262	**-**	**(212,361)**	**(252,739)**

Notes to the Consolidated and Separate Annual Financial Statements

17. Provisions

17.1 Provisions for employee benefits

Figures in N$	Leave pay provision	Severance pay provision	Performance bonus provision	Total
Balance at 1 March 2022 - Group	**2,306,153**	**1,485,873**	**-**	**3,792,026**
New provisions	-	174,874	3,266,887	3,441,761
Provision used	(697,465)	-	-	(697,465)
Total changes	**(697,465)**	**174,874**	**3,266,887**	**2,744,296**
Balance at 28 February 2023	**1,608,688**	**1,660,747**	**3,266,887**	**6,536,322**
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 2022 - Company	**1,892,525**	**1,061,761**	**-**	**2,954,286**
New provisions	-	137,368	3,266,887	3,404,255
Provision used	(706,379)	-	-	(706,379)
Total changes	(706,379)	137,368	3,266,887	2,697,876
Balance at 28 February 2023	**1,186,146**	**1,199,129**	**3,266,887**	**5,652,162**
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**

17.2 Provisions comprise:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Provisions for employee benefits	6,536,322	3,792,026	5,652,162	2,954,286
Other provisions	-	-	-	-
	6,536,322	**3,792,026**	**5,652,162**	**2,954,286**
Provisions for employee benefits	6,536,322	3,792,026	5,652,162	2,954,286
Current portion	**6,536,322**	**3,792,026**	**5,652,162**	**2,954,286**
	6,536,322	**3,792,026**	**5,652,162**	**2,954,286**

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17. Provisions (continued)

17.3 Details of employee benefit provisions

Leave pay provision
Employees' entitlement to annual leave is recognised when it accrues to employees. An accrual is made for the estimated liability for annual leave due as a result of services rendered by employees up to statement of financial position date with a maximum of 30 days per employee.

Severance pay provision
Employees' entitlement to severance pay is recognised when it accrues to employees. An accrual is made for all employees who have been employed by the company for at least 12 months at the end of the financial year.

Performance bonus provision
Employees' entitlement to performance bonus is recognised when it accrues to employees. An accrual is made for all employees who are employed at the end of each financial year and are subject to the Company's performance and employee performance rating and is only payable to the employee if they are still employed by the Company at the date the annual financial statements are authorised and approved.

18. Trade and other payables

18.1 Trade and other payables comprise:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Trade creditors	3,777,282	1,246,984	1,474,917	1,092,115
Income received in advance	245,474	-	-	-
Accrued liabilities	213,458	6,097,290	32,660	5,893,171
SSC control account	13,477	19,409	-	19,376
Total trade and other payables	**4,249,691**	**7,363,683**	**1,507,577**	**7,004,662**

Fair value of trade and other payables
The fair values of trade and other payables approximates their carrying amounts.

19. Intercompany payables

19.1 Intercompany payables comprise:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
The NAMDIA Foundation	-	-	-	10,972,040
	-	**-**	**-**	**10,972,040**

20. Deferred revenue

20.1 Deferred revenue comprises:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Deferred revenue - rough diamond sales	96,284,411	-	96,284,411	-
	96,284,411	**-**	**96,284,411**	**-**

Deferred revenue relates to the cash received from customers in respect of the sales of rough diamonds where control of the rough diamonds has not transferred to the customer at year end. Deferred revenue is recognised as earned revenue when the rough diamonds are delivered to the customer(s).

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21. Financial instruments - financial assets

21.1 Carrying amount of financial assets by category

	Notes	At amortised cost	Total
Year ended 28 February 2023 - Group			
Trade and other receivables	9	-	-
Cash and cash equivalents	12	513,117,028	513,117,028
		513,117,028	**513,117,028**
Year ended 28 February 2022 - Group			
Trade and other receivables	9	-	-
Cash and cash equivalents	12	395,016,092	395,016,092
		395,016,092	**395,016,092**
Year ended 28 February 2023 - Company			
Loans to subsidiaries	7	31,370,097	31,370,097
Loans to shareholders	11	63,352	63,352
Trade and other receivables	9	-	-
Cash and cash equivalents	12	484,580,042	484,580,042
		516,013,491	**516,013,491**
Year ended 28 February 2022 - Company			
Loans to subsidiaries	7	30,125,152	30,125,152
Trade and other receivables	9	-	-
Cash and cash equivalents	12	390,748,697	390,748,697
		420,873,849	**420,873,849**

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22. Financial instruments - financial liabilities

	Notes	At amortised cost	Leases	Total
Year ended 28 February 2023 - Group				
Lease liabilities	16	80,262	80,262	**160,524**
Trade and other payables	18	3,990,740	-	**3,990,740**
		4,071,002	**80,262**	**4,151,264**
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 2023 - Company				
Lease liabilities	16	-	2,084,589	**2,084,589**
Trade and other payables	18	1,507,566	-	**1,507,566**
		1,507,566	**2,084,589**	**3,592,155**
Year ended 28 February 2022 - Company				
Lease liabilities	16	-	2,296,950	**2,296,950**
Loans from shareholders	19	10,972,040	-	**10,972,040**
Trade and other payables	18	7,004,651	-	**7,004,651**
		17,976,691	**2,296,950**	**20,273,641**

23. Revenue

23.1 Revenue comprises:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Sales - rough diamonds recognised at a point in time	3,106,516,283	1,902,000,898	3,106,516,283	**1,902,000,898**
Other revenue - donations received		1,782,015	-	**-**
Rent income	606,659	592,000	-	**-**
Total revenue	**3,107,122,942**	**1,904,374,913**	**3,106,516,283**	**1,902,000,898**

23.2 Sources of revenue

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Contracts with customers	3,106,516,283	1,902,000,898	3,106,516,283	**1,902,000,898**
Rental/lease contracts	606,659	592,000	-	**-**
Other non-contract revenue		1,782,015	-	**-**
	3,107,122,942	**1,904,374,913**	**3,106,516,283**	**1,902,000,898**

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24. Cost of sales

24.1 Cost of sales comprises:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Purchases - rough diamonds	2,645,851,088	1,601,024,842	2,645,851,088	1,601,024,842
Diamond selling costs	468,384	(197,939)	468,384	(197,939)
Discount received	(5,000)	(13,359)	(5,000)	(13,359)
Export levies	30,169,688	19,110,525	30,169,688	19,110,525
Import permit	2,500	2,000	2,500	2,000
Transport & shipping charges	277,166	368,956	277,166	368,956
Closing inventory	(198,428,505)	-	(198,428,505)	-
Diamond valuation costs	-	7,611	-	7,611
Total cost of sales	**2,478,335,321**	**1,620,302,636**	**2,478,335,321**	**1,620,302,636**

25. Other income

25.1 Other income comprises:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Bid documents	-	6,400	-	6,400
Deposits from applicants	-	1,812,107	-	1,812,107
Total other income	**-**	**1,818,507**	**-**	**1,818,507**

26. Impairment losses

26.1 Impairment losses comprise of:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Investments in Group companies	-	-	-	(2,282,311)
Total impairments	**-**	**-**	**-**	**(2,282,311)**

Impairment of investment in subsidiary

The impairment losses relating to the investment in subsidiary (Namgem Diamond Manufacturing Company (Pty) Ltd) is NIL (2022: N$2,282,311). An impairment loss occurs when the carrying amount of the investment exceeds its recoverable amount. Refer to Note 6 for additional information.

27. Administrative expenses

27.1 Administrative expenses comprise:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Accounting fees	208,000	398,340	208,000	308,240
Annual duty	65,640	65,480	32,660	32,660
Auditor's remuneration - Fees	958,452	603,322	812,935	555,278
Bank charges	1,985,756	1,046,129	1,973,423	1,036,068
Computer expenses	622,772	578,223	597,956	537,424
Secretarial fees	-	35,461	-	3,674
Subscriptions	970,496	1,265,685	970,496	1,225,685
Telecommunication	692,442	909,390	666,079	846,830
Total administrative expenses	**5,503,558**	**4,902,030**	**5,261,549**	**4,545,859**

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28. Other operating expenses

28.1 Other operating expenses comprise:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Advertising	1,744,260	1,479,868	1,587,418	1,206,806
Assessment rates and municipal charges	170,150	168,263	-	-
Bursaries	2,946,253	-	-	-
Cleaning	201,989	266,929	201,989	266,025
Consulting fees	3,882,504	1,487,642	3,882,504	1,487,642
Consumables	935,909	510,214	935,909	392,170
Custom duty penalties	656,887	-	-	-
Depreciation	5,813,168	6,570,000	6,048,941	6,644,978
Donations - non-tax deductible	178,850	(5,392)	20,178,850	13,368,399
Donations - tax deductible	6,071,736	6,857,827	-	-
Electricity and water	2,201	228,405	-	-
Employee costs - directors' emoluments	1,284,009	1,027,843	1,284,009	1,027,843
Employee costs - salaries, wages, bonuses and other benefits	30,293,760	35,312,487	29,119,107	33,331,454
Entertainment	668,617	323,948	668,617	266,763
General expenses	71,966	(767,002)	28,882	29,155
Gifts	750	-	750	-
Insurance	2,147,543	2,114,708	2,004,020	1,958,860
Legal expenses	936,839	676,185	936,839	676,185
Licenses	-	10,000	-	10,000
Motor vehicle expenses	160,516	79,856	147,635	43,705
Other expenses	29,346	30,173	-	-
Printing and stationery	139,504	146,540	139,504	141,692
Promotions	3,953,165	479,423	3,953,165	479,423
Property related expenses (Note 28.1.1)	832,830	1,051,520	656,061	618,125
Repairs and maintenance	422,468	265,627	422,468	244,432
Security	542,000	741,972	542,000	645,375
Staff welfare	1,004,019	641,166	1,004,019	641,166
Stamp duty	250	12,651	250	12,651
Training	486,683	136,588	474,059	124,237
Travel - Local	211,300	74,773	211,300	24,157
Travel - Overseas	3,696,654	3,861,991	3,696,654	3,861,991
Total other expenses	**69,486,126**	**63,784,205**	**78,124,950**	**67,503,234**

28.1.1 Property related expenses comprise of:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Equipment	1,359	26,716	1,359	7,523
Municipal charges	904,331	828,405	452,703	414,203
Storage	201,999	196,399	201,999	196,399
	1,107,689	**1,051,520**	**656,061**	**618,125**

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29. Other gains and (losses)

29.1 Other gains and (losses) comprise:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Fair value gains and (losses) on investment property	(250,000)	-	-	-
Gain or (loss) on disposal of assets	(28,902)	87,300	(28,902)	-
Gain or (loss) on foreign exchange differences on cash and cash equivalents	17,292,926	12,951,870	17,292,926	12,951,870
Gain or (loss) on realised foreign exchange differences	21,984,167	(19,657,010)	21,984,167	(19,657,010)
Unrealised gain or (loss) on foreign exchange	(1,606,187)	-	(1,606,187)	-
Total other gains and (losses)	**37,392,004**	**(6,617,840)**	**37,642,004**	**(6,705,140)**

Net gains or losses on derecognition of financial assets measured at amortised cost

Disclose an analysis of the gain or loss recognised in the statement of comprehensive income arising from the derecognition of financial assets measured at amortised cost, showing separately gains and losses arising from derecognition of those financial assets. This disclosure shall include the reasons for derecognising those financial assets.

30. Profit from operating activities

30.1 Profit from operating activities includes the following separately disclosable items

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Other operating expenses				
Property plant and equipment				
- depreciation	5,813,168	6,570,000	6,048,941	6,644,978
Other (impairment reservals)/impairment				
- investments in subsidiaries, associates and joint ventures	-	-	-	2,282,311
Audit fees				
Auditor's remuneration - Fees	958,452	603,322	812,935	555,278

30. Profit from operating activities

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

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Interest received - banks	26,816,072	10,130,643	26,024,487	10,026,240
Total finance income	**26,816,072**	**10,130,643**	**26,024,487**	**10,026,240**

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32. Finance costs

32.1 Finance costs included in profit or loss:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Short-term financing facilities	5,860,999	2,214,453	5,860,999	2,214,412
Lease liability	-	-	319,377	359,261
Trade and other payables	-	(9,277)	-	-
Taxation payables	983	155,608	983	155,608
Total finance costs	**5,861,982**	**2,360,784**	**6,181,359**	**2,729,281**

33. Income tax expense

33.1 Income tax recognised in profit or loss:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Current tax				
Local income tax - current period	199,623,286	73,853,340	199,623,286	73,853,340
Total current tax	**199,623,286**	**73,853,340**	**199,623,286**	**73,853,340**
Deferred tax				
Originating and reversing temporary differences	3,302,044	(186,890)	3,281,653	(491,660)
Arising from prior period adjustments	-	(3,140)	-	-
Total deferred tax	**3,302,044**	**(190,030)**	**3,281,653**	**(491,660)**
Total income tax expense	**202,925,330**	**73,663,310**	**202,904,939**	**73,361,680**

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

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Profit before tax from operations	612,144,031	218,356,568	602,279,595	209,777,184
Income tax calculated at 32.0%	195,886,090	69,874,102	192,729,470	67,128,699
Tax effect of adjustments on taxable income				
- Permanent difference	7,039,240	3,789,208	10,175,469	6,232,981
Tax charge	**202,925,330**	**73,663,310**	**202,904,939**	**73,361,680**

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34. Related parties

34.1 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 6
	Namgem Diamond Manufacturing Company (Pty) Ltd [Reg No. 1996/0461] - Refer to Note 6
Founder	The NAMDIA Foundation (Non-Profit Association Incorporated Under Section 21) [Reg No. 21/2019/0816]

34.2 Other related parties

Name	Nature of relationship
B.K.G. Eiseb	Director
J.H. Hausiku	Director
N.S. Shimutwikeni	Director
L.M. Muatunga	Director

34.3 Key management personnel

Name	Nature of relationship
A.E.L. Amupolo	Chief Executive
U.L.W. Kauta	Chief Operations Officer
L.T. Usiku	Executive: Market Development, Sales & Branding
M.N.K. Tjombonde	Manager: Legal & Company Secretarial
H.C. McKay	GM: Security & Safety (until 31 December 2022)
S.B. von Blottnitz	GM: Finance (until 31 October 2022)
K.N. Hamutenya	Chief Executive Officer (until 30 June 2022)
I.D. Haihambo	GM: Human Resources & Administration (until 29 July 2021)

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34. Related parties (continued)

34.4 Compensation paid to directors and prescribed officers

Name	Sitting fees	Expense allowance	Total remuneration
2023			
B.K.G. Eiseb (Chairperson)	204,734	42,872	247,606
J.H. Hausiku	280,264	44,945	325,209
N.S. Shimutwikeni	245,316	42,438	287,754
L.M. Muatunga	280,264	143,176	423,440
Total compensation paid to directors and prescribed officers	**1,010,578**	**273,431**	**1,284,009**
2022			-
B.K.G. Eiseb (Chairperson)	226,344	15,643	241,987
J.H. Hausiku	213,662	15,643	229,305
N.S. Shimutwikeni	259,157	15,643	274,800
L.M. Muatunga	188,204	93,547	281,751
Total compensation paid to directors and prescribed officers	**887,367**	**140,476**	**1,027,843**

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34. Related parties (continued)

34.5 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 2023					
Related party transactions					
Dividends declared	(150,000,000)	-	-	-	**(150,000,000)**
Donations	-	-	-	(20,000,000)	**(20,000,000)**
Leases as lessee - commercial rental	-	(612,000)	-	-	**(612,000)**
Leases as lessee - sub-charges	-	(452,703)	-	-	**(452,703)**
Outstanding balances for related party transactions					
Amounts receivable	-	-	-	63,352	**63,352**
Outstanding loan accounts					
Amounts receivable	-	19,421,754	11,948,343	-	**31,370,097**
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**

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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 Audit, Risk and Compliance Committee (ARCC), 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, short-term borrowings (credit cards, diamond purchase facilities, VAT payment facilities) and financial guarantees.

Credit risk exposure arising on trade and other receivables is managed by the Company on the basis that good are only shipped once payment has been received.

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 2023		
Figures in N$	**Notes**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost /fair value**
Trade and other receivables	9	-		-
Cash and cash equivalents	12	513,117,028	-	513,117,028
		513,117,028	**-**	**513,117,028**

		Group 2022		
Figures in N$	**Notes**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost /fair value**
Trade and other receivables	9	-	-	-
Cash and cash equivalents	12	395,016,092		395,016,092
		395,016,092		**395,016,092**

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35. Financial risk management (continued)

		Company 2023		
Figures in N$	Notes	Gross carrying amount	Credit loss allowance	Amortised cost /fair value
Loan to subsidiaries	7	31,370,097	-	31,370,097
Trade and other receivables	9	-	-	-
Cash and cash equivalents	12	484,580,042	-	484,580,042
Intercompany receivables	11	63,352	-	63,352
		516,013,491	**-**	**516,013,491**

		Company 2022		
Figures in N$	Notes	Gross carrying amount	Credit loss allowance	Amortised cost /fair value
Loan to subsidiaries	7	30,125,152	-	30,125,152
Trade and other receivables	9	-	-	-
Cash and cash equivalents	12	390,748,697	-	390,748,697
Intercompany receivables	11	-	-	-
		420,873,849	**-**	**420,873,849**

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 when necessary.

Committed working capital facility is available for meeting liquidity requirements and deposits are held at credible banking institutions.

Figures in N$	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Current liabilities					
Lease liability	16	80,262	-	80,262	-
Trade and other payables	18	4,249,691	7,363,683	1,507,566	7,004,651
Intercompany payables		-	-	-	10,972,040
		4,329,953	**7,363,683**	**1,587,828**	**17,976,691**

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35. Financial risk management (continued)

		Group 2023			
Figures in N$	Notes	Less than 1 year	2-5 years	Total undiscounted cash flows	Carrying amount as per financial statements
Non-current					
Lease liability	16	-	-	-	-
		-	-	-	-
Current					
Lease liability	16	80,262	-	80,262	80,262
Trade and other payables	18	4,249,691	-	4,249,691	4,249,691
Intercompany payables		-	-	-	-
		4,329,953	**-**	**4,329,953**	**4,329,953**
		4,329,953	**-**	**4,329,953**	**4,329,953**

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35. Financial risk management (continued)

		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		-	-	-	-
		-	-	-	-
Current					
Lease liability	16	-		-	-
Financial liabilities		-		-	-
Trade and other payables	18	7,363,683		7,363,683	7,363,683
Intercompany payables					
Deferred revenue	20	-		-	-
		7,363,683		**7,363,683**	**7,363,683**
		7,363,683		**7,363,683**	**7,363,683**

		Company 2023			
	Notes	Less than 1 year	2-5 years	Total undiscounted cash flows	Carrying amount as per financial statements
Non-current					
Lease liability	16	-	1,338,819	1,338,819	1,711,704
Financial liabilities		-	-	-	-
		-	**1,338,819**	**1,338,819**	**1,711,704**
Current					
Lease liability	16	612,000	-	612,000	372,885
Financial liabilities		-	-	-	-
Trade and other payables	18	1,507,566	-	1,507,566	1,507,566
Intercompany payables		-	-	-	
Deferred revenue	20	- 96,284,411	-	- 96,284,411	- 96,284,411
		98,403,977	**-**	**98,403,977**	**98,164,862**
		98,403,977	**1,338,819**	**99,742,796**	**99,876,566**

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35. Financial risk management (continued)

		Company 2022			
	Notes	Less than 1 year	2-5 years	Total undiscounted cash flows	Carrying amount as per financial statements
Non-current					
Lease liability	16	-	2,044,211	2,044,211	2,004,327
Financial liabilities		-	2,698,546	2,698,546	-
		-	**4,742,757**	**4,742,757**	**2,004,327**
Current					
Lease liability	16	612,000	-	612,000	292,623
Financial liabilities		5,489,816	-	5,489,816	-
Trade and other payables	18	7,004,662	-	7,004,662	7,004,662
Intercompany payables		-	-	-	-
Deferred revenue	20	-	-	-	-
		13,106,478	**-**	**13,106,478**	**7,297,285**
		13,106,478	**4,742,757**	**17,849,235**	**9,301,612**

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, which serves as a natural hedge against the currency risk. 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 arising from 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 is 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 29 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:

Figures in N$	Notes	Group 2023	Group 2022	Company 2023	Company 2022
US Dollar exposure:					
Current assets					
FNB CFC Account, USD 1,419 (2021: USD 1,419)	12	26,145	21,574	26,145	21,574
RMB CFC Account, USD 591,881 (2021: USD 591,881)	12	174,976,298	63,602,343	174,976,298	63,602,343
		175,002,443	**63,623,917**	**175,002,443**	**63,623,917**

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35. Financial risk management (continued)

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Exchange rates				
Namibian Dollar per unit of foreign currency:				
US Dollar	18.420	15.200	18.420	15.200

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), 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 sustainability.

The Group and Company manage capital structure and make 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 2023	Group 2022	Company 2023	Company 2022
Lease liability	16	80,262	-	2,084,589	2,296,950
Trade and other payables	18	4,249,691	7,363,683	1,507,566	7,004,662
Deferred revenue	20	96,284,411	-	96,284,411	-
Total borrowings		**100,614,364**	**7,363,683**	**99,876,566**	**9,301,612**
Cash and cash equivalents	12	(513,117,028)	(395,016,092)	(484,580,042)	(390,748,697)
Net borrowings		**(412,502,664)**	**(387,652,409)**	**(384,703,476)**	**(381,447,085)**
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		709,746,619	450,527,918	683,581,341	434,206,674
Total equity		**759,746,619**	**500,527,918**	**733,581,341**	**484,206,674**
Gearing ratio		**-54 %**	**-77 %**	**-52 %**	**-79 %**

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37. Cash flows from operating activities

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Profit for the year	**612,144,031**	**218,356,568**	**602,279,595**	**209,777,184**
Adjustments for:		-		
Finance income	(26,816,072)	(10,130,643)	(26,024,487)	(10,026,240)
Finance costs	5,861,982	2,360,784	6,181,359	2,729,281
Depreciation and amortisation expense	5,813,168	6,570,000	6,048,941	6,644,978
Impairment losses and reversal of impairment losses recognised in profit or loss	-	-	-	2,282,311
Non-cash revaluation on property, plant and equipment	250,000	(262,339)	-	-
Gain or (loss) on foreign exchange differences on cash and cash equivalents	(17,292,926)	(12,951,870)	(17,292,926)	(12,951,870)
Movements for provisions	2,744,296	(288,284)	2,697,876	(735,852)
Non-cash losses on disposal of non-current assets	28,902	-	28,902	-
Change in operating assets and liabilities:				
Adjustments for increase in inventories	(198,428,505)	-	(198,428,505)	-
Adjustments for decrease in trade accounts receivable	-	145,300	-	145,300
Adjustments for increase in intercompany receivables	-	-	(63,352)	-
Adjustments for increase in other operating receivables	(36,039,376)	(9,470,941)	(35,896,463)	(8,994,004)
Adjustments for increase in trade accounts payable	2,530,298	840,833	382,802	837,187
Adjustments for (decrease) / increase in other operating payables	(6,084,551)	5,928,871	(5,879,887)	5,912,547
Adjustments for increase in intercompany payables	-	-	(10,908,688)	6,972,040
Adjustments for increase in deferred income	96,284,411	-	96,284,411	-
Net cash flows from operations	**440,995,658**	**201,098,279**	**419,409,578**	**202,592,862**

38. Dividend paid

38.1 Dividend paid is calculated as follows:

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Dividend declared	(150,000,000)	(40,000,000)	(150,000,000)	(40,000,000)
	(150,000,000)	**(40,000,000)**	**(150,000,000)**	**(40,000,000)**
Dividend paid cash flows are classified as follows:				
Financing cash flow	(150,000,000)	(40,000,000)	(150,000,000)	(40,000,000)
	(150,000,000)	**(40,000,000)**	**(150,000,000)**	**(40,000,000)**

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39. Income tax paid

39.1 Income tax paid

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Amounts receivable / (payable) at the beginning of the year	(12,302,273)	(9,424,945)	(12,343,485)	(9,466,157)
Amounts (receivable) / payable at the end of the year	1,227,068	12,302,273	1,268,280	12,343,485
Taxation expense (credit)	(202,925,330)	(73,663,310)	(202,904,939)	(73,361,680)
Less deferred tax included in taxation expense	3,302,044	(190,030)	3,281,653	(491,660)
	(210,698,491)	**(70,976,012)**	**(210,698,491)**	**(70,976,012)**
Income tax cash flows are classified as follows:				
Operating cash flow	(210,698,491)	(70,976,012)	(210,698,491)	(70,976,012)
	(210,698,491)	**(70,976,012)**	**(210,698,491)**	**(70,976,012)**

40. Cash flow calculations

40.1 Proceeds from sales of property, plant and equipment

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Proceeds from sales of property, plant and equipment before adjustments	(28,902)	19,284,535	-	-
Transfers from property, plant and equipment to investment property	-	(19,197,235)	-	-
	(28,902)	**87,300**	**-**	**-**

40.2 Purchase of property, plant and equipment

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Purchase of property, plant and equipment before adjustments	(494,606)	(284,224)	(495,139)	(284,225)
	(494,606)	**(284,224)**	**(495,139)**	**(284,225)**

40.3 Loans to subsidiaries

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Movement in loans to subsidiaries before adjustments	-	-	(1,244,945)	(1,188,737)
Other non-cash impact	-	-	-	-
	-	**-**	**(1,244,945)**	**(1,188,737)**

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Notes to the Consolidated and Separate Annual Financial Statements

40. Cash flow calculations (continued)

40.4 Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2023 Group

Figures in N$	Opening balance	Interest	Cash outflow	Total movements	Closing balance
Other financial liabilities measured as fair value	-	-	-	-	-
Lease liability	-	-	(16,428)	80,263	80,262
	-	-	**(16,428)**	**80,263**	**80,262**
Total liabilities from financing activities	-	-	**(16,428)**	**80,263**	**80,262**

Reconciliation of liabilities arising from financing activities - 2022 Group

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	-	-	-	-	-
	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)**	**-**

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)

40.4 Changes in liabilities arising from financing activities (continued)

Reconciliation of liabilities arising from financing activities - 2023 Company

Figures in N$	Opening balance	Interest	Cash outflow	Total movements	Closing balance
Other financial liabilities measured as fair value	-	-	-	-	-
Lease liability - leased assets	-	-	(16,428)	80,263	80,262
Lease liability - leased property	2,296,950	319,377	(612,000)	(292,623)	2,004,327
	2,296,950	**319,377**	**(628,428)**	**(212,360)**	**2,084,589**
Total liabilities from financing activities	**2,296,950**	**319,377**	**(628,428)**	**(212,360)**	**2,084,589**

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 - leased assets	-	-	-	-	-
Lease liability - leased property	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**

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 2023	Group 2022	Company 2023	Company 2022
Estimated financial effect	-	1,100,000	-	1,100,000

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 (2022: N$1,000,000) claimed by Bravo Compliance is considered to be remote, and no outflow of economic benefits is expected.

Notes to the Consolidated and Separate Annual Financial Statements

42. 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 2023	Group 2022	Company 2023	Company 2022
Revenue	23				
Other revenue - donations received		-	1,782,015	-	-
Other sales		1,148,235	-	1,148,235	-
Rent income		606,659	592,000	-	-
Sales - rough diamonds recognised at a point in time		3,105,368,048	1,902,000,898	3,105,368,048	1,902,000,898
		3,107,122,942	**1,904,374,913**	**3,106,516,283**	**1,902,000,898**
Cost of sales	24				
Diamond selling costs		(468,384)	197,939	(468,384)	197,939
Diamond valuation costs		-	(7,611)	-	(7,611)
Discount received		5,000	13,359	5,000	13,359
Export levies		(30,169,688)	(19,110,525)	(30,169,688)	(19,110,525)
Import permit		(2,500)	(2,000)	(2,500)	(2,000)
Purchases - rough diamonds		(2,645,851,088)	(1,601,024,842)	(2,645,851,088)	(1,601,024,842)
Transport and shipping charges		(277,166)	(368,956)	(277,166)	(368,956)
Closing inventory		198,428,505	-	198,428,505	-
		(2,478,335,321)	**(1,620,302,636)**	**(2,478,335,321)**	**(1,620,302,636)**
Gross profit		**628,787,621**	**284,072,277**	**628,180,962**	**281,698,262**
Other income	25				
Bid documents		-	6,400	-	6,400
Deposits from applicants		-	1,812,107	-	1,812,107
		-	**1,818,507**	**-**	**1,818,507**
Impairments and reversals					
Impairments and reversals - investments	26	-	-	-	(2,282,311)
		-	**-**	**-**	**(2,282,311)**
Administrative expenses	27				
Accounting fees		(208,000)	(398,340)	(208,000)	(308,240)
Annual duty		(65,640)	(65,480)	(32,660)	(32,660)
Auditor' s remuneration - Fees		(958,452)	(603,322)	(812,935)	(555,278)
Bank charges		(1,985,756)	(1,046,129)	(1,973,423)	(1,036,068)
Computer expenses		(622,772)	(578,223)	(597,956)	(537,424)
Secretarial fees		-	(35,461)	-	(3,674)
Subscriptions		(970,496)	(1,265,685)	(970,496)	(1,225,685)
Telecommunication		(692,442)	(909,390)	(666,079)	(846,830)
		(5,503,558)	**(4,902,030)**	**(5,261,549)**	**(4,545,859)**

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

Namib Desert Diamonds (Proprietary) Limited

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Detailed Income Statement

Figures in N$	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Other expenses	28				
Advertising		(1,744,260)	(1,479,868)	(1,587,418)	(1,206,806)
Assessment rates and municipal charges		(170,150)	(168,263)	-	-
Bursaries		(2,946,253)	-	-	-
Cleaning		(201,989)	(266,929)	(201,989)	(266,025)
Consulting fees		(3,882,504)	(1,487,642)	(3,882,504)	(1,487,642)
Consumables		(935,909)	(510,213)	(935,909)	(392,170)
Custom duty penalties		(656,887)	-	-	-
Depreciation - property, plant and equipment		(5,813,168)	(6,570,000)	(6,048,941)	(6,644,978)
Donations		(6,071,736)	(6,857,827)	-	-
Electricity and water		(2,201)	(228,405)	-	-
Employee costs - directors		(1,284,009)	(1,027,843)	(1,129,047)	(1,027,843)
Employee costs - salaries		(30,293,760)	(35,312,487)	(29,274,069)	(33,331,454)
Entertainment		(668,617)	(323,949)	(668,617)	(266,763)
General expenses		(71,966)	767,002	(28,882)	(29,155)
Gifts		(750)	-	(750)	-
Insurance		(2,147,543)	(2,114,708)	(2,004,020)	(1,958,860)
Legal expenses		(936,839)	(676,185)	(936,839)	(676,185)
Licences		-	(10,000)	-	(10,000)
Motor vehicle expenses		(160,516)	(79,856)	(147,635)	(43,705)
Other expenses		(29,346)	(30,173)	-	-
Printing and stationery		(139,504)	(146,540)	(139,504)	(141,692)
Promotions		(3,953,165)	(479,423)	(3,953,165)	(479,423)
Property related expenses		(832,830)	(1,051,520)	(656,061)	(618,125)
Repairs and maintenance		(422,468)	(265,627)	(422,468)	(244,432)
Security		(542,000)	(741,972)	(542,000)	(645,375)
Sponsorship - non-tax deductible		(178,850)	5,392	(20,178,850)	(13,368,399)
Staff welfare		(1,004,019)	(641,166)	(1,004,019)	(641,166)
Stamp duty		(250)	(12,651)	(250)	(12,651)
Training		(486,683)	(136,588)	(474,059)	(124,237)
Travel - Local		(211,300)	(74,773)	(211,300)	(24,157)
Travel - Overseas		(3,696,654)	(3,861,991)	(3,696,654)	(3,861,991)
		(69,486,126)	**(63,784,205)**	**(78,124,950)**	**(67,503,234)**
Other gains and losses	29				
Fair value changes - investment property		(250,000)	-	-	-
Forex gain or loss - cash and cash equivalents		17,292,926	12,951,870	17,292,926	12,951,870
Forex gain or loss - non-cash assets		20,377,980	(19,657,010)	20,377,980	(19,657,010)
Gain or loss on sale - property, plant and equipment		(28,902)	87,300	(28,902)	-
		37,392,004	**(6,617,840)**	**37,642,004**	**(6,705,140)**
Profit from operating activities	30	**591,189,941**	**210,586,709**	**582,436,467**	**202,480,225**

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Detailed Income Statement

Figures in N$	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Finance income	31				
Interest received		26,816,072	10,130,643	26,024,487	10,026,240
		26,816,072	**10,130,643**	**26,024,487**	**10,026,240**
Finance costs	32				
Lease liability		-	-	(319,377)	(359,261)
Short-term financing facilities		(5,860,999)	(2,214,453)	(5,860,999)	(2,214,412)
Taxation payables		(983)	(155,608)	(983)	(155,608)
Trade and other payables		-	9,277	-	-
		(5,861,982)	**(2,360,784)**	**(6,181,359)**	**(2,729,281)**
Profit before tax		**612,144,031**	**218,356,568**	**602,279,595**	**209,777,184**
Income tax	33				
Current tax		(199,623,286)	(73,853,340)	(199,623,286)	(73,853,340)
Deferred tax		(3,302,044)	190,030	(3,281,653)	491,660
		(202,925,330)	**(73,663,310)**	**(202,904,939)**	**(73,361,680)**
Profit for the year		**409,218,701**	**144,693,258**	**399,374,656**	**136,415,504**

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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 below is the amount retained and re-invested in the Company for the replacement of assets and further development.

Figures in N$	Group		Group		Group	
	2023 N$	2023 %	2022 N$	2022 %	2021 N$	2021 %
VALUE ADDED						
Value added by operating activities						
Revenue	3,107,122,942		1,904,374,913		1,135,475,904	
Bought - in materials and services	(2,515,934,068)		(1,646,078,541)		(1,066,680,856)	
Other income	-		1,818,507		3,950,745	
Other operating gains (losses)	37,392,004		(6,617,840)		(6,662,321)	
	628,580,878	**96**	**253,497,039**	**96**	**66,083,472**	**80**
Value added by investing activities						
Investment income	26,816,072		10,130,643		16,107,053	
	26,816,072	**4**	**10,130,643**	**4**	**16,107,053**	**20**
Total Value Added	**655,396,950**	**100**	**263,627,682**	**100**	**82,190,525**	**100**
VALUE DISTRIBUTED						
To Pay Employees						
Salaries, wages, medical and other benefits	31,577,769		36,340,330		27,728,252	
	31,577,769	**5**	**36,340,330**	**14**	**27,728,252**	**(34)**
To Pay Providers of Capital						
Finance costs	5,861,982		2,360,784		4,262,855	
	5,861,982	**1**	**2,360,784**	**1**	**4,262,855**	**5**
To Pay Government						
Income tax	199,623,286		73,853,340		30,358,381	
	199,623,286	**30**	**73,853,340**	**28**	**30,358,381**	**37**
To be retained in the business for expansion and future wealth creation:						
Value reinvested						
Depreciation, amortisation and impairments	5,813,168		6,570,000		7,415,737	
Deferred tax	3,302,044		(190,030)		(916,728)	
	9,115,212	**1**	**6,379,970**	**2**	**6,499,009**	**8**
Value retained						
Retained profit	409,218,701		144,693,258		17,251,703	
	409,218,701	**62**	**144,693,258**	**55**	**17,251,703**	**21**
Total Value Distributed	**655,396,950**	**100**	**263,627,682**	**100**	**86,100,200**	**105**

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Three Year Financial Summary

Figures in N$	Group 2023	Group 2022	Group 2021
CONDENSED BALANCE SHEET			
Fixed assets	70,273,582	80,731,153	81,256,012
Net current assets/(liabilities)	696,828,661	429,184,940	321,466,234
	767,102,243	**509,916,093**	**402,722,246**
Deferred taxation	-	-	-
Long term liabilities	-	-	(2,663,100)
Total net assets	**767,102,243**	**509,916,093**	**400,059,146**
FINANCED BY:			
Share capital	1,000	1,000	1,000
Share premium	49,999,000	49,999,000	49,999,000
Retained income	709,746,619	450,527,918	345,834,660
	759,746,619	**500,527,918**	**395,834,660**
CONDENSED INCOME STATEMENT			
Turnover	3,107,122,942	1,904,374,913	1,135,475,904
Profit before taxation	612,144,031	218,356,568	42,783,681
Taxation	(202,925,330)	(73,663,310)	(29,389,728)
Profit for the period	**409,218,701**	**144,693,258**	**13,342,028**
Retained income for the period	**409,218,701**	**144,693,258**	**13,342,028**
CONDENSED STATEMENT OF CASH FLOWS			
Cash flow from operating activities	251,251,257	137,892,126	113,178,554
Cash flow from investing activities	(523,508)	(196,924)	(11,804,599)
Cash flow from financing activities	(149,919,738)	(47,823,100)	(85,241,567)
	100,808,011	**89,872,102**	**16,132,388**
FINANCIAL RATIOS			
Liquidity ratios			
Current ratio	7.43	19.26	16.52
Quick ratio	5.60	19.26	16.52
Profitability %			
Return on operating assets	65.06%	36.46%	3.96%
Profit for the year	409,218,701	144,693,258	13,393,953
Return on equity	80.81%	36.55%	3.54%
Gross margin	20.24%	14.92%	10.16%

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Ratio Analysis

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Liquidity Ratios				
Current ratio	7.43	19.26	7.39	13.36
Acid test ratio	5.60	19.26	5.50	13.36
Asset Management Ratios				
The asset management analysis consists of the calculation of five ratios:				
Receivables turnover – Collection period	44.82	37.50	44.86	37.49
Days sales in receivables	9.78	10.62	9.76	10.63
Inventory turnover	24.98	0.00	24.98	0.00
Days cost of sales in inventory	29.22	0.00	29.22	0.00
Days purchases in creditors	0.61	1.59	0.21	1.51
Profitability Ratios				
Gross profit margin	20.24%	14.92%	20.22%	14.81%
Return on operating assets	65.06%	36.46%	64.67%	36.16%
Profit for the year	409,218,701	144,693,258	399,374,656	136,415,504

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Income Tax Computation

Figures in N$	Group 2023	Group 2022	Company 2023	Company 2022
Profit before tax	**612,144,031**	**218,356,568**	**602,279,595**	**209,777,184**
Add back non-tax deductible expenditures				
Consulting fees - capital in nature	-	-	-	-
Depreciation	5,813,168	6,570,000	6,048,941	6,644,978
Donations and sponsorships	6,250,586	6,852,435	20,178,850	13,368,399
General expenses	43,084	(794,807)	-	1,350
Interest on lease liability	-	-	319,377	359,261
Interest on tax accounts	983	155,608	983	155,608
Impairment on investment in subsidiary	-	-	-	2,282,311
Legal expenses	-	-	-	-
Loss/(gains) on disposal of assets	28,902	(87,300)	28,902	-
Stamp duty	250	12,651	250	12,651
	12,136,973	**12,708,587**	**26,577,303**	**22,824,558**
Deduct specific tax-deductible expenditure, non-taxable income				
Wear and tear	(528,038)	(1,433,751)	(450,171)	(528,038)
Rent paid (remove IFRS 16 adjustments)	(612,000)	(612,000)	(612,000)	(612,000)
Building allowance [s17(1)(f)]	(326,259)	(326,259)	-	-
Deferred revenue	96,284,411	-	96,284,411	-
Cost of the deferred revenue	(85,765,350)	-	(85,765,350)	-
	9,052,764	**(2,372,010)**	**9,456,890**	**(1,140,038)**
Other temporary difference				
Severance pay provision (CY)	1,660,747	1,485,873	1,199,129	1,061,761
Severance pay provision (PY)	(1,485,873)	(1,277,531)	(1,061,761)	(1,277,531)
Conditional accrued expenses (CY)	-	5,893,171	3,266,887	5,893,171
Conditional accrued expenses (PY)	(5,893,171)	-	(5,893,171)	-
Forex unrealised gains (CY)	(1,606,187)	-	(1,606,187)	-
Forex unrealised gains (PY)	-	(6,000)	-	(6,000)
Unrealised forex gains/losses - Bank (CY)	(16,017,953)	(12,951,870)	(16,017,953)	(4,931,232)
Unrealised forex gains/losses - Bank (PY)	4,931,232	-	4,931,232	1,005,279
Prepaid expenses (CY)	(392,451)	1,646,284	(249,100)	(1,646,284)
Prepaid expenses (PY)	(1,646,284)	(249,100)	1,646,284	(249,100)
Leave pay provision (CY)	1,608,688	2,306,153	1,186,146	1,892,525
Leave pay provision (PY)	(2,306,153)	(2,802,779)	(1,892,525)	(2,412,607)
	(21,147,405)	**(5,955,799)**	**(14,491,019)**	**(670,018)**
Computed income for the year	**612,186,363**	**222,737,346**	**623,822,769**	**230,791,686**
Assessed loss brought forward	-	(2,352,592)	-	-
Taxable income	**612,186,363**	**220,384,754**	**623,822,769**	**230,791,686**
Normal tax	**199,623,286**	**73,853,340**	**199,623,286**	**73,853,340**
Deferred tax	3,302,044	(190,030)	3,281,653	(491,660)
Total per statements of profit or loss and other comprehensive income	**202,925,330**	**73,663,310**	**202,904,939**	**73,361,680**

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Income Tax Computation

Figures in N$		Group 2023	Group 2022	Company 2023	Company 2022
Total tax for the year		**202,925,330**	**73,663,310**	**202,904,939**	**73,361,680**
Provisional tax	- 1st payment	(120,000,000)	(19,856,894)	(120,000,000)	(19,856,894)
	- 2nd payment	(78,355,006)	(41,652,960)	(78,355,006)	(41,652,960)
	- 3rd payment	(12,343,486)	(9,466,157)	(12,343,486)	(9,466,157)
Deferred tax		(3,302,044)	190,030	(3,281,653)	491,660
(Debit) / Credit balance brought forward		12,302,273	9,424,945	12,343,485	9,466,157
Total per statement of financial position					
- (Asset) / Liability		**1,227,067**	**12,302,273**	**1,268,279**	**12,343,485**

Notes

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