



INTEGRATED ANNUAL REPORT 2023/2024

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“Desert Gems: Strength in Every Facet”

In memory and dedication to the former
President of the Republic of Namibia.



His Excellency,
Dr. Hage Gottfried Geingob
1941 - 2024



“Desert Gems: Strength
in Every Facet”

“Drawing parallels between the natural toughness of Namibian diamonds and NAMDIA’s endurance, which embodies resilience, polished through adversity, unyielding in the face of obstacles, and maintaining a brilliance like diamonds that shine brightest after withstanding nature’s harshest forces”



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List of Abbreviations

ABFP	Annual Business Financial Plan
ARCC	Audit, Risk and Compliance Committee
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
ESG	Environmental, Social and Governance
GDP	Gross Domestic Product
HPP	Harambe Prosperity Plan
ICT	Information Communication and Technology
IFRS	International Financial Reporting Standards
ISBP	Integrated Strategic Business Plan
IASB	International Accounting Standards Board
KPI	Key Performance Indicators
NAMDIA	Namib Desert Diamonds
NamRA	Namibian Revenue Agency
NDTC	Namibia Diamond Trading Company
NDP	National Development Plan
OCI	Other Comprehensive Income
PEGA	Public Enterprises Governance Act
REMCO	Remuneration and Human Resource Committee
US	United States
UN SDG	United Nations Sustainable Development Goals

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During the period under review, the global diamond market faced significant challenges, marked by subdued demand and declining prices. This downturn was further exacerbated by elevated inventory levels across various segments of the diamond value chain.”

Dr. Alisa Amupolo – CEO



Chairperson's Report

A professional portrait of Justus Hausiku, a man with short dark hair and a goatee, wearing black-rimmed glasses, a white shirt, a light brown tie, and a brown checkered suit jacket. He is standing with his hands clasped in front of him, wearing a silver watch on his left wrist. The background is dark grey with faint, light-colored geometric lines.

Justus Hausiku
Interim Chairperson, NAMDIA



Chairperson's Report

On behalf of the Board of Directors, I am honoured to present the Integrated Annual Report of Namib Desert Diamonds (Pty) Ltd (NAMDIA) for the financial year 1 March 2023 to 29 February 2024. This report has been prepared in accordance with Articles 100 and 101 of the Articles of Association and in compliance with the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019).

The past year presented both challenges and opportunities for NAMDIA in an increasingly intricate global diamond landscape.

Navigating the Global Diamond Industry

The global diamond industry faced considerable headwinds throughout the financial year, impacted by economic slowdowns in key markets such as the US and China, both historically strong drivers of diamond demand. These markets saw reduced activity, while the increasing presence of lab-grown diamonds influenced consumer preferences, especially in retail markets. This evolving landscape required innovative strategies to stimulate demand, optimise supply chain efficiencies, and strengthen the distinction of natural diamonds in a competitive marketplace.

Despite notable price adjustments, with polished diamond prices declining and rough diamonds experiencing sharper drops, NAMDIA demonstrated resilience. Through a strategic and prudent approach to sales, we successfully minimised the impact of market fluctuations.

Our ability to synchronise our sales processes with market cycles, uphold a competitive edge, and cultivate long-term relationships with key clients enabled us to protect revenue and remain a trusted partner in a challenging and unpredictable environment.

Strategic Governance and Oversight

Throughout the year, the Board of Directors remained committed to strong governance practices, which have been integral to NAMDIA's ongoing success. In a market defined by uncertainty, effective governance has been critical in ensuring that NAMDIA remains agile and aligned with its strategic objectives. We have continuously reviewed and enhanced our governance frameworks to ensure compliance with global standards and industry best practices. The Audit, Risk and Compliance Committee (ARCC) played a crucial role in enhancing our risk management protocols.

In an industry as complex as diamond trading, robust risk management is essential to maintaining stakeholder trust and operational integrity. The Board reinforced these risk measures, embedding a culture of accountability and transparency throughout the organisation. Human Resources and Remuneration Committee (REMCO) was instrumental in sustaining a high performance culture that supports NAMDIA's long-term objectives. With REMCO's guidance, the leadership team ensured that NAMDIA remained an attractive employer, capable of retaining and developing talent critical to driving sustainable growth in a competitive industry.

Sustainability: A Core Strategic Focus

At NAMDIA, sustainability is not an ancillary focus; it is embedded in our core strategy. Over the past year, we made significant strides in aligning our operations with the United Nations Sustainable Development Goals (SDGs), particularly in promoting sustainable economic growth and gender equality.

We are committed to upholding the highest standards of transparency and traceability within the natural diamond industry. Through rigorous due diligence processes and compliance with Kimberley Process, Diamond Act and its regulation, we provide our clients with the assurance that the diamonds we trade are sourced responsibly, adhering to ethical standards and international best practices. This focus on ethical trading not only reinforces client confidence but also strengthens our position as a trusted market leader.

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We are committed to continuing our efforts in enhancing operational excellence, driving innovation, and upholding the highest standards of governance and corporate responsibility.

NAMDIA Foundation and Corporate Social Responsibility (CSR): Enhancing Positive Impact

NAMDIA's commitment to Namibia's socio-economic development is exemplified through our various initiatives aimed at creating shared value for the broader community. Our focus is on ensuring that the benefits derived from Namibia's diamond resources extend beyond our business, fostering sustainable development for local communities in line with national development objectives.

The NAMDIA Foundation remained a key driver of our CSR initiatives, which continued to act as a catalyst for positive change and socio economic transformation. During the financial year, the Foundation significantly increased its investment in social programmes, with NS20.5 million dispersed to various projects, an increase of 85% from the previous year. These initiatives focused on three critical pillars: education, health, and sports, directly contributing to the enhancement of Namibia's human capital and the well-being of its citizens. Through these initiatives, NAMDIA reaffirms its role as a responsible and conscious corporate citizen entity committed to the long-term sustainability of Namibia's socio-economic future.

Operational Agility and Market Leadership

NAMDIA's ability to adapt and respond to industry changes was instrumental in maintaining our operational resilience throughout the financial year. Despite the volatility in the global diamond market, our team effectively leveraged market insights and a deep understanding of supply and demand dynamics to optimise rough diamond sales. Through continuous process improvements, we enhanced our operational

efficiency, reinforcing our reputation as a premium supplier of rough diamonds. Our strategic agility enabled us to maintain a strong market presence and position the company for sustained growth in an evolving market place.

Looking Ahead: Strategic Priorities for 2024 and Beyond

Looking forward, NAMDIA will remain focused on driving operational excellence, fostering innovation, and deepening our commitment to sustainability and sound governance. Despite ongoing challenges in the global diamond industry, including the rise of lab-grown diamonds and economic uncertainties in key markets, NAMDIA is well-equipped to navigate these disruptions. Our strategy will be grounded in adaptability, foresight, and an unwavering commitment to transparency and ethical practices.

We will continue to leverage our unique position within the diamond supply chain, building strong client relationships and maximising value through our sales strategy. Additionally, we aim to explore new growth opportunities by expanding our client base while staying true to our mission of creating long-term value for our shareholder and contributing to Namibia's economic development.

Acknowledgements

In closing, I extend my sincere gratitude to our shareholder, stakeholders, clients, and the entire NAMDIA team for their unwavering dedication and support throughout the year. Your commitment has enabled NAMDIA to remain resilient in the face of adversity and continue to play a leading role in the global rough diamond trading industry.

Together, we are excited to build on last year's accomplishments and further enhance NAMDIA's reputation as a leader in responsible and sustainable growth.

We remain committed to enhancing operational excellence, driving innovation, and upholding the highest standards of governance and corporate responsibility.



Justus Hausiku
Interim Chairperson, NAMDIA





CEO's Report

A portrait of Dr. Alisa Amupolo, a Black woman with her hair styled in a braided updo. She is smiling and looking slightly to the right. She is wearing a black blazer over a teal top. The background is dark grey with faint gold geometric lines.

Dr. Alisa Amupolo
Chief Executive Officer



CEO's Report

As we reflect on the financial year 2023/2024, it is with pride and forward-looking optimism that I present this comprehensive overview of NAMDIA's performance, achievements, and strategic direction. Although we encountered significant market challenges, our unwavering commitment to excellence and strategic vision enabled us to navigate the complexities of the diamond industry while ensuring Namibian diamonds remain globally prominent.

Strategic Evolution and Achievements

NAMDIA's core mandate, to serve as the exclusive sales and marketing agency for Namibian diamonds remains steadfast. Our primary goal has always been to enhance the value and global positioning of Namibian diamonds, driving economic benefits for our nation through increased Gross Domestic Product (GDP) contributions and employment opportunities. Over the past year, we have made significant progress toward our strategic objectives, focusing on marketing and crafting a compelling narrative for Namibian diamonds.

Our strategic framework, guided by a balanced scorecard approach, focuses on financial sustainability, client relations, internal processes, and organisational learning. Key achievements include optimising our marketing and sales strategies and strengthening stakeholder engagement. Despite a revenue decline from NS3.1 billion to NS2.53 billion in the current financial year, NAMDIA adapted adeptly to market conditions through a hybrid sales strategy, enabling us to generate substantial revenue despite the complexities of a post-COVID market.

Organisational Capacity and Future Outlook

To support our strategic goals, we have prioritised enhancing organisational capacity, including attracting top talent and driving a strong performance culture to realise our evolving ambitious strategic goals. The transition from a startup to a scaling business has necessitated significant recruitment and operational streamline to realise our Integrated Strategic Business Plan (ISBP). We remain committed to maintaining agility and resilience in navigating the intricacies of the diamond industry.

Looking ahead, NAMDIA remains focused on becoming the supplier of choice through innovation, continuous learning, and deep market insights. Our future plans involve expanding our market presence, with a particular focus on securing new clients in the upcoming financial year, as the terms for our current clients conclude in March 2025.

Market Development

Market development and branding remain integral to our strategy as a price discovery vehicle for Namibian sustainably recovered gems. We have focused on enhancing our brand presence and positioning Namibian diamonds uniquely in the global market. Our branding efforts are designed to differentiate Namibian diamonds and its alluvial beauty from competitors and emphasise their superior quality.

Financial Sustainability and Strategic Vision

As we approach the culmination of our 10-year agreement in May 2026, we aim to actively engage in renegotiating an increase in our current 15% entitlement. This initiative seeks to enhance our market presence and ensure Namibian diamonds are recognised and valued appropriately on the global stage. Financial sustainability remains central to NAMDIA's strategy, and our ability to consistently secure premium prices for Namibian diamonds, even amidst challenging market conditions, underscores our resilience and competitive edge.

Governance and Corporate Responsibility

Strong governance is crucial to our operations. We are committed to upholding high standards of corporate governance, supported by a strong Board of Directors and its key committees replace with namely the Audit and Risk Committee (ARC) and the Human Resources and Remuneration Committee (REMCO).

These committees play pivotal roles in ensuring diligent risk management, effective governance, and a performance-driven culture within NAMDIA. Our commitment to Corporate Social Responsibility (CSR) is demonstrated through the ongoing revision of our CSR policy to align with the Sustainable Development Goals (SDGs). Through the NAMDIA Foundation, we invest into sustainable projects related to sports, education, and health, creating lasting impacts on communities and future generations.

Stakeholder Engagement and Market Presence

Robust stakeholder engagement remains central to our mandate as a sale and marketing agency for 100% unaggregated diamonds of Namibian origin. We actively engage with clients, industry peers, and local and international delegations to strengthen relationships and enhance our market presence. NAMDIA's participation in industry events and recognition through awards, such as the Public Enterprise of the Year 2023 Award and the PMR Africa Diamond Arrow Award, underscore our commitment to excellence and governance.

To further strengthen stakeholder relationships, we are implementing feedback mechanisms such as surveys and open day initiatives to enhance transparency and address concerns. These efforts aim to reinforce our brand identity and ensure that stakeholders understand the value and impact of Namibian diamonds.

Thank You

In conclusion, while the past year has presented its share of challenges, NAMDIA's strategic focus, commitment to governance, and dedication to innovation have positioned us well for future success. None of our achievements would have been possible without the unwavering support and hard work of our employees, stakeholders, and partners. I extend my heartfelt thanks to our dedicated team for their tireless efforts, to our stakeholders for their continued trust and collaboration, and to our partners for their invaluable contributions.

As we continue to navigate the dynamic diamond industry, our emphasis on operational efficiency, exploring growth opportunities through market development, and brand differentiation will drive our efforts to enhance the global recognition and value of Namibian diamonds. I look forward to our continued progress and the opportunities that lie ahead as we strive to remain a leading force in the diamond industry.

Thank you for your continued support and commitment to our shared vision.



Dr. Alisa Amupolo

Chief Executive Officer



About Us

NAMDIA Integrated Annual Report

Our Mandate
Our Vision
Our Mission
Our Values



NAMDIA Integrated Annual Report

NAMDIA's integrated annual report is crucial for providing a comprehensive view of an organisation's performance and strategy, blending financial and non-financial information into a cohesive narrative.

This holistic approach enables stakeholders to understand not just the financial health of the organisation but also how NAMDIA is creating value over the short, medium, and long term.

By integrating various aspects of the business, including environmental, social, and governance (ESG) factors, the report offers a fuller picture of how these elements influence and are influenced by the NAMDIA's operations.

Furthermore, an integrated annual report fosters greater transparency and accountability, helping stakeholders make more informed decisions. It demonstrates how the

NAMDIA's strategy aligns with its business model and how it manages risks and opportunities in a dynamic environment. This transparency builds trust with investors, regulators, and other stakeholders by showcasing NAMDIA's commitment to sustainable practices and responsible governance.

Finally, NAMDIA's integrated annual report serves as a strategic tool for the organisation itself. It allows management to communicate effectively with stakeholders about how their strategic objectives are being achieved and how they contribute to long-term value creation. By reflecting on past performance and future prospects in a unified document, NAMDIA can better align its internal processes, drive continuous improvement, and enhance its overall strategic coherence.



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% of the representative cut-off of Namdeb Holdings' total run-of-mine production per annum, from the Namibia Diamond Trading Company (NDTC).

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.

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.





OUR VISION

- * 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

To contribute to the upliftment of all Namibians by sustainably maximising the full value of our diamonds





BE PROGRESSIVE

Pursue innovation, demonstrate agility and adaptability, be creative and forward-thinking.

BE COLLABORATIVE

Leverage partnerships with internal and external stakeholders, work together to find solutions. Everyone's contributions are valued, and our people are empowered.

BE TRANSPARENT

Openly engage with stakeholders to educate them on the industry and inform them about developments.

UPHOLD INTEGRITY

Do what you say you will, walk the talk, live up to your promises. Be honest, act ethically and take accountability. Treat each other with mutual respect.

SHOW GOOD CITIZENSHIP

Be patriotic and show empathy, care and respect for one another, our environment and stakeholders. Have a positive impact in our community.

BE EXCELLENT

Meet and exceed client expectations. Offer the right product for the right clients, in the right market. Deliver quality diamonds and exceptional service.





Corporate Governance



- 4.1 Governance Philosophy
- 4.2 Structure
- 4.3 Compliance
- 4.4 Board Compliance
- 4.5 Regulatory Compliance and Governance of Compliance
- 4.6 Policy Governance Framework
- 4.7 Annual Financial Statements
- 4.8 Business Conduct and Ethics
- 4.9 Directors' Declaration of Interest
- 4.10 Composition of the Board
- 4.11 Governance Framework
- 4.12 Board Meeting Attendance

4. Corporate Governance

Governance for Sustained Value Creation

The Board of NAMDIA is appointed by the Minister of Finance and Public Enterprises. In appointing the Board members, the Honourable Minister considers their experience and ability to make meaningful contributions to NAMDIA's business. The diversity and experience of the Board are essential for the implementation of NAMDIA's strategy and delivery of growth and value to stakeholders. During the review period, the NAMDIA Board of Directors consisted of four members.

The Board is expected to adhere to the highest standards of ethical conduct and good governance, in line with both statutes and generally accepted practices. As the custodian of good governance at NAMDIA, the Board assumes ultimate accountability and responsibility for performance. The governance framework of the NAMDIA Board of Directors is based on a combination of voluntary and compulsory guidelines, which are founded on the principles and practices of the King Code of Corporate Governance for South Africa 2016 (King IV), the Corporate Governance Code for Namibia (NamCode), the Public Enterprises Governance Act 1 of 2019 (PEGA), and NAMDIA's Memorandum and Articles of Association. The Board of Directors of NAMDIA have satisfied themselves that they endeavoured to fulfil their fiduciary duties and obligations to the highest extent possible during the period under review.

4.1 Governance Philosophy

Good governance is the cornerstone of NAMDIA's business success, sustainability, and legitimacy. The Board ensures that corporate governance principles, frameworks, and risk management practices are aligned with the mission, vision, values, and strategic objectives. This ensures that directors and employees are held accountable. The Board meets quarterly and follows a structured approach towards delegation, reporting, and accountability.

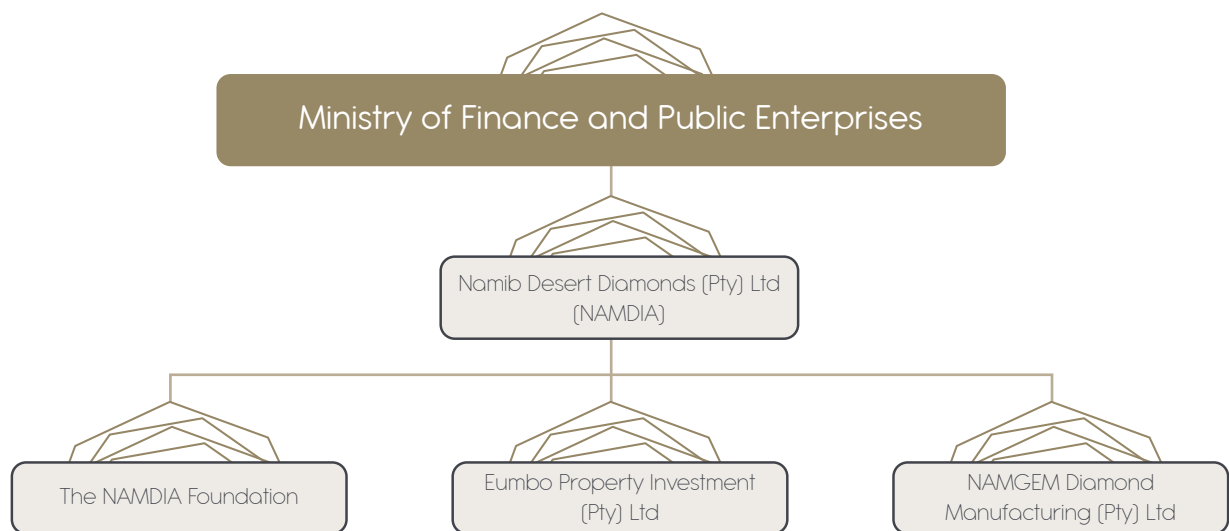
Within the Namibian governance framework, the NAMDIA Board of Directors regards the application of the NamCode as non-negotiable and has adopted the principles of good corporate governance. The NamCode guides various governance-related aspects, including:

- ▶ Boards and Directors
- ▶ Governing Stakeholder Relationships
- ▶ Integrated Reporting and Disclosure
- ▶ Ethical Leadership and Corporate Citizenship
- ▶ Audit Committees
- ▶ Governance of Risk
- ▶ Governance of Information Technology
- ▶ Compliance with Laws, Codes, Rules, and Standards
- ▶ Internal Audit

4.2 Structure

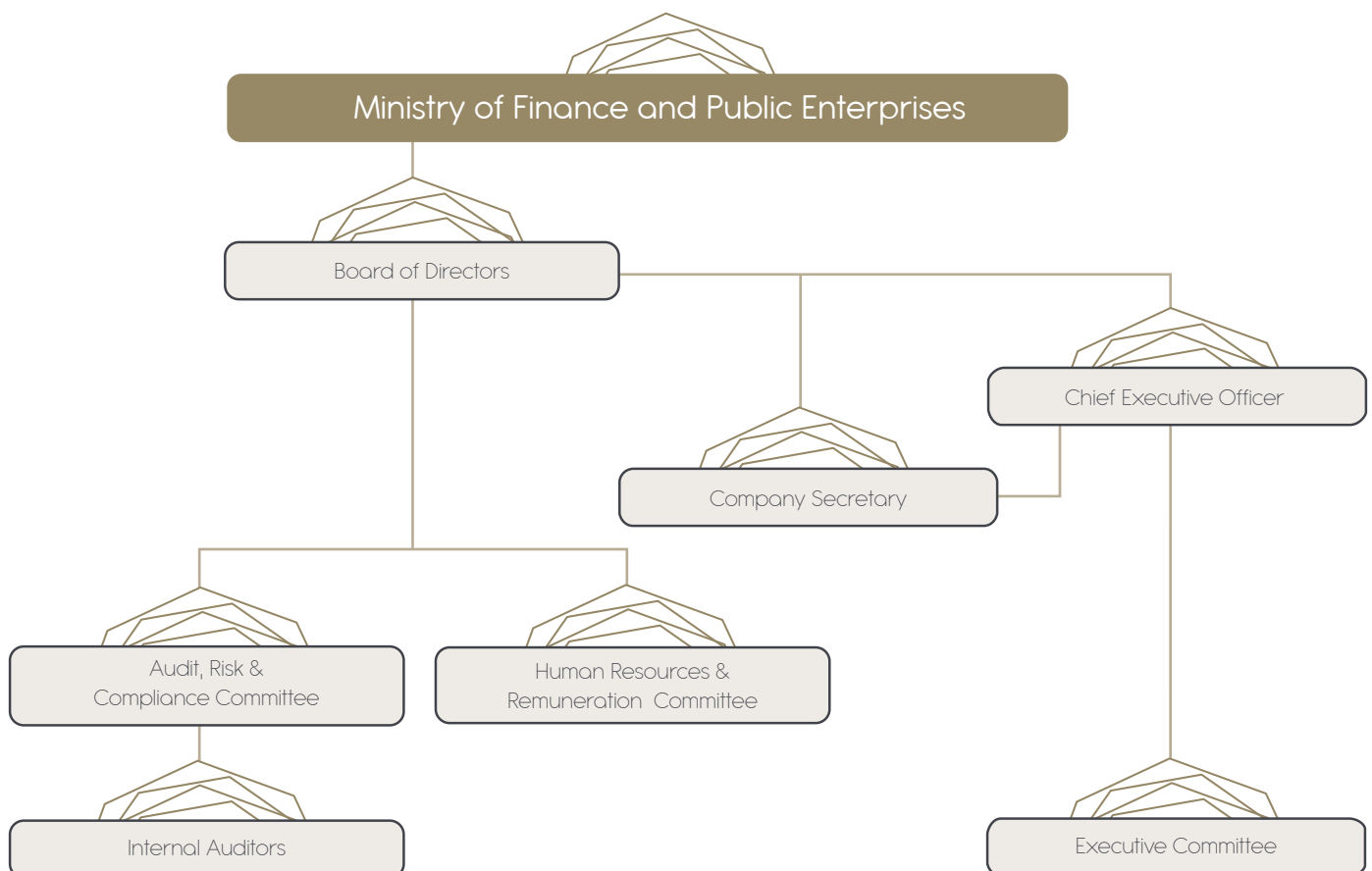
Legal and Ownership Structure

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.



4.3 Compliance

Statement of Compliance

The Board mandates adherence to non-binding rules, codes, and standards. Our Board policies and charters are aligned with statutory, regulatory, and legislative requirements. NAMDIA is committed to fostering a strong culture of compliance, striving to adhere to all relevant laws, codes, rules, and standards applicable to our operations to the fullest extent possible.

4.4 Board Compliance

NAMDIA Board of Directors and the UN Sustainable Development Goals

The NAMDIA Board of Directors voluntarily endorses the United Nations Sustainable Development Goals (UN SDGs) and aims to contribute positively to their achievement. It supports Namibia's Fifth National Development Plan (NDP5) and the Harambee Prosperity Plan II (HPP II), while implementing its strategy to sustain the value that the diamond sector contributes to the economy and the people of Namibia.

NAMDIA's contributions to the UN SDGs are outlined under the respective goals below:

Source: UN SDGs (accessed on 30 April 2024).

	Poverty Eradication Through its role in Namibia's diamond value chain, NAMDIA contributes to poverty eradication, a key factor in evaluating the well-being of communities and nations. Its mandate directly supports the achievement of this goal.
	Good Health and Well-being Achieving good health and well-being is impossible without access to sufficient healthcare facilities.
	Quality Education Quality education can only be achieved when children and young people have access to good health and well-being, as these Sustainable Development Goals are interconnected and mutually supportive.
	Gender Equality Traditionally, diamond mining and the trade of rough diamonds have been dominated by men. NAMDIA is committed to promoting greater participation of women in the mining industry and across the downstream diamond value chain, aligning with its goal of establishing a Namibian presence in the downstream market.
	Decent Work and Economic Growth NAMDIA plays a pivotal role in supporting industries, especially mining, that fuel economic growth in Namibia. This aligns with its mission to develop Namibian expertise and build capacity throughout the entire diamond value chain.
	Industry, Innovation, and Infrastructure Thriving industries depend on a sustainable supply of diamonds. NAMDIA provides guidance to the Namibian Government and the Ministry of Mines and Energy (MME) on diamond-related issues, ensuring informed decision-making.
	Climate Action Diamond mining presents environmental challenges. NAMDIA, in collaboration with other stakeholders, is dedicated to implementing sustainable practices to address and mitigate these challenges.

4.5 Regulatory Compliance and Governance of Compliance

NAMDIA operates under a variety of laws and regulations that govern its activities. During the period under review, the company reassessed its governance framework, with the Board committed to ensuring compliance with international best practices, laws, regulations, and internal policies while safeguarding the environment in which it operates.

The Board of Directors acknowledges that adherence to legislation is crucial for good governance. Accordingly, the Board has actively monitored the steps taken by management to ensure compliance with all relevant legal requirements.

No significant compliance breaches occurred during the period under review, reaffirming our dedication to tracking, monitoring, and auditing compliance. In instances where compliance gaps were identified, management has been tasked with fully addressing and closing these gaps.

4.6 Policy Governance Framework

Environmental, Social, and Governance (ESG) serves as a framework that enables stakeholders to assess how an organisation manages risks and opportunities linked to environmental, social, and governance factors. The NAMDIA Board of Directors has had to rapidly adapt to new strategic priorities, remote work, employee well-being, and rising social pressures.

In today's business environment, driven by growing environmental and social concerns, the demand for ESG related disclosures has surged as awareness of the associated risks and value-creation opportunities continues to expand. NAMDIA remains committed to accountability by enhancing transparency for its stakeholders.

Information Technology Governance

During the period under review, the Board assumed responsibility for IT governance by reviewing and improving the existing IT framework. IT governance is an element of corporate governance aimed at improving overall IT management and deriving greater value from investments in information and technology. IT governance frameworks enable organisations to manage IT risks effectively and ensure that information and technology activities align with overall business objectives. The Audit,

Risk & Compliance Committee ensured this review was effectively managed during the period under review

New Policies

In the 2023/2024 financial year, NAMDIA reviewed old policies and introduced several new policies aimed at enhancing the management of its operations. The Company also reviewed and updated its compliance governance framework, establishing a formal process to ensure that all internal and external stakeholders clearly understand NAMDIA's governance model.

During the period under review, the Board approved the following policies:

- ▶ Performance Management Policy
- ▶ Remuneration Policy
- ▶ Compliance Policy & Framework
- ▶ Information Communication & Technology (ICT) Policy & Procedures
- ▶ Information Communication (IT) Security Policy
- ▶ Cybersecurity Awareness & Training Plan
- ▶ Procurement Policy
- ▶ Subsistence & Travel Policy
- ▶ Incident & Response Plan
- ▶ Security Policy

Corporate Sustainability

The sustainability initiatives detailed here demonstrate the NAMDIA Board of Directors' commitment to embedding ESG considerations into its agenda and decision-making processes. In alignment with the Corporate Sustainability Reporting Directive (CSRD), NAMDIA has voluntarily adhered to sustainability reporting requirements. The company acknowledges the potential financial and reputational risks of neglecting upcoming regulations on sustainability reporting. By proactively addressing these matters, NAMDIA ensures it remains agile and responsive to key sustainability issues that are closely monitored by stakeholders.

4.7 Annual Financial Statements

In accordance with the Companies Act 8 of 2004, the Board is required to maintain proper accounting records and oversee the preparation of Annual Financial Statements using suitable accounting

policies. The Board is also responsible for disclosing any significant changes or deviations from NAMDIA's accounting policies and practices. Additionally, the Board ensures the accuracy and integrity of the company's reports, including the integrated report, annual financial statements, shareholder reports, and public announcements.

The external auditors implement appropriate audit procedures to determine if the Annual Financial Statements comply with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act. For the period under review, NAMDIA's external auditors, PriceWaterhouseCoopers, provided reasonable assurances on the fair presentation of the company's Annual Financial Statements.

4.8 Business Conduct and Ethics

NAMDIA's Business Conduct and Ethics Policy, outlined in its Code of Conduct, addresses issues such as corruption, bribery, conflict of interest, and guides the company's commitment to ethical

behaviour and fair business practices. Ethical conduct is promoted throughout NAMDIA, with directors and employees upholding values of fairness and honesty while maintaining zero tolerance for theft and dishonesty.

Employees and stakeholders are encouraged to report any unethical behaviour through an anonymous reporting hotline, which is managed by the Internal Auditors.


4.9 Directors' Declaration of Interest

All non-executive directors and management are required to disclose their shareholding in external companies and any potential conflicts of interest. The Company Secretary maintains a Register of Declarations of Interest for the directors. Additionally, non-executive directors and management must declare all interests at the meetings they attend. Directors and management with conflicts of interest on any matters to be discussed must inform the Company Secretary before the meeting and recuse themselves from discussions.

4.10 Composition of the Board

The Board consisted of the following directors during the year under review:


BOARD
COMPOSITION



Mr. B. Eiseb
Chairperson

Effective Date:
12 December 2020


Resigned:
01 April 2024



Mr. J. Hausiku
Director

Effective Date:
01 May 2023


End of term:
30 April 2026



Mrs. L. Muatunga
Director

Effective Date:
01 May 2023

End of term:
30 April 2026



Ms. N.S. Shimutwiken

Effective Date:
01 May 2023

End of term:
30 April 2026

4.11 Governance Framework

NAMDIA adheres to best practice principles for public enterprises and business management, as outlined in the Public Enterprises Governance Act 1 of 2019. To provide effective oversight of strategic and operational matters, the Board of Directors has established two subcommittees, each governed by clearly defined Terms of Reference.

Audit, Risk & Compliance Committee (ARCC)

During the period under review, Mr. J. Hausiku served as the Chairperson of the Audit, Risk and Compliance Committee (ARCC), with the committee also comprising Mrs. L. Muatunga and Ms. N.S. Shimutwikeneni. The ARCC's responsibilities, as outlined in its terms of reference, include the following:

- ▶ Reviewing the effectiveness of internal controls, including financial controls and business risk management.
- ▶ Assessing the performance of external auditors and approving all fees paid to them.
- ▶ Reviewing the financial statements.
- ▶ Evaluating audit findings.
- ▶ Ensuring that the company's risk and control processes are relevant and effectively communicated.

Human Resources and Remuneration Committee (REMCO)

The Remuneration and Human Resources Committee consists of Mrs. L. Muatunga (Chairperson), Mr. J. Hausiku, and Ms. N.S. Shimutwikeneni.

The committee's terms of reference include, but are not limited to, the following:

- ▶ Ensuring that remuneration aligns with the Ministry of Finance and Public Enterprises guidelines on compensation structures.
- ▶ In consultation with management, ensuring employees receive market-related salary packages.
- ▶ Ensuring that remuneration practices reward productivity and reflect each employee's contribution to improving the company's performance.

4.12 Board Meeting Attendance

Director's Meeting Attendance Sheet 01 March 2023 – 29 February 2024

Director	Board (6)	Audit, Risk & Compliance (4)	HR (4)	AGM (1)	Total Meetings Attended (15)
Mr. B. Eiseb (Board Chairperson)	6	N/A	N/A	1	7
Mr. J. Hausiku (ARCC Chairperson)	6	4	4	1	15
Mrs. L. Muatunga (RemCo Chairperson)	6	4	4	1	15
Ms. N. S. Shimutwikeneni	6	4	4	1	15

4.13 Governance Officials of the Board

Company Secretary

The Company Secretary is responsible for managing the secretariat portfolio and providing governance advisory services. They play a crucial role in offering legal and governance advice to the board, managing risk and compliance, and serving as the secretary in all Board and Committee meetings. The Company Secretary's role is essential in promoting good corporate governance.

All Board members have access to the Company Secretary for guidance in fulfilling their duties in the best interests of NAMDIA. Additionally, the Company Secretary oversees the preparation and coordination of the induction and ongoing training of Board members.

Internal Audit

Internal Audit is an independent, externally co-sourced assurance function, designed to ensure that good governance mechanisms are upheld. It provides assurance to the Audit, Risk & Compliance Committee (ARCC) and management on the appropriateness and effectiveness of internal controls.

The ARCC establishes the Internal Audit function, governed by the Internal Audit Charter, which defines the roles, responsibilities, and reporting relationship between the Internal Audit and ARCC. This Charter, approved by ARCC, ensures that the Internal Audit function adheres to the Standards for the Professional Practice of Internal Auditing and the Profession's Code of Ethics.

The duties and responsibilities of Internal Auditors, as outlined in the Internal Audit Charter, include but are not limited to:

- ▶ Assessing the adequacy and effectiveness of risk identification and management processes.
- ▶ Overseeing the operation of NAMDIA's corporate governance processes.
- ▶ Evaluating the adequacy and effectiveness of financial, operational, and management control systems.
- ▶ Assessing the extent to which assets are properly accounted for and safeguarded.

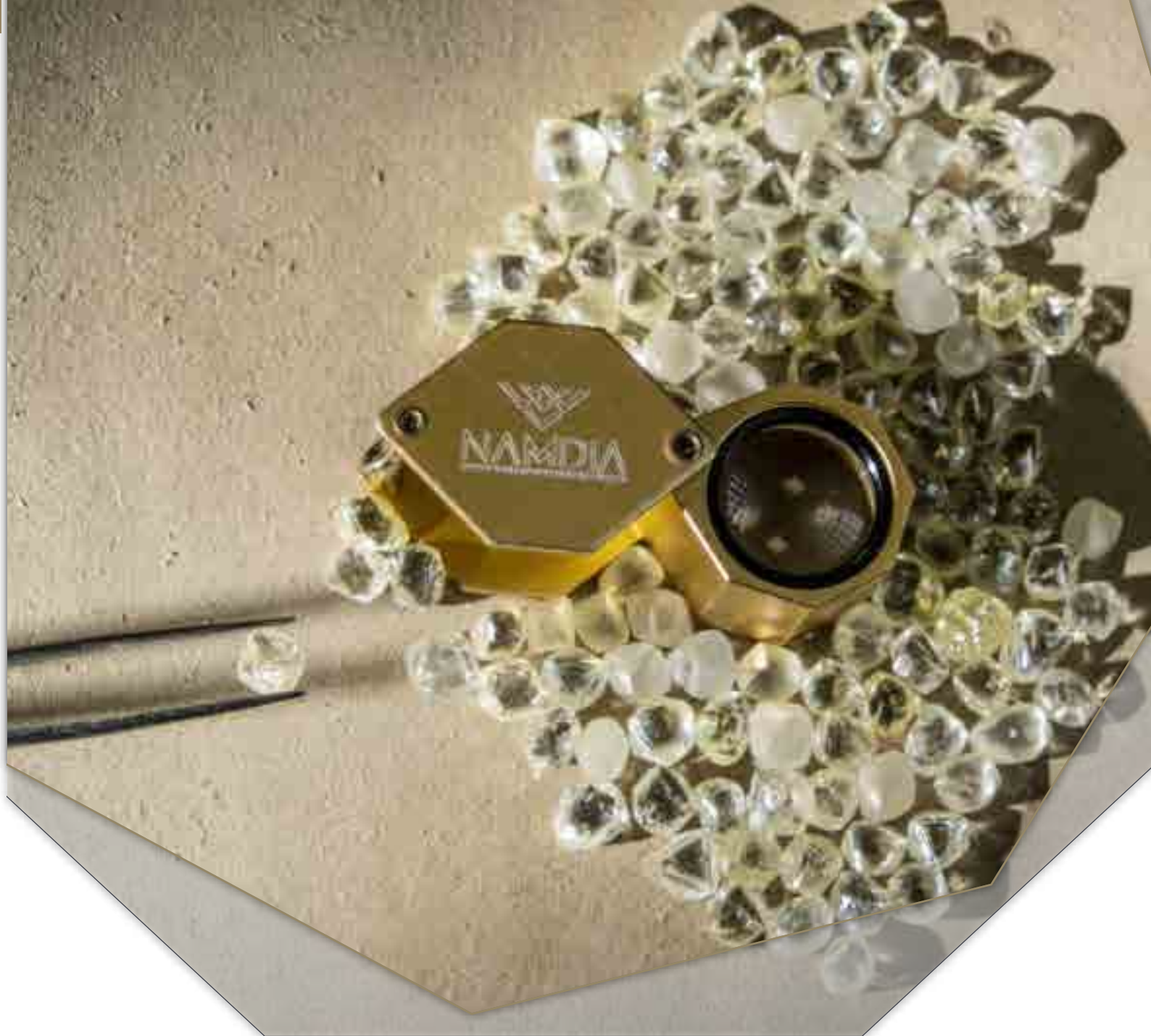
Internal Audit follows a risk-based approach in planning and conducting audits. Deloitte & Touche have been engaged to provide internal audit assurance services, and all individuals offering these services are members of the Institute of Internal Auditors, adhering to the Profession's standards and Code of Ethics.

Enterprise-Wide Risk Management

The Board acknowledges its responsibility for risk governance and holds ultimate accountability for effectively managing risks. In line with this, the Board has committed NAMDIA to a risk management process that adheres to the principles of good corporate governance, as outlined in the NamCode and King IV on Corporate Governance. The Chief Executive Officer and Executive Management are responsible for designing, implementing, and monitoring the risk management process, ensuring its integration into NAMDIA's daily operations.

To support this commitment, Enterprise Risk Management Procedures have been established, providing NAMDIA with clear guidelines for a consistent, transparent, and efficient approach to identifying, assessing, and managing risks.





Market Development, Sales and Branding

- 5.1 Market Conditions
- 5.2 Sales Performance
- 5.3 Client Participation in NAMDIA Sales
- 5.4 Diamond Industry Outlook
- 5.5 NAMDIA Clients Representation
- 5.6 Public Relations



5. Market Development, Sales and Branding

NAMDIA's operations focused on market development, sales, and branding, aligned with the Integrated Strategic Business Plan (ISBP) and the Annual Business and Financial Plan (ABFP). The organisation adopted a data-driven approach, regularly conducting market research and maintaining consistent branding efforts. Key Performance Indicators (KPIs) such as client retention, sales margin, brand awareness, customer satisfaction, and stakeholder engagement were used to measure success.

The lean organisational structure comprised eight staff members, covering roles in strategy, resource allocation, sales strategy, client management, and corporate social initiatives. Leadership at NAMDIA remained committed to defining the vision, providing strategic direction, and maintaining agility in a dynamic industry. Regular cross-functional meetings ensured alignment and updates. Operational activities included market research, sales execution, branding, and performance monitoring, with initiatives such as participation in the Las Vegas Gem and Jewellery Expo and attendance at the Facets Conference held in Gaborone, Botswana.

5.1 Market Conditions

The diamond market experienced a strong recovery following the COVID-19 pandemic, but 2023 presented significant challenges. Several factors converged to drive a market decline, most notably economic weakness in the US, a slowdown in China, and the rising popularity of lab-grown diamonds. The key takeaway from 2023 was that the industry could no longer take demand for diamonds for granted. Continuous and proactive marketing efforts became essential to stimulate demand, especially in the face of competition from lab-grown diamonds and broader economic challenges.

However, addressing supply inefficiencies also became critical. Overstocking in the midstream market persisted as an issue, with manufacturers

halting rough diamond purchases. As polished diamond sales picked up for the holiday season, a window of opportunity emerged to restore balance between supply and demand at the start of 2024. Maintaining this equilibrium became the key challenge in an increasingly cautious trading environment.

In 2023, the world's leading diamond companies made various efforts to halt the sharp decline in prices. Wholesale polished diamond prices dropped by around 20%, while rough diamonds experienced a more significant decline of approximately 35%.

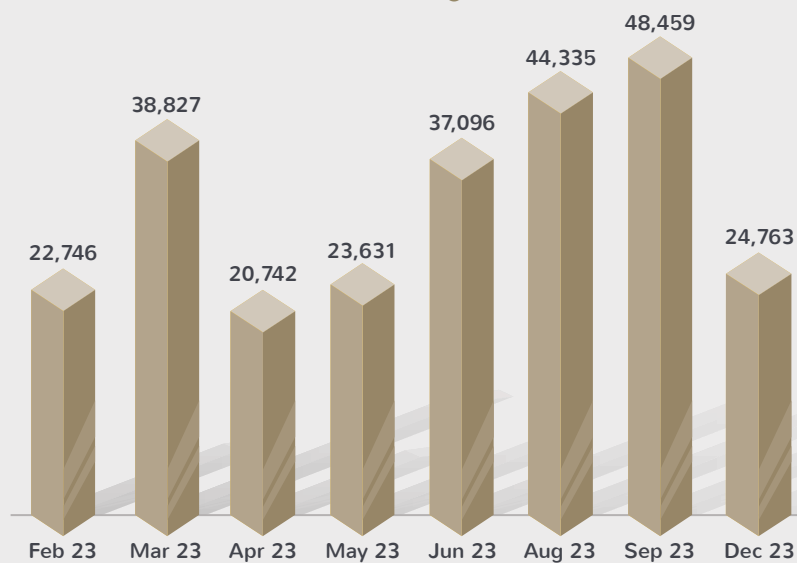
The second half of 2023 saw the diamond industry nearly come to a standstill in response to the two largest mining companies drastically cut supplies to prevent further price drops. Although these actions helped stabilise the market to some extent, uncertainty persisted. Diamantaires took a cautious approach to purchasing rough diamonds, carefully evaluating demand dynamics and polished diamond pricing.

5.2 Sales Performance

During this period, NAMDIA successfully concluded seven sales, with an additional February 2023 sale included from the previous reporting cycle. In total, 83% of goods by volume were sold through competitive bidding, while 17% were sold via direct sale. NAMDIA purchased its Entitlement from NDTG, amounting to 260,599 carats for a total of US\$135,258,082, at an average buying price of US\$519.03 per carat.

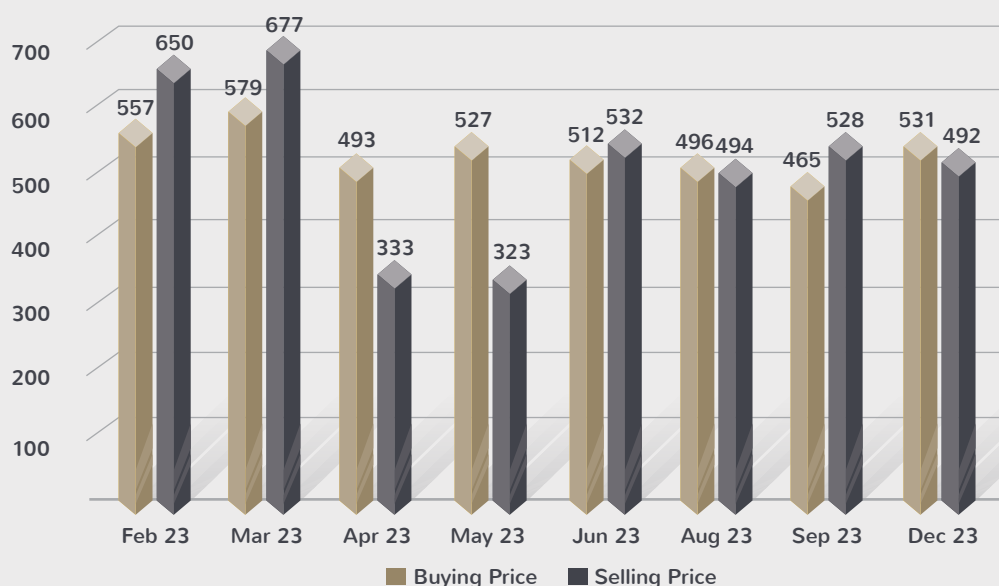
These goods were subsequently sold at an average price of US\$518.28 per carat. Due to market pressures, NAMDIA's margins were strained, and the company recorded a margin 0.14% below 100% of the Standard Selling Value (SSV). Between April and August 2023, NAMDIA stockpiled diamonds that received lower offers during the bidding process, particularly in the larger size categories, such as grainers and carats.

Caratage



The buying price from NDTC declined from US\$527 per carat in May 2023 to US\$468 per carat by September 2023. The decision to implement 100% competitive bidding aimed to enhance transparency and efficiency in the sales process. While initial outcomes were promising, the subsequent market downturn highlighted the volatility of the diamond industry. NAMDIA will continue to closely monitor market conditions and adapt its sales strategies to navigate future challenges and ensure long-term stability.

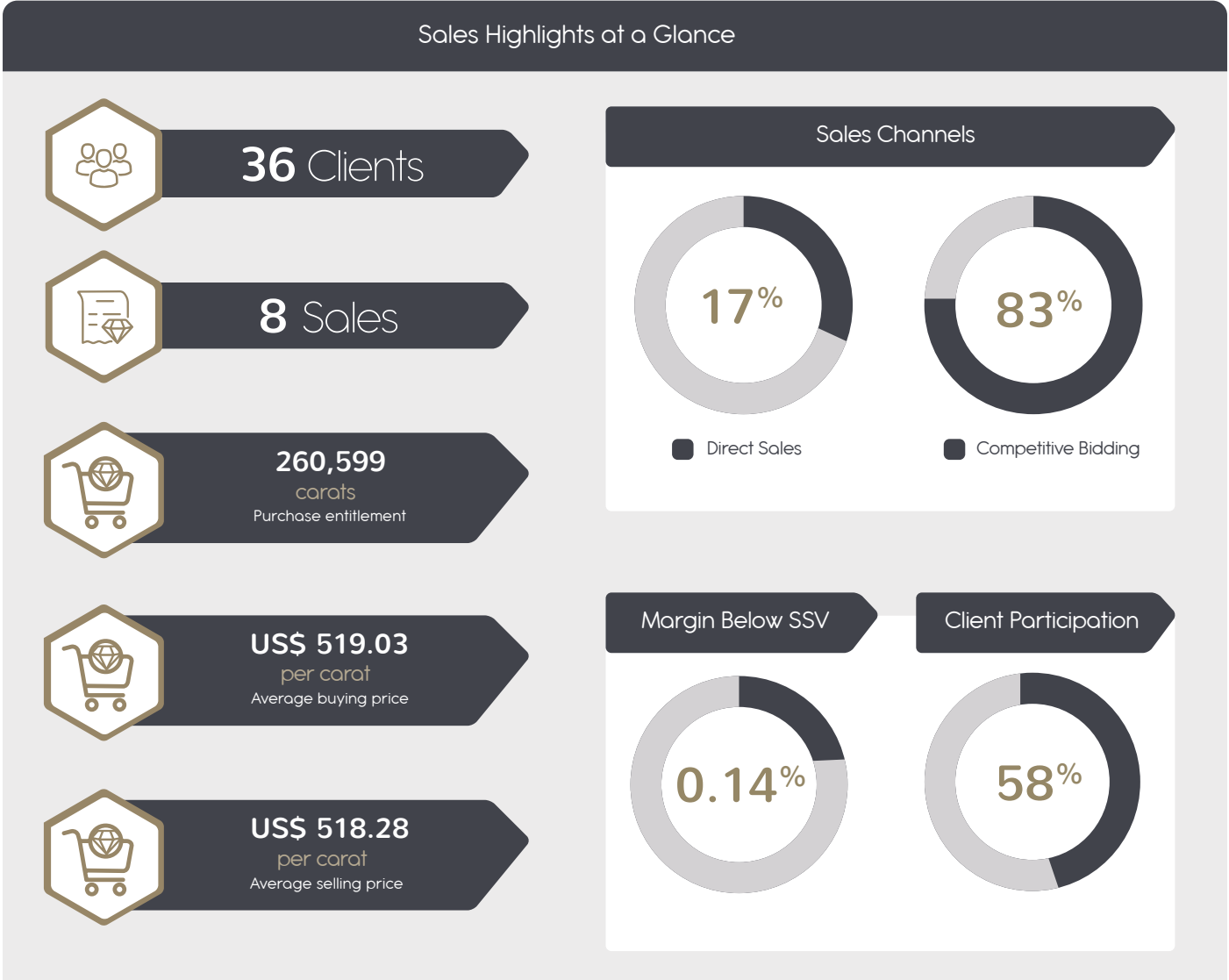
Buying Prices vs Selling Prices (US\$/CARAT)



5.3 Client Participation in NAMDIA Sales

The regular participation of NAMDIA’s clients reflected their sustained interest in Namibian diamonds. During the reporting period, NAMDIA conducted eight sales, with 21 of its 36 registered clients actively participating and purchasing diamonds. This consistent engagement underscored the strength of

NAMDIA’s marketing and sales strategies, as well as the recognised value of Namibian diamonds in the global market. NAMDIA’s success in attracting client participation was attributed to its ongoing efforts to promote Namibian diamonds as a preferred choice among buyers, helping to build strong relationships, generate market interest, and showcase the quality of Namibian diamonds.



5.4 Diamond Industry Outlook

The diamond industry remained in a precarious position, and many believed the market had not yet reached its lowest point. Coupled with the continued economic struggles in China, industry players increasingly questioned the long-term profitability of the diamond trade. Anglo American even considering selling De Beers due to sustained losses. Polished diamond inventories remained high, and demand decreased, with polished diamonds being sold at steep discounts. Consumers in China opted to sell their diamond jewellery back to retailers

and wholesalers at lower prices, choosing instead to invest in gold. Many sight holders diversified their investments into property and gold to hedge against the volatility in the diamond market.

The future of the diamond trade is expected to remain dynamic, with continued fluctuations in prices and evolving market conditions. As economic slowdowns in key markets like the US and China persist and as lab-grown diamonds gain popularity, competition in the natural diamond sector will likely intensify. However, NAMDIA is poised to capitalise on these challenges by leveraging its strategic

focus on transparency, premium branding, and adaptive supply-demand management. Sustained client engagement will remain a critical driver of growth as NAMDIA continues to nurture relationships and offer value through its sales strategies and competitive pricing.

Market intelligence and agility will be at the core of NAMDIA's approach, ensuring that the company can respond to shifts in demand, whether driven by consumer trends, economic factors, or technological advancements like lab-grown diamonds. In an increasingly cautious trading environment, NAMDIA's premium positioning and its commitment to ethical, sustainable practices will serve as distinguishing factors. By aligning its operations with global ESG (Environmental, Social, and Governance) standards, NAMDIA is well-positioned to meet the rising expectations of conscious consumers, further

solidifying its market position. Looking ahead, the ability to innovate, adapt, and manage both risk and opportunity will define NAMDIA's path. The company's strategic vision, combined with its operational excellence, positions it to weather market volatility and emerge stronger, ensuring long-term growth and profitability in an ever-changing diamond industry.

5.5 NAMDIA Client Representation

NAMDIA's clients were well-represented across major diamond trading centres, with India, Dubai, and Belgium hosting the largest number of buyers. This broad representation highlighted NAMDIA's global reach and its ability to cater to diverse market needs.



1 UNITED ARAB EMIRATES

- DA Trading DMCC
- KP Sanghvi Middle East DMCC
- Mira DMCC
- Lamha Jewels DMCC
- Yaelstar DMCC
- Dhamani Jewels LLC
- Samir Gems DMCC
- M Suresh Company DMCC

2 INDIA

- Hari Krishna Exports PVT LTD
- Shivam Jewels, INDIA
- D. Navichandra Exports Pvt LTD
- Kapu Gems
- KBS Diamonds
- Levintal Diamonds LTD
- Pansuriya Impex LLP
- SNJ Diam
- Shree Ramkrishna Exports Pvt LTD

3 BELGIUM

- AC Diam BV
- Chintan Gems BV
- Dev Jewels BVBA
- Diamond Trading NV
- Diamwill BVBA
- Pluczenik Diamond Company NV
- Rosy Blue NV
- Sarvin BV
- SV Gems

4 ISRAEL

- DYS Namibia Group LTD
- Andre Messika LTD
- JB & Sons
- Levintal Diamonds LTD
- SegalDiam LTD

5 UNITED STATES OF AMERICA

- Seneca **1314** LLC
- Grandview Diamonds LLC
- Lieber & Solow Limited

6 NAMIBIA

- Schachter & Namdar Namibia (Pty) Ltd
- Tate Diamonds (Pty) Ltd

5.6 Public Relations and Communications

The 2023/24 fiscal year has been dynamic and successful for NAMDIA, reflecting our dedication to excellence and our ongoing efforts to enhance relationships with key stakeholders, clients, and the public. Here are the highlights and key activities undertaken by the Public Relations during this period:

Hosting Distinguished Guests and Stakeholders: NAMDIA had the honour of hosting several stakeholders at our headquarters, providing valuable opportunities to strengthen relationships and showcase our operations:



Minister of Mineral Resources, Oil and Gas of the Republic of Angola, Dr. Diamantino Pedro Azevedo and delegation: Facilitated discussions on potential collaborations and best practices in the diamond industry.



Managing Director of the Okavango Diamond Company and Executive Team: Highlighted the importance of regional cooperation in the diamond sector.



High Commissioner of Malaysia to Namibia, Ambassador Dr. Mohamad Rameez Yahaya: Discussed avenues for future partnerships and exchanges.



Prime Minister Honourable Dr. Saara Kuugongelwa–Amdhila: Demonstrated the government's support for NAMDIA's initiatives.



Former First Lady of the Republic of Namibia, Madam Monica Geingos: Emphasised NAMDIA's role in national development.



Former Deputy Prime Minister, now Vice President of the Republic of Namibia, Honourable Netumbo Nandi-Ndaitwah: Provided insights into governmental expectations and support.



Parliamentary Standing Committee on Economics and Public Administration:
Discussed economic policies and their impact on the diamond industry.



Parliamentary Standing Committee on Natural Resources:
Focused on sustainable practices and resource management within the sector.



Namdeb CEO: Mr, Riaan Burger and Ms Pauline Thomas: Head Corporate Affairs and Sustainable Impact.



Media Day

International Engagements and Courtesy visit to enhance international relations and explore new opportunities, NAMDIA undertook several courtesy visits:



Visit to Dubai Multi Commodities Centre (DMCC) in Dubai, UAE:
Reinforced our commitment to strong client relations and explored new business opportunities.



Client visit in Dubai, UAE.





Client Appreciation Event in Dubai, UAE:
Hosted an appreciation event for all NAMDIA clients with the aim of strengthening relations.



Visit to Okavango Diamond Company in Gaborone, Botswana:
Fostered regional cooperation and knowledge exchange.



Courtesy Visit to Namibia Ambassador to UN in New York:
Aimed at enhancing bilateral relations and exploring potential collaborations.



Client visit in New York, USA.

International Exhibitions and Panel Discussions:
NAMDIA made notable appearances at key international events:



JCK Las Vegas:
NAMDIA's first exhibition on US soil.



JCK Las Vegas:
NAMDIA's first exhibition on US soil.



JCK Las Vegas – JCK Talks:

Contributed to the “Mine to Finger” discussion during JCK Talks, sharing insights on the diamond journey from extraction to consumer.



Facets Conference:

Engaged with industry peers at the Facets Conference in Botswana and contributed to the future outlook of the industry.

Accolades and Recognition NAMDIA's commitment to excellence was recognised with prestigious awards:



Public Enterprise of the Year **2023**: Celebrated at the Namibia Premier Business Awards for outstanding contributions to the industry and national economy.



PMR Africa Diamond Arrow Award:
Acknowledged NAMDIA for exceptional managerial and corporate governance qualities.

5 Year Long Service Awards



Collin Gariseb



Celest Cloete



Charles Rhoman



Latoya Nambwandja



Joel Angula



Francis Eiseb



Wenzel Dreyer



Monica Shapwa



Tanya Pieterse



Graddy Haraseb



Toini Ashipala



Raymond Snyders



Hilma Simon

Internal Initiatives and Employee Engagements: We focused on strengthening internal culture and engaging our staff:



Staff SOE Games 2023



NAMDIA Soccer Team



Staff Valentines Day Celebration



NAMDIA staff at Vivo City Marathon



Staff at Mutindi Jacobs Masterclass Sponsorship



Staff Independence Day – March 2023



Volleyball for All 2024

Public Engagements: We commemorated significant events and engaged with the public through various initiatives:



Annual Report Release: Announced our highest dividend to date of NS 300,000,000.00 in the financial year 2022/2023.



Courtesy visit to newly appointed Executive Director at the Ministry of Mines & Energy, Mr. Penda Ithindi



Operations

- 6.1 Human Resources
- 6.2 Information Communication and Digital Proliferation
- 6.3 Safety and Security
- 6.4 Finance

6. Operations

Operations Overview

Operations oversee critical areas such as finance, ICT, HR, and Safety and Security, supported by specialised managers. Key responsibilities involve ensuring that operational strategies align with NAMDIA's Integrated Strategic Business Plan (ISBP) and Annual Business Financial Plan (ABFP), with continuous reviews to maintain this alignment and avoid siloed operations. Success is measured through various Key Performance Indicators (KPIs) across divisions, such as governance policies, audit quality, financial system reliability, risk audit ratings, and user satisfaction ratings. The lean structure supports 26 employees, including three executive committee members and five board members, with regular communication and meetings to align operational activities with strategic goals.

Recent operational improvements and technological advancements have significantly enhanced efficiency and security. The automation of the Purchase Order process has improved financial management and the integration of procurement with finance. Implementing a robust ICT policy, including cybersecurity measures, has bolstered operational security and efficiency. A company-wide risk register and business process mapping help identify and mitigate risks effectively. Viewing technology as a strategic partner rather than a support function, operations leverage IT to drive efficiency and effectiveness. Agility and responsiveness to industry changes are emphasised, ensuring close engagement with clients and the business environment to navigate challenges and maintain strategic alignment.

6.1 Human Resources

New Policies

In the 2023/2024 financial year, NAMDIA introduced several new policies to improve its operational management. The updated compliance governance framework aims to establish a formal process for internal and external stakeholders to understand and oversee the governance model clearly.

At NAMDIA, our ethos revolves around the belief that our people, the gems of our organisation are the key to unlocking potential and driving progress. Our collective efforts, diverse perspectives, and inclusive culture are essential in pioneering sustainable initiatives and innovative solutions. Here's a snapshot of our commitment to our workforce:

Staff Complement and Composition as of 29 February 2024

NAMDIA currently employs a total of twenty-six (26) individuals. These employees are integral to the company's operations, spanning various roles that support NAMDIA's mission to contribute to Namibia's economic growth through the diamond industry. The relatively small workforce reflects NAMDIA's focus on efficiency, specialised expertise, and streamlined operations within the diamond value chain.

Permanent Employees

 23

Fixed-Term Contracts

 3

Gender Representation



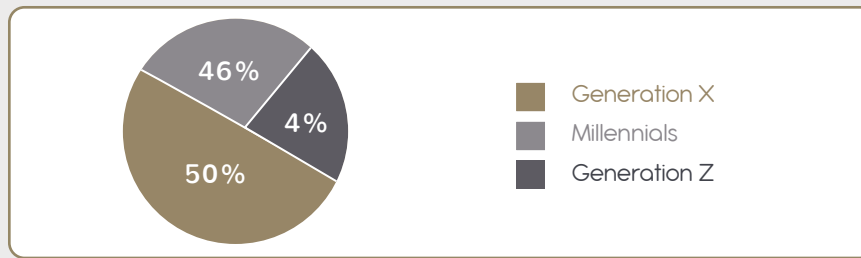
42%



58%

This gender balance reflects our dedication to fostering a gender-inclusive environment, demonstrating that gender equity is an integral part of our organisational culture.

Generational Distribution



Our diverse generational mix enriches our workplace, bringing varied perspectives that drive innovation and effective problem-solving.

Affirmative Action Compliance

We proudly maintain a 100% Namibian staff complement, aligning with the Affirmative Action (Employment) Act, 1998 (Act No. 29 of 1998). This underscores our commitment to employment equity and inclusivity.

Recruitment

During the financial year, we welcomed eight new employees as part of our restructuring process in line with the Integrated Strategic Business Plan (ISBP) 2022 – 2026:

- **Management Level: 50% of new hires**

These new additions, particularly at the managerial level, are instrumental in enhancing our leadership capacity and driving strategic direction. Their fresh perspectives are expected to bolster innovation, operational efficiency, and market competitiveness.

- **Training and Employee Study Scheme:**

NAMDIA prioritises continuous learning and development:

- **Investment in Training: N\$490,000**

Our Employee Study Scheme provides financial assistance and resources for further education, professional certifications, and skills-building programs. We believe in nurturing a culture of lifelong learning and knowledge sharing to build an engaged and innovative workforce. **Staff Welfare:** We are dedicated to supporting our employees' well-being with a comprehensive range of wellness activities:

- **Investment in Wellness Initiatives: N\$1 million**

This investment highlights our commitment to promoting both mental and physical health.

- **Mine Workers Union:**

Our partnership with the Mine Workers Union (MUN) supports this commitment by providing a platform for employee advocacy and dialogue.

Partnership with the Mine Workers Union (MUN) actively supports our collaboration with the MUN, ensuring employees' voices are heard and their interests are represented. This partnership fosters a supportive and inclusive work environment, promoting open dialogue and strengthening our organisational culture.

NAMDIA's focus on these areas reflects our belief that our employees are vital to our success and that their well-being, growth, and engagement are central to our collective achievement.

6.2 Information Technology and Digital Proliferation

At NAMDIA, we recognise the critical role that Information and Communication Technology (ICT) plays in enhancing efficiency, transparency, security, and business opportunities. Our IT division is dedicated to leveraging technology to support and optimise our organisational operations. Below are the key highlights and achievements for the reporting period:

Technological Innovations and Enhancements

- **Recruitment of Manager IT and Digital Proliferation:**

This key role was filled to drive the development, implementation, and management of our IT infrastructure. The focus is on digitising business processes to ensure optimal system utilisation and availability of information for well-informed decision-making.

- **Improved IT Governance:**

ICT Policies and Procedures: New policies, including the IT Security Policy and Cyber Security Programs, were developed to align with international standards and best practices.

Audit Findings and Risk Mitigation: Implementation of audit findings and risk mitigation strategies to ensure robust systems controls and preparedness for unforeseen events.

Cybersecurity Initiatives

- Strengthened Cybersecurity:**
Defence Mechanisms: Enhanced our cybersecurity initiatives to protect against emerging threats. This includes regular assessments and improvements to our defence systems.
Decrease in Security Incidents: Notable reduction in security incidents and improved resilience against cyber-attacks.
Staff Training: Ongoing technical support and cybersecurity training for staff, empowering them to use technology securely in their daily tasks.

System Performance

- Systems Uptime and Availability:**
Achieved a remarkable 99.98% uptime and availability, critical for enabling efficient operations, communication, and decision-making processes.

Disaster Recovery

- Veeam Backup for Microsoft 365:**
Implemented this solution to maintain access and





control over email data through a dedicated backup repository and regular backups. This proactive approach minimises data loss risks and ensures business continuity during disruptions.

- Future Commitment:**
The IT team is dedicated to staying vigilant against evolving threats, keeping up-to-date with industry best practices, and continuously improving our technology infrastructure to support NAMDIA's strategic goals.

NAMDIA's focus on leveraging technology reflects our commitment to operational excellence and resilience in a rapidly changing digital landscape.

6.3 Safety and Security

At NAMDIA, the Safety and Security team plays a crucial role in safeguarding our operations and assets. This team consists of seven dedicated and highly trained protection officers, led by a Manager of Safety and Security, ensuring comprehensive protection across all facets of our diamond business, from import and sorting to client viewing, sale, and export.

Key Achievements and Enhancements			
			
<p>Strong Safety Record</p> <p>Zero Incidents: During the reporting period, NAMDIA upheld its solid record of no incidents and no loss of diamonds since its inception, reflecting the reliability of safety and security measures.</p>	<p>Revised Policies and Stakeholder Engagement</p> <p>Policy Updates: The Safety and Security policy was approved by the Board on 05 December 2023.</p> <p>Ongoing Engagement: The team actively engaged with stakeholders and peers to stay current with crime prevention trends and adapt to the evolving diamond industry.</p>	<p>Enhanced Security Measures</p> <p>Electronic System Upgrades: The safe/vault lock system was upgraded significantly improving protection.</p> <p>Alarm System Integration: The alarm system is now connected to an armed response company, further bolstering our security environment.</p>	<p>Future Improvements</p> <p>New Security System Procurement: Following recommendations from the Ministry of Finance and Public Enterprises Procurement Policy Unit, we have initiated the procurement process for a new security system. This will involve a specialist consultant to review the terms of reference and oversee the implementation of the new system, aiming to further enhance our security measures.</p>

Commitment to Client Safety

Ensuring the safety of our clients remains a top priority. Throughout the financial year, the Safety and Security division continued to provide world-class protection, ensuring that clients experience a secure and reliable environment.

By continuously evolving our safety and security practices, NAMDIA reaffirms its commitment to protecting our operations, employees, and valuable assets while adapting to emerging security challenges in the diamond industry.

6.4 Finance

Financial Performance

In the 2023/2024 financial year, the Group, consisting of Namib Desert Diamonds (Pty) Ltd, Eumbo Property Investment (Pty) Ltd, NAMGEM Diamond Manufacturing Company (Pty) Ltd, and the NAMDIA Foundation (Section 21 company), delivered sustainable financial results.

Revenue for the year totalled N\$2.5 billion, a 19% decrease compared to the N\$3.1 billion recorded in the previous year. The Group reported a gross profit of N\$259 million, down from N\$629 million in the prior year. This decline contributed to a profit before tax of N\$153 million, significantly lower than the N\$612 million achieved in the 2022/2023 financial year, resulting in a profit after tax of N\$97.5 million, compared to N\$409 million the year before.

Group Operating costs rose to N\$90.9 million, a 20% increase from N\$75 million in the previous year. The rise in costs is primarily due to increased expenditure – increased personnel.

These figures reflect the challenging market conditions faced by the diamond industry during the year. The reduced revenue and profitability can be attributed to fluctuations in global diamond demand, and the rising operational costs. Despite these challenges, the Group remained resilient, focusing on long-term sustainability and strategic cost management to navigate through this period of lower financial results.

Financial Performance Highlights at a Glance



Other Income

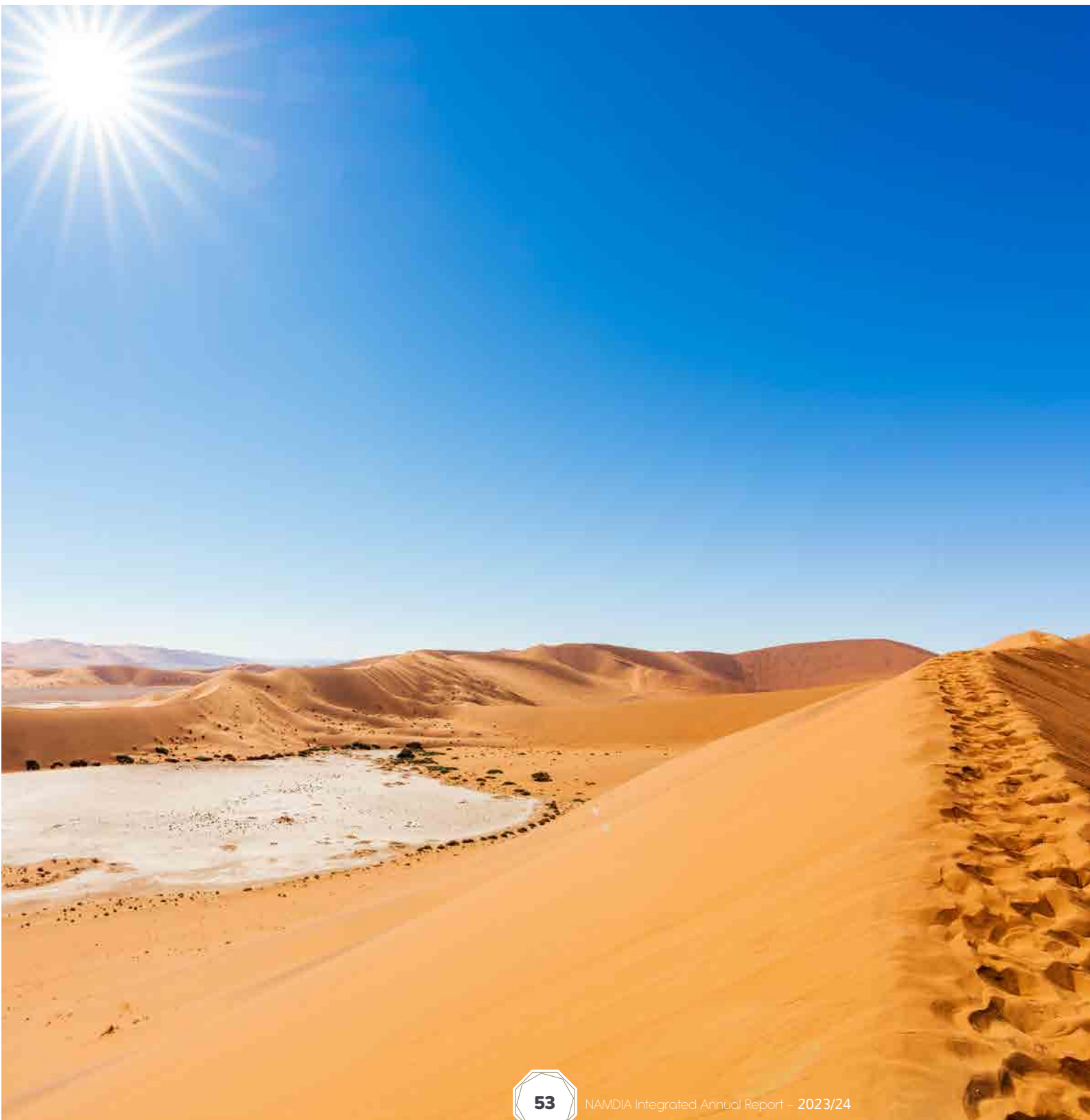
During the financial year, the Group earned N\$17 million in interest from surplus funds kept in various investment vehicles.

Income Tax

A total of N\$55 million was paid in income tax for the 2023/2024 financial year.

Property Revaluation

In April 2024, two NAMDIA properties in Windhoek were valued by an independent property valuator. This resulted in a fair value loss of N\$3.2 million for Erf 336, Klein Windhoek (compared to N\$5.5 million the previous year) and a loss of N\$0.2 million for Erf 337, Klein Windhoek (compared to N\$2.5 million the previous year).





Board of Directors

7. Board of Directors



Bryan Eiseb
CHAIRPERSON

(Board Chairperson during the reporting period 2023/2024)



Liina Muatunga
DIRECTOR



Justus Hausiku
DIRECTOR



Selma Shimutwikeni
DIRECTOR





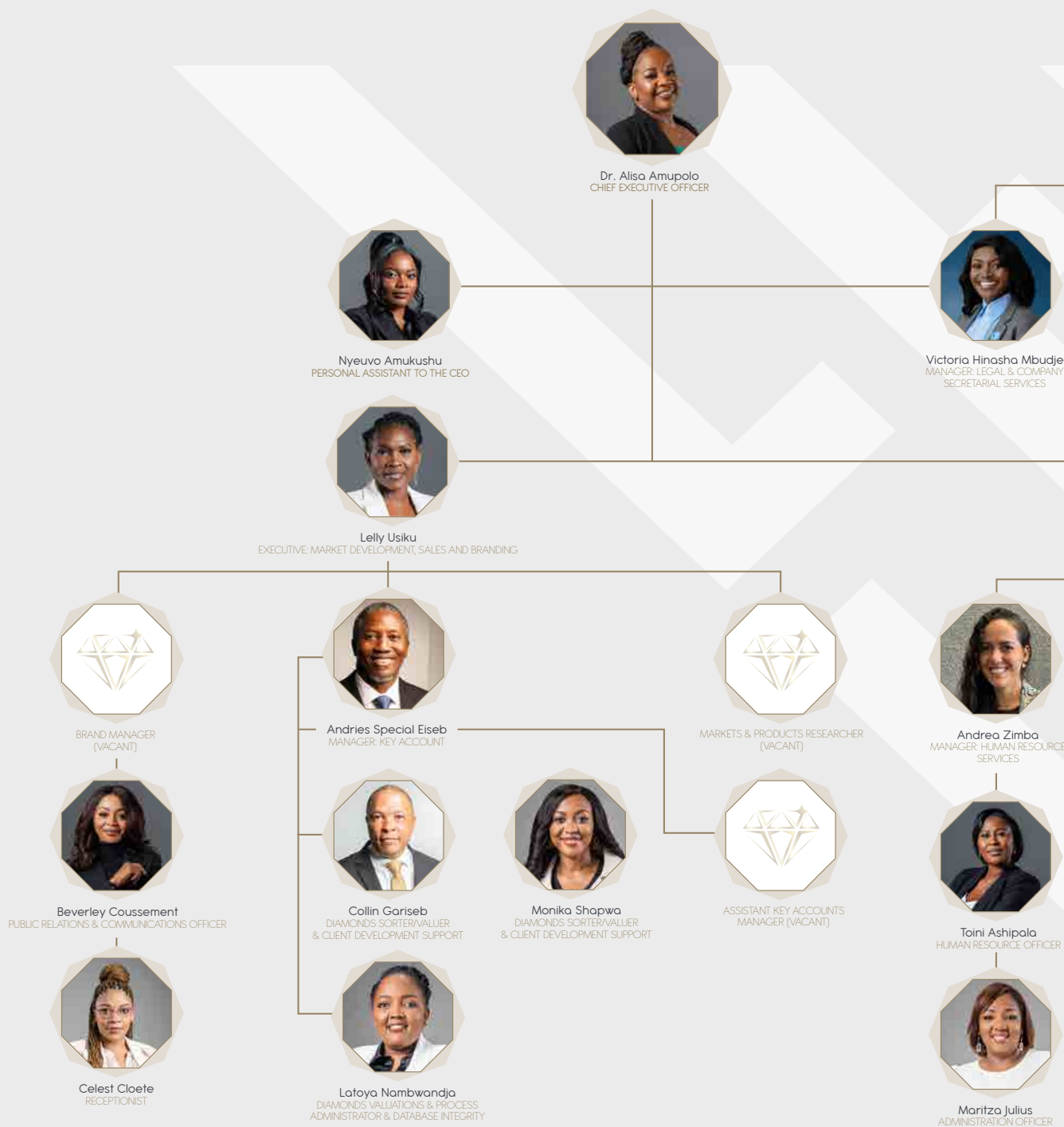
The NAMDIA Team

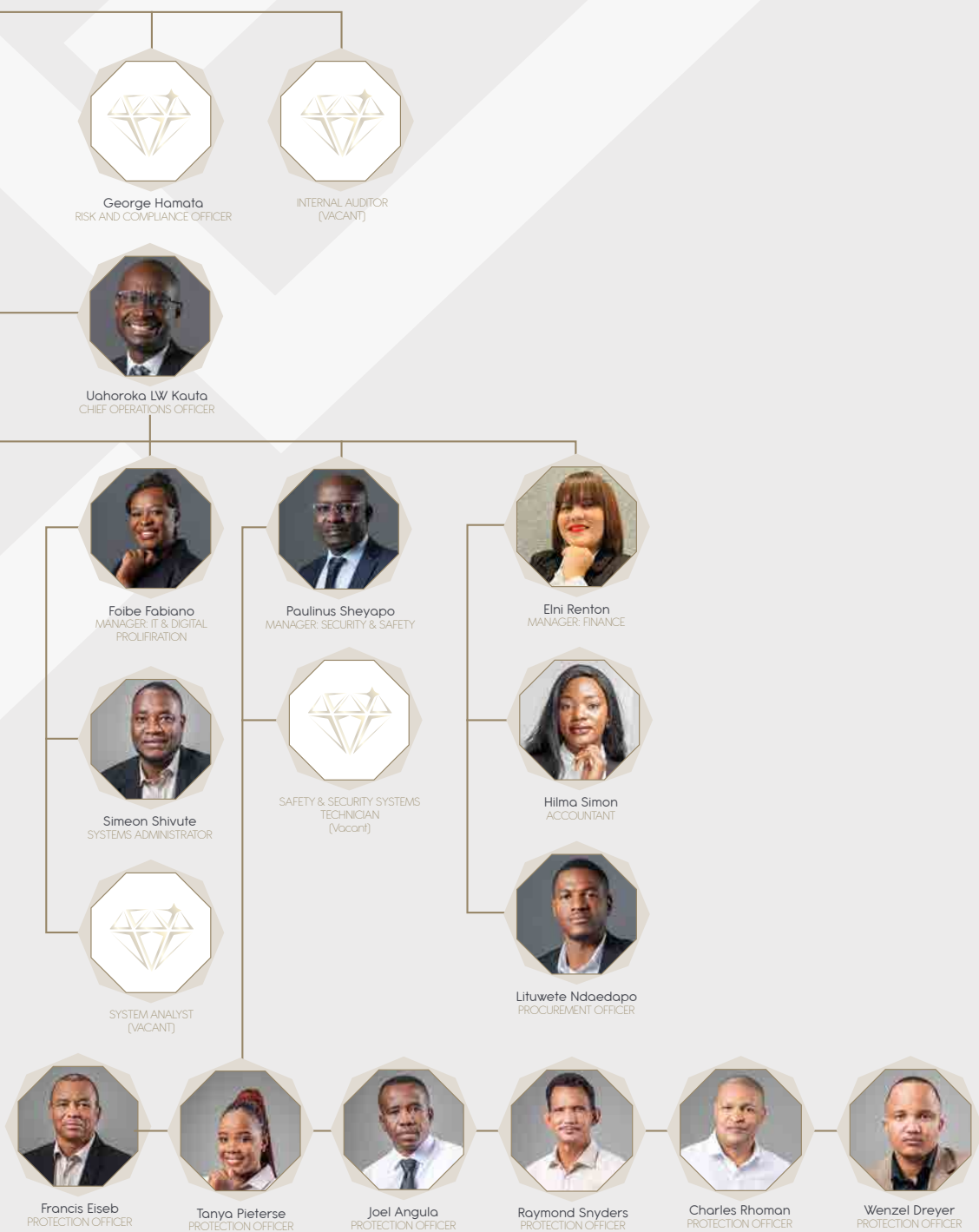
8.1 Organisational Structure

8.2 Conclusion

8. The NAMDIA Team

8.1 Organisational Structure





The following staff members left NAMDIA during the reporting period:



Marvel Tjombonde
MANAGER: LEGAL AND COMPANY
SECRETARIAL SERVICES



George Hamata
RISK AND COMPLIANCE
OFFICER



Graddy Haraseb
PROTECTION OFFICER

8.2 Conclusion

In summary, NAMDIA stands at the forefront of Namibia's diamond industry, driving value creation and economic growth through its comprehensive and strategic mandate. As the exclusive marketing agent for Namibian diamonds, NAMDIA not only maximises revenue but also plays a crucial role in supporting the nation's broader economic and social development goals.

The organisation's commitment to ethical and sustainable practices ensures that diamond trading aligns with international standards and contributes positively to environmental conservation and community development. By integrating its operations with Namibia's national development plans and the United Nations Sustainable Development Goals, NAMDIA fosters long-term, sustainable growth.

Furthermore, NAMDIA's emphasis on innovation, transparency, and stakeholder engagement solidifies its position as a leader in the industry. Through effective governance, strategic investments, and a dedicated approach to market development, NAMDIA continues to enhance its impact, demonstrating resilience and creating substantial value for Namibia and its people. As the Company moves forward, it remains steadfast in its mission to optimise the value of Namibian diamonds while upholding the highest standards of corporate responsibility.





The NAMDIA Foundation

- 9.1 Overview
- 9.2 Beneficiary Sectors
- 9.3 Addressing Challenges and Strategic Evolution
- 9.4 Cultivating a Culture of Social Responsibility
- 9.5 Looking Ahead
- 9.6 Conclusion

9. The NAMDIA Foundation

9.1 Overview

The NAMDIA Foundation is dedicated to advancing community development in Namibia by focusing on education, health, and sports. For the 2023/2024 financial year, we significantly increased our spending to N\$20.5 million, a 85% rise from the previous year's N\$11.1 million. This increase highlights our commitment to impactful contributions and aligns with NAMDIA's strategic goals outlined in the Integrated Strategic Business Plan (ISBP).

Integration of CSR into Business Strategy

The Foundation's initiatives are a key component of NAMDIA's strategic objectives, emphasising sustainability, social impact, diversity, and inclusion. Our CSR efforts are designed to align with national development plans and the United Nations Sustainable Development Goals (UN SDGs), integrating our social responsibility into the core business strategy.

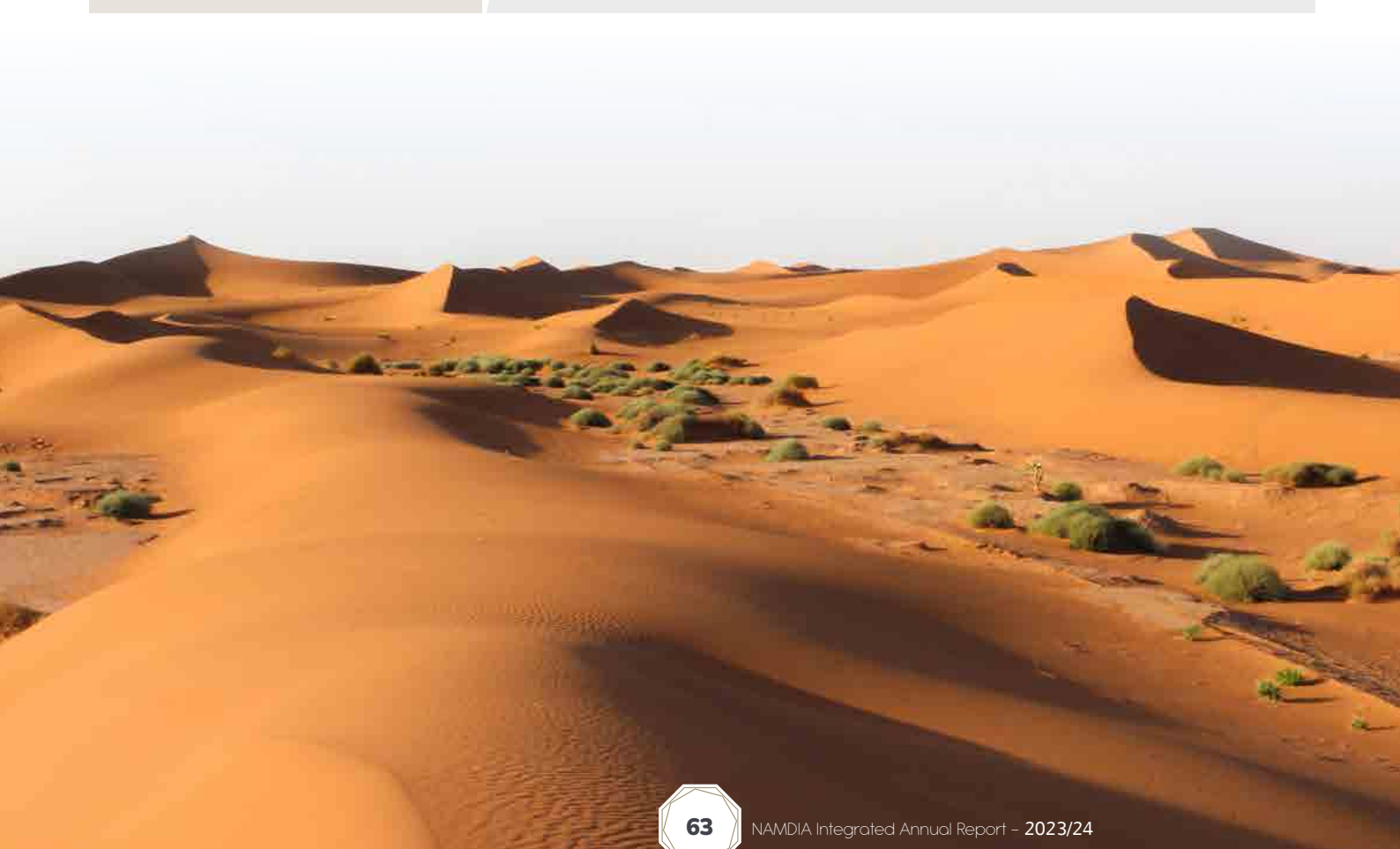
Focused CSR Approach

Targeted Pillars and Long-Term Impact

This year, the Foundation refined its approach by concentrating on specific pillars to achieve long-term impact. We moved from a broad range of initiatives to focused projects in education, particularly in building and renovating schools. This targeted approach aims to create lasting benefits for future generations.

Sustainable Development

Our strategy prioritises sustainable projects that deliver long-term value. By focusing on significant infrastructure developments like school renovations, we aim to leave a legacy that benefits multiple generations and ensures enduring positive impact.



Projects and Initiatives 2023/2024

Key Achievements for 2023/2024

➤ Bursary Programme	We significantly advanced our bursary programme, providing essential financial support to students. This initiative helps reduce educational costs for families and fosters academic excellence among Namibia's future leaders.
➤ Cleft Palate Reconstruction	We allocated N\$250,000 to continue our cleft palate reconstruction project, offering life-changing surgeries. This ongoing commitment improves the quality of life for individuals affected by this condition.
➤ Mobile Clinic	Our mobile clinic initiative has expanded access to healthcare in underserved areas, including informal settlements around Windhoek. This project provides vital medical services and health screenings to communities with limited access to healthcare.
➤ Educational Support	We donated tables, chairs, and educational materials to schools in the Kavango East and West regions, enhancing learning environments and contributing to improved educational outcomes.
➤ Chess Federation Sponsorship	Our sponsorship of the Chess Federation enabled Namibian players to compete in the World Championships in Egypt, promoting the development of chess and providing international exposure.

9.2 Beneficiary Sectors



Bursary Recipients for Academic Year 2024
Announcement



Screening Mobile Clinic Donation
to Omnicare



Henk Botha Athletics Development Sponsorship



Cheshire Home donation of printing paper



YMCA Sanitary Pads



Donation of Food Parcels



Musical Equipment Sponsorship to Omaruru Music School



Young Braves Netball Team attire Sponsorship



AC Football Academy Tournament Sponsorship



Sponsorship of Smart Board to Uuvudhiya Primary School

9.3 Addressing Challenges and Strategic Evolution

Manpower Constraints

We identified manpower constraints as a significant challenge affecting project execution. To address this, we are increasing our team's capacity to enhance efficiency and project delivery.

Refined CSR Strategy

We refined our CSR strategy to focus on education, health, and sports, ensuring our resources are directed towards initiatives that align with our mission. This focused approach enables us to achieve more substantial and effective outcomes.

Alignment with Business Goals

Integrating CSR initiatives with NAMDIA's business objectives ensures that our social responsibility efforts support broader Company goals. This alignment maximises both our social impact and business success.

9.4 Cultivating a Culture of Social Responsibility

Employee Engagement

We have successfully engaged employees in CSR efforts through clear communication, promoting volunteerism, and recognising contributions. This engagement fosters a culture of social responsibility and strengthens commitment to our mission.

Employee Contributions

Employees play a vital role in executing CSR projects, from planning and organising to direct participation. Their involvement ensures the successful implementation of projects and reinforces their connection to the Foundation's goals.

Impact of Employee Involvement

The active participation of employees significantly enhances the effectiveness of CSR initiatives, leading to tangible improvements in the communities we serve. Their dedication is crucial to achieving our objectives in education, healthcare, and sports.

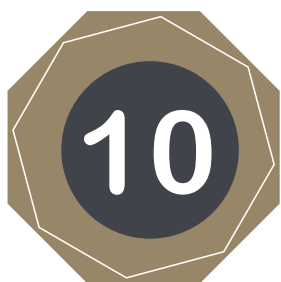
9.5 Looking Ahead

The Foundation will continue to focus on education, health, and sports, with plans to expand our support for educational and healthcare facilities and foster sports development. These efforts will be supported by the ongoing commitment of our employees.

9.6 Conclusion

The NAMDIA Foundation's increased investment and refined CSR strategy demonstrate our commitment to making a meaningful difference. By aligning with national and international goals and focusing on sustainable projects, we ensure that our contributions have a lasting impact. Despite facing challenges, our strategic adjustments and employee engagement have strengthened our operations and amplified our impact. Moving forward, our focus on education, health, and sports, backed by our dedicated team, will drive positive change and create enduring benefits.





Annual Financial Statements

Namib Desert Diamonds (Proprietary) Limited

Trading as

NAMDIA

(Registration Number 2016/0338)

**Consolidated and Separate Annual Financial Statements
for the year ended 29 February 2024**



Audited Financial Statements

in compliance with the Companies Act of Namibia, No. 28 of 2004

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2024

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Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2024

General Information

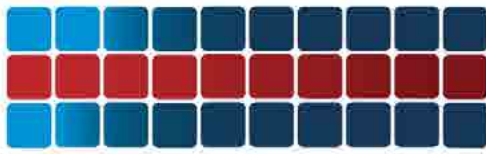
Country of Incorporation and Domicile	Namibia
Registration Number	2016/0338
Registration Date	18 April 2016
Nature of Business and Principal Activities	To market and sell diamonds on behalf of the Government of the Republic of Namibia.
Directors	J.H. Hausiku N.S. Shimutwiken L.M. Muatunga S. Ndjaba (Appointed 17 June 2024) K. Naruses (Appointed 17 June 2024) B.K.G. Eiseb (Resigned 1 April 2024)
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 Nedbank Namibia 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	V.L.H. Mbudje
Compiler	Don Consulting Services CC

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2024



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 29 February 2024, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and material accounting policy information 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 Companies Act of Namibia, No. 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 IFRS Accounting Standards.

Don Consulting Services CC

4 September 2024

Per: 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 29 February 2024

Directors' Responsibilities and Approval

The directors are required by the Companies Act of Namibia, No. 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. These consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) and 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 consolidated and separate annual financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the 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 2025 and, in light of this review and the current financial position, they are satisfied that the Group and Company has or had adequate resources to continue in operational existence for the foreseeable future. The external 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 74-76. The consolidated and separate annual financial statements set out on pages 167 to 172, and the supplementary information set out on pages 164 to 169 which have been prepared on the going concern basis, were authorised and approved by the directors and were signed on 4 September 2024 on their behalf by:

Approval of annual financial statements



J.H. Hausiku

Director



N.S. Shimutwikeni

Director

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS for the year ended 29 February 2024



Independent Auditor's Report

To the Members of Namib Desert Diamonds (Proprietary) Limited

Report on the audit of the consolidated and separate financial statements

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 29 February 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting 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 86 to 167 comprise:

- the directors' report for the year ended 29 February 2024;
- the consolidated and separate statements of financial position as at 29 February 2024;
- the consolidated and separate statements of profit and loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

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.

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS for the year ended 29 February 2024



Independent Auditor's Report

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 29 February 2024". 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 IFRS Accounting 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 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.

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS for the year ended 29 February 2024



Independent Auditor's Report

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.
- 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.

Report on other Legal and Regulatory Requirements

In accordance with our responsibilities in terms of subsection 26(3) of the Public Accountants' and Auditors' Act of 1951, we report that we have identified material irregularities in terms of the Public Accountants' and Auditors' Act. We have reported such matters to the Public Accountants' and Auditors' Board. The matters that pertain to the material irregularities are non-compliances with Public Enterprises Governance Act, 2006 (Act No. 2 of 2006).

A handwritten signature in black ink, reading 'PricewaterhouseCoopers' in a stylized cursive script.

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Samuel N Ndahangwapo
Partner
Windhoek, Namibia
Date: 10 September 2024

Namib Desert Diamonds (Proprietary) Limited
(Registration Number 2016/0338)
CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS
for the year ended 29 February 2024

Directors' Report

The directors present their report for the year ended 29 February 2024.

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 71.

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

There have been no material changes to the nature of the Group's and Company's business from 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 29 February 2024 of N\$97,556,031 (2023: N\$409,218,701).

The Group's revenue decreased from N\$3,107,122,942 in the prior year to N\$2,531,653,745 for the year ended 29 February 2024.

The Group's cash flows from operating activities changed from an inflow of N\$251,251,257 in the prior year to an inflow of N\$288,130,174 for the year ended 29 February 2024.

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2024

Directors' Report

4. Authorised and Issued Share Capital

Authorised	Group 2024	Group 2023
	Number of shares	
Ordinary shares (of N\$1.00 each)	4,000	4,000
Issued	Group 2024	Group 2023
	Number of shares	
Ordinary shares	1,000	1,000
Share premium	49,999,000	49,999,000
	50,000,000	50,000,000

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

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\$300,000,000 (2023: N\$150,000,000).

6. Directors

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

<u>Name</u>	<u>Date of appointment</u>	<u>Date of resignation</u>
J.H. Hausiku (Chairperson)	12 December 2019	
N.S. Shimutwiken	12 December 2019	
L.M. Muatunga	17 June 2019	
Dr. S. Ndjaba	17 June 2024	
K. Naruses	17 June 2024	
B.K.G. Eiseb	12 December 2019	1 April 2024

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS for the year ended 29 February 2024

Directors' Report

7. Directors' Interest in Contracts

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

8. Shareholder

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

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

	Holding
Government of the Republic of Namibia	100.00%

9. Ultimate Holding Company

The directors consider the company's 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 other than those disclosed below. The Group and Company assessed all of its assets and did not identify any impairment on any assets as result.

The former Chairperson of the Board, B.K.G. Eiseb resigned on 01 April 2024.

The following directors were appointed on a temporary basis from 17 June 2024 up to 17 December 2024, namely:

J.H. Hausiku who is already an appointed director, has been appointed as the Chairperson.

Dr. S. Ndjaba

K. Naruses

The Minister of Finance and Public Enterprises announced on 28 February 2024 that the non-mining company tax rate will reduce from 32% to 31%. This will effectively be applied on years of assessment commencing on or after 01 January 2024 and will therefore, be applicable to the financial year ending 28 February 2025. No adjustment is required in the current year's financial statements.

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS for the year ended 29 February 2024

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 2025 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 it 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.

Namib Desert Diamonds (Pty) Ltd (NAMDIA) will provide NAMGEM Diamond Manufacturing Company (Pty) Ltd (NAMGEM) with support and assistance as may be required to ensure that the entity meets its obligations. NAMDIA will provide immediate financial support to NAMGEM in case of financial difficulties and if necessary, invest additional funds essential to ensure that the entity is a going concern for at least 12 months from the date of annual financial statements signing by the auditors.

The subsidiary incurred a net profit for the year ended 29 February 2024 of N\$1,380,026 (2023 loss: N\$7,331,296) and, as at that date its total liabilities exceeded its total assets by N\$3,734,182 (2023: N\$5,114,208).

12. 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.

13. Secretary

The Group's and Company's designated secretary is V.L.H Mbudje.

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

Ms. M.N.K. Tjombonde resigned from her position as Company Secretary on 30 September 2023, coinciding with her departure as an employee of Namib Desert Diamonds (Pty) Ltd. Consequently, her role as Company Secretary was officially terminated on this date."

Ms. V.L.H. Mbudje was appointed as the new Company Secretary, effective 08 January 2024.

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS for the year ended 29 February 2024

Directors' Report

14. Compiler

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

Postal address

PO Box 26546
Windhoek
Namibia

Business address

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

15. Independent Auditors

PricewaterhouseCoopers will continue as the appointed auditors in accordance with Section 278(2) of the Companies Act of Namibia, No. 28 of 2004.

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS for the year ended 29 February 2024

Statements of Financial Position

Figures in N\$	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Assets					
Non-current assets					
Property, plant and equipment	4	48,059,363	51,878,270	19,439,528	20,092,270
Investment property	5	14,430,000	13,550,000	-	-
Investment in subsidiaries	7	-	-	13,806,851	16,301,969
Deferred tax assets	6	4,220,175	-	4,723,080	-
Loans to subsidiaries	8	-	-	33,048,248	31,370,097
Total non-current assets		66,709,538	65,428,270	71,017,707	67,764,336
Current assets					
Inventories	9	-	198,428,505	-	198,428,505
Trade and other receivables	10	2,086,790	93,660,882	2,064,920	93,516,708
Current tax assets	11	30,270,685	41,212	30,229,473	-
Inter company receivables	12	-	-	-	63,352
Cash and cash equivalents	13	485,117,794	513,117,028	459,727,713	484,580,042
Total current assets		517,475,269	805,247,627	492,022,106	776,588,607
Total assets		584,184,807	870,675,897	563,039,813	844,352,943
Equity and liabilities Equity					
Issued capital	14	1,000	1,000	1,000	1,000
Share premium	14	49,999,000	49,999,000	49,999,000	49,999,000
Retained income		507,302,650	709,746,619	503,278,394	683,581,330
Revaluation reserves	15	(5,740,000)	(2,335,000)	-	-
Total equity		551,562,650	757,411,619	553,278,394	733,581,330
Liabilities					
Non-current liabilities					
Deferred tax liabilities	6	-	4,845,312	-	3,974,594
Lease liability	16	101,225	-	1,427,952	1,711,704
Total non-current liabilities		101,225	4,845,312	1,427,952	5,686,298
Current liabilities					
Provisions	17	5,750,215	6,536,322	5,750,215	5,652,162
Trade and other payables	18	26,588,810	4,249,691	2,062,545	1,507,577
Current tax liabilities	11	-	1,268,280	-	1,268,280
Lease liability	16	181,908	80,262	393,363	372,885
Deferred revenue	19	-	96,284,411	-	96,284,411
Total current liabilities		32,520,932	108,418,966	8,333,467	105,085,315
Total liabilities		32,622,157	113,264,278	9,761,419	110,771,613
Total equity and liabilities		584,184,807	870,675,897	563,039,813	844,352,943

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS for the year ended 29 February 2024

Statements of Profit or Loss and Other Comprehensive Income

Figures in N\$	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Revenue	22	2,531,653,745	3,107,122,942	2,529,971,001	3,106,516,283
Cost of sales	23	(2,272,960,179)	(2,478,335,321)	(2,272,960,179)	(2,478,335,321)
Gross profit		258,693,566	628,787,621	257,010,822	628,180,962
Impairment losses	24	-	-	(2,495,118)	-
Administrative expenses	25	(6,556,992)	(5,503,558)	(6,244,610)	(5,261,549)
Other expenses	26	(84,320,512)	(69,486,126)	(55,045,649)	(78,124,950)
Other gains and (losses)	27	(28,585,846)	37,392,004	(29,465,846)	37,642,004
Profit from operating activities	28	139,230,216	591,189,941	163,759,599	582,436,467
Finance income	29	17,318,074	26,816,072	15,634,975	26,024,487
Finance costs	30	(3,700,874)	(5,861,982)	(3,973,457)	(6,181,359)
Profit before tax		152,847,416	612,144,031	175,421,117	602,279,595
Income tax expense	31	(55,291,385)	(202,925,330)	(55,724,063)	(202,904,939)
Profit for the year		97,556,031	409,218,701	119,697,054	399,374,656
Profit for the year attributable					
Owners of Parent		97,556,031	409,218,701	119,697,054	399,374,656
Non-controlling interest		-	-	-	-
		97,556,031	409,218,701	119,697,054	399,374,656
Other comprehensive income net of tax					
Components of other comprehensive income that will not be reclassified to profit or loss					
Losses on revaluation		(3,405,000)	(8,212,339)	-	-
Total other comprehensive income that will not be reclassified to profit or loss		(3,405,000)	(8,212,339)	-	-
Total other comprehensive income net of tax					
Total comprehensive income		94,151,031	401,006,362	119,697,054	399,374,656
Comprehensive income attributable to:					
Comprehensive income, attributable to owners of parent		94,151,031	401,006,362	119,697,054	399,374,656
Comprehensive income, attributable to non-controlling interests		-	-	-	-
		94,151,031	401,006,362	119,697,054	399,374,656

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Statements of Changes in Equity-Group

Figures in N\$	Issued capital	Share premium	Revaluation surplus	Retained income	Total
Balance at 1 March 2022	1,000	49,999,000	5,877,339	450,527,918	506,405,257
Changes in equity					
Profit for the year	-	-	-	409,218,701	409,218,701
Other comprehensive income	-	-	(8,212,339)	-	(8,212,339)
Total comprehensive income for the year	-	-	(8,212,339)	409,218,701	401,006,362
Dividends	-	-	-	(150,000,000)	(150,000,000)
Balance at 28 February 2023	1,000	49,999,000	(2,335,000)	709,746,619	757,411,619
Balance at 1 March 2023	1,000	49,999,000	(2,335,000)	709,746,619	757,411,619
Changes in equity					
Profit for the year	-	-	-	97,392,724	97,392,724
Other comprehensive income	-	-	(3,405,000)	-	(3,405,000)
Total comprehensive income for the year	-	-	(3,405,000)	97,392,724	93,987,724
Dividends	-	-	-	(300,000,000)	(300,000,000)
Balance at 29 February 2024	1,000	49,999,000	(5,740,000)	507,139,343	551,399,343

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Statements of Changes in Equity-Company

Figures in N\$	Issued capital	Share premium	Retained income	Total
Balance at 1 March 2022	1,000	49,999,000	434,206,684	484,206,684
Changes in equity				
Profit for the year	-	-	399,374,656	399,374,656
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	683,581,340	733,581,340
Balance at 1 March 2023	1,000	49,999,000	683,581,340	733,581,340
Changes in equity				
Profit for the year	-	-	119,697,054	119,697,054
Total comprehensive income	-	-	119,697,054	119,697,054
Dividend recognised as distributions to shareholder	-	-	(300,000,000)	(300,000,000)
Balance at 29 February 2024	1,000	49,999,000	503,278,394	553,278,394

Note

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Namib Desert Diamonds (Proprietary) Limited

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Statements of Cash Flows

Figures in N\$	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Net cash flows from operations	35	370,432,464	440,995,658	377,488,649	419,409,578
Finance costs	30	(3,700,874)	(5,861,982)	(3,973,457)	(6,181,359)
Interest income	29	17,318,074	26,816,072	15,634,975	26,024,487
Income taxes paid	37	(95,919,490)	(210,698,491)	(95,919,490)	(210,698,491)
Net cash flows from operating activities		288,130,174	251,251,257	293,230,677	228,554,215
Cash flows used in investing activities					
Proceeds from sales of property, plant and equipment	38	25,945	(28,902)	25,945	-
Purchase of property, plant and equipment	38	(3,507,834)	(494,606)	(3,507,834)	(495,139)
Loans advanced to subsidiaries	38.3	-	-	(1,678,151)	(1,244,945)
Intercompany receivables	12	-	-	63,352	(63,352)
Cash flows used in investing activities		(3,481,889)	(523,508)	(5,096,688)	(1,803,436)
Cash flows used in financing activities					
Lease liability principle portion	38.4	202,870	80,262	(135,930)	(212,360)
Dividend paid	36	(300,000,000)	(150,000,000)	(300,000,000)	(150,000,000)
Cash flows used in financing activities		(299,797,130)	(149,919,738)	(300,135,930)	(150,212,360)
Net (decrease) / increase in cash and cash equivalents before effect of exchange rate changes		(15,148,845)	100,808,011	(12,001,941)	76,538,419
Effect of exchange rate changes on cash and cash equivalents	27	(12,850,388)	17,292,926	(12,850,388)	17,292,926
Net (decrease)/ increase in cash and cash equivalents		(27,999,233)	118,100,937	(24,852,329)	93,831,345
Cash and cash equivalents at beginning of the year		513,117,027	395,016,091	484,580,042	390,748,697
Cash and cash equivalents at end of the year	13	485,117,794	513,117,028	459,727,713	484,580,042

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Accounting Policies

1. Material Accounting Policies

The material accounting policies applied in the preparation of these annual financial statements are set out below. The accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such are not disclosed, additionally, not all accounting policies that relate to material transactions, other events or conditions are themselves material to a Company's financial statements.

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 IFRS Accounting Standards and the Companies Act of Namibia, No. 28 of 2004. The consolidated and separate annual financial statements have been prepared under the historical cost convention with the exception of investment property measured at fair value.

The preparation of consolidated and separate annual financial statements in conformity with IFRS Accounting 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.

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Accounting Policies

1. Material accounting policies continued...

1.2 Consolidation continued...

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.

Intercompany 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.

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.

1.3 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.

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Accounting Policies

1. Material accounting policies continued...

Functional and presentation currencies continued...

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'.

Group companies

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- Income and expenses for each 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.

1.4 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.

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Accounting Policies

1. Material accounting policies continued...

Land, buildings and leasehold improvements

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Buildings and leasehold improvements are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Land and buildings are revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in the asset revaluation reserve, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised against the asset revaluation reserve. All other decreases in carrying amounts are recognised as a loss in the statement of comprehensive income.

Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

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

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.

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Accounting Policies

1. Material accounting policies continued...

1.4 Property, plant and equipment continued...

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
Leasehold improvements		10 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 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.

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Accounting Policies

1. Material accounting policies continued...

1.5 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.

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, and all other investment property is measured at fair value. 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 are 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.

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Accounting Policies

1. Material accounting policies continued...

1.5 Investment property continued...

Depreciation

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

Each part of an item of investment property 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.

Investment property is measured at 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.

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Accounting Policies

1. Material accounting policies continued...

1.5 Investment property continued...

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.

1.6 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).

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Accounting Policies

1. Material accounting policies continued...

1.6 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 20) and financial liabilities (note 21) 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.

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Accounting Policies

1. Material accounting policies continued...

1.6 Financial instruments continued...

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.

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.

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Accounting Policies

1. Material accounting policies continued...

1.6 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.

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Accounting Policies

1. Material accounting policies continued...

1.6 Financial instruments continued...

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

Equity instruments

All equity investments are subsequently measured at fair value.

- 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.

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.

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CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS for the year ended 29 February 2024

Accounting Policies

1. Material accounting policies continued...

1.6 Financial instruments continued...

- 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.

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1. Material accounting policies continued...

1.6 Financial instruments continued...

The Company reviews and test 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.

Loans to subsidiaries

Classification

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

Recognition and measurement

Financial assets from 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 30).

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 liabilities at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

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Accounting Policies

1. Material accounting policies continued...

1.6 Financial instruments continued...

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 which approximate to the fair value (note 10) and (note 12).

They have been classified in this manner because their contractual terms gives 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 which approximate to the fair value.

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.

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 which approximate to the fair value.

Recognition and measurement

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

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Accounting Policies

1. Material accounting policies continued...

1.6 Financial instruments continued...

They are subsequently measured at amortised cost which approximate to the fair value.

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 30).

Trade and other payables expose the Company to liquidity risk and possible to interest risk. Refer to note 33 for details of risk exposure and management thereof.

1.7 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.

1.8 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.

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Accounting Policies

1. Material accounting policies continued...

1.8 Inventories continued...

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.

The cost of inventories comprise 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 are 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, are 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.

1.9 Tax

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

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

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Accounting Policies

1. Material accounting policies continued...

1.9 Tax continued...

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.

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).

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1. Material accounting policies continued...

1.9 Tax continued...

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.

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Accounting Policies

1. Material accounting policies continued...

1.10 Leases as Lessee

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 are 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 Statements of Financial Position within a classification relevant to the underlying asset, and not as a separate line item.

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1. Material accounting policies continued...

1.10 Leases as lessee continued...

Measurement

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The obligation for those costs 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.

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 reasonably 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.

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Accounting Policies

1. Material accounting policies continued...

1.10 Leases as lessee continued...

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.

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.

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1. Material accounting policies continued...

1.10 Leases as lessee continued...

Where the lease modification is not accounted for as a separate lease, at the effective date of the lease modification the following changes are made:

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

Where the lease modification is not accounted for as a separate lease, the remeasurement of the lease liability is accounted for by:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss.
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

1.11 Leases as Lessor Definition

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 components, 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.

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1. Material accounting policies continued...

1.11 Leases as lessee Definition continued...

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.

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 is 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.

1.12 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.

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1. Material accounting policies continued...

1.12 Provisions and contingencies continued...

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.

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

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1. Material accounting policies continued...

1.12 Provisions and contingencies continued...

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.

1.13 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 or 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.

1.14 Revaluation Reserves

Revaluation reserves comprise of cumulative revaluation gains/losses on owner-occupied property. This reserve is part of the Group's equity and cannot be distributed as dividends.

1.15 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 customer(s) are approved on following a comprehensive onboarding process in accordance with Company's registration policy.

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

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1. Material accounting policies continued...

1.12 Revenue from contracts with customers continued...

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 customer(s) to view the diamond lot(s) available for sale and the customer(s) place bid(s) thereafter at the auction held on 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 transfer to the customer(s) (note 22).

Measurement

Revenue is recognised when a Company fulfils its performance obligation in terms of the contract which is when the control of the rough diamond has transferred to the sightholder. Control of the rough diamonds transfers when the cash is received from sightholder, Kimberley 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 have 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).

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Accounting Policies

1. Material accounting policies continued...

1.12 Revenue from contracts with customers continued...

Contract liabilities

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

1.16 Rental Income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term (note 22).

1.17 Interest Income

Interest income, including income arising from other financial instruments, is recognised using the effective interest method (note 29).

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 are recognised at the undiscounted amount paid or expected to be paid in the accounting period in which the services were rendered.

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Accounting Policies

1. Material accounting policies continued...

1.18 Employee benefits continued...

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

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

Termination benefits

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

1.19 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); or

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Accounting Policies

1. Material accounting policies continued...

1.19 Related parties continued...

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.

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 24 for additional details.

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Accounting Policies

2. Critical accounting estimates and judgements continued...

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.

Refer to Note 7 and Note 8 for additional details.

The residual value (as determined independently by 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 the loan to this subsidiary.

Refer to Note 7 and Note 8 for additional details.

The market value (as determined independently by sworn valuator/appraiser) for the investment property owned by NAMGEM Diamond Manufacturing Company (Pty) Ltd exceeds the combined value of both the investment in NAMGEM Diamond Manufacturing Company (Pty) Ltd and the loan advanced to it by the holding Company, and as such no impairment was necessary on the the loan to this subsidiary.

Refer to Note 5, Note 7 and Note 8 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.

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Accounting Policies

2. Critical accounting estimates and judgements continued...

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 6 for additional details.

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 IFRS Accounting Standards that are relevant to its operations and effective for annual reporting periods beginning on or after 1 March 2024.

At the date of authorisation of these financial statements for the year ended 29 February 2024, the following IFRS Accounting Standards were adopted:

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.

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

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 2024.

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

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Accounting Policies

3. Changes in accounting policies and disclosures continued...

3.1 Standards and Interpretations Effective and Adopted in the Current Year

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.

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

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.

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

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.

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

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 2023 (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

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.

There is no mandatory implementation date required by the standard.

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Accounting Policies

3. Changes in accounting policies and disclosures continued...

3.2 New standards and interpretations not yet adopted continued...

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

The Group is currently not involved in sale and leaseback agreements/arrangements, and therefore the implementation of these amendments to IFRS16 will have not impact on the Group. 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.

Non-current Liabilities with Covenants (Amendments to IAS 1)

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 Group is currently not involved agreements/arrangements with covenants, and therefore the implementation of this amendment will have not impact on the Group. Should future agreements/arrangements have covenants, they will be studied in detailed to determine this impact in line with the amendments to IAS1. 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.

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The Group currently does report in its annual report on the sustainability of the diamond industry and market, and further enhancements if necessary to comply with these general requirements for disclosure of sustainability-related financial information will be considered and incorporated in the annual report of the Group. 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.

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4. Property, Plant and Equipment

4.1 Balances at Year End and Movements for the Year

	Land and Buildings & Leasehold Improvements	Machinery	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Other equipment	Security equipment	Right of use asset	Total
Reconciliation for the year ended 29 February 2024 - Group Balance at 1 March 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)	(9,156,428)	-	(55,799,565)
Net book value	48,549,608	103,379	1,136,717	65,179	6,553	430,091	1,503,570	83,173	-	51,878,270

Movements for the year ended 29 February 2024

Additions from acquisitions	-	-	-	4,978	33,576	1,746,194	1,729,429	193,778	109,110	3,817,065
Depreciation	(3,162,451)	(33,372)	-	(38,671)	(6,586)	(465,138)	(331,739)	(82,430)	(54,555)	(4,174,942)
Fair value adjustment	(3,405,000)	-	-	-	-	-	-	-	-	(3,405,000)
Disposals - costs reversed	-	-	-	-	-	(93,453)	-	-	-	(93,453)
Disposals - accumulated depreciation reversed	-	-	-	-	-	37,423	-	-	-	37,423
Property, plant and equipment at the end of the year	41,982,157	70,007	1,136,717	31,486	33,543	1,655,117	2,901,260	194,521	54,555	48,059,363

Closing balance at 29 February 2024

At cost or revaluation	61,386,022	18,377,338	2,908,118	3,176,067	692,095	7,157,987	4,737,726	9,440,078	109,110	107,984,541
Accumulated depreciation	(19,403,865)	(18,307,331)	(1,771,401)	(3,144,581)	(658,552)	(5,502,870)	(1,836,466)	(9,245,557)	(54,555)	(59,925,178)
Net book value	41,982,157	70,007	1,136,717	31,486	33,543	1,655,117	2,901,260	194,521	54,555	48,059,363

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4. Property, plant and equipment continued...

4.1 Balances at year end and movements for the year continued...

	Land and Buildings & Leasehold Improvements	Machinery	Motor vehicles	Fixtures and fittings	Office equip- ment	Computer equipment	Other equipment	Security equipment	Right of use asset	Total
Reconciliation for the year ended 28 February 2023 - Group 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)	(1,276,302)	-	(5,813,167)
Revaluation increase	(7,950,000)	-	-	-	-	-	-	-	-	(7,950,000)
Disposals - costs reversed	-	-	-	-	-	-	(7,999)	-	-	(7,999)
Disposals - accumulated depreciation reversed	-	-	-	-	-	-	6,587	-	-	6,587
Disposals - costs reversed	-	-	-	-	-	(360,996)	-	-	-	(360,996)
Disposals - accumulated depreciation reversed	-	-	-	-	-	333,506	-	-	-	333,506
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	83,173	-	51,878,270

**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)	(9,156,428)	-	(55,799,565)
Net book value	48,549,608	103,379	1,136,717	65,179	6,553	430,091	1,503,570	83,173	-	51,878,270

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4. Property, Plant and Equipment continued...

	Leasehold improvements	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Other equipment	Security equipment	Right of use asset	Total
Reconciliation for the year ended 29 February 2024 - Company Balance at 1 March 2023									
At cost or revaluation	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	(16,241,414)	(1,704,137)	(2,751,420)	(473,182)	(2,746,868)	(1,387,905)	(7,874,925)	(1,391,304)	(34,571,155)
Net book value	15,384,608	1,136,717	65,009	4,199	429,109	1,502,926	4,486	1,565,216	20,092,270
Movements for the year ended 29 February 2024									
Additions from acquisitions	-	-	4,978	33,576	1,746,194	1,729,429	193,778	109,110	3,817,065
Depreciation	(3,162,450)	-	(38,501)	(4,232)	(464,156)	(331,095)	(10,926)	(402,417)	(4,413,777)
Disposals - costs reversed	-	-	-	-	(93,453)	-	-	-	(93,453)
Disposals - accumulated depreciation reversed	-	-	-	-	37,423	-	-	-	37,423
Property, plant and equipment at the end of the year	12,222,158	1,136,717	31,486	33,543	1,655,117	2,901,260	187,338	1,271,909	19,439,528
Closing balance at 29 February 2024									
At cost or revaluation	31,626,022	2,840,854	2,821,407	510,958	4,810,111	4,620,260	8,073,188	3,065,630	58,368,430
Accumulated depreciation	(19,403,864)	(1,704,137)	(2,789,921)	(477,415)	(3,154,994)	(1,719,000)	(7,885,850)	(1,793,721)	(38,928,902)
Net book value	12,222,158	1,136,717	31,486	33,543	1,655,117	2,901,260	187,338	1,271,909	19,439,528

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4. Property, plant and equipment continued...

	Leasehold improvements	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Other equipment	Security equipment	Right of use asset	Total
Reconciliation for the year ended 28 February 2023 - Company 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 - 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	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...

4.2 Depreciation and Impairment Losses

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

Other operating expenses

Leasehold improvements	3,162,451	3,162,602	3,162,451	3,162,602
Machinery	33,372	33,372	-	-
Motor vehicles	-	44,438	-	44,438
Fixtures and fittings	38,671	456,830	38,501	456,315
Office equipment	6,586	5,852	4,232	3,675
Computer equipment	465,138	557,883	464,156	553,768
Other equipment	331,739	275,888	331,095	275,517
Security equipment	82,429	1,276,303	10,926	1,204,800
Right of use asset	54,555	-	402,417	347,826
	4,174,941	5,813,168	4,413,778	6,048,941

4.3 Detail of Properties

4.3.1 Remainder of Erf No. 336, Klein Windhoek

Opening costs and valuation	30,120,000	41,115,000	-	-
Fair value adjustments	(3,220,000)	(5,495,000)	-	-
Costs transferred to Erf 337 to be disclosed separately	-	-	-	-
Closing costs and valuation	-	(5,500,000)	-	-
	26,900,000	30,120,000	-	-

In the current period, the property had a market value of N\$26,900,000 as determined on 16 April 2024 by an independent property valuator, Rock Solid Property Valuators represented by Mr Jorg Riedel. Resulting a fair value loss of N\$3,220,000 in the current period. In the prior period, the 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 a fair value loss of N\$5,495,000 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 was assessment rates and municipal charges of N\$475,680 (2023: N\$451,628).

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4. Property, plant and equipment continued...

4.3.2 Erf No. 337, Klein Windhoek

Opening costs and valuation	3,045,000	-	-	-
Costs transferred from Erf 336 to be disclosed separately	-	5,500,000	-	-
Fair value adjustments	(185,000)	(2,455,000)	-	-
Closing costs and valuation	2,860,000	3,045,000	-	-

In the current period, the property had a market value of N\$2,860,000 as determined on 30 April 2024 by an independent property valuator, Rock Solid Property Valuers represented by Mr Jorg Riedel. Resulting in a fair value loss of N\$185,000.

In the prior 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.

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5. Investment Property

5.1 Balances at Year End and Movements for the Year

Reconciliation for the year

Balance at the beginning of the year	13,550,000	13,800,000	-	-
Transferred from owner-occupied property	-	-	-	-
Fair value adjustments	880,000	(250,000)	-	-
Net book value	14,430,000	13,550,000	-	-

Movements for the year

Gains/(losses) on fair value adjustment	880,000	(250,000)	-	-
Investment property at the end of the	14,430,000	13,550,000	-	-

Closing balance at the end of the year

At fair value	14,430,000	13,550,000	-	-
Net book value	14,430,000	13,550,000	-	-

5.2 Rental Income from Investment Property, Net of Direct Operating Expense

Rental income from investment property	745,394	606,659	-	-
Municipal services	-	(2,201)	-	-
Property rates	(166,245)	(170,150)	-	-
Insurance	(155,674)	(143,523)	-	-
	423,475	290,785	-	-

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5. Investment property continued...

5.3 Detail of Properties

5.3.1 Erf 2399, Okahandja

Opening fair value	13,550,000	13,800,000		-
Fair value adjustments	880,000	(250,000)		-
Closing fair value	14,430,000	13,550,000	-	-

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.

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, the property had a market value of N\$14,430,000 as determined on 19 April 2024 by an independent property valuator, Rock Solid Property Valuers represented by Mr Jorg Riedel. Resulting a fair value gain of N\$880,000 in the current period.

In the prior period, the property had a market value of N\$13,550,000 as determined on 28 February 2023 by an independent property valuator/sworn appraiser, Eaton Property Valuations represented by Mr Eugene Lofty-Eaton. Resulting a fair value loss of N\$250,000 in the prior period.

The above-mentioned property is categorised as a Level 2 within fair value hierarchy. A fair value gain of N\$880,000 (2023: Fair value loss of N\$250,000) was recognised in the statement of profit and loss.

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6. Deferred Tax

6.1 The Analysis of Deferred Tax Assets and Deferred Tax Liabilities is as Follows:

Deferred tax assets:				
- Accrued liabilities	10,620	68,255	-	10,451
- Provisions	1,840,069	2,091,623	1,840,069	1,808,692
- Deferred revenue	-	30,811,012	-	30,811,012
- Income received in advance	229,963	78,552	-	-
- Expected credit losses (doubtful debt)	90,359	-	90,359	-
- Unrealised forex losses	4,112,124	-	4,112,124	-
- Lease liabilities	17,460	25,684	550,429	667,068
Deferred tax balances from temporary differences other than unused tax losses	6,300,595	33,075,126	6,592,981	33,297,223
Deferred tax balances from unused tax losses	560,227	-	-	-
Total deferred tax asset	6,860,822	33,075,126	6,592,981	33,297,223
Deferred tax liabilities:				
- Property, plant and equipment	(2,246,203)	(1,983,216)	(1,073,070)	(879,598)
- Prepaid expenses	(394,444)	(125,584)	(389,820)	(79,712)
- IFRS15 costs on deferred revenue	-	(27,444,912)	-	(27,444,912)
- Unrealised forex gain	-	(5,639,725)	-	(5,639,725)
- Right of use assets	-	-	(407,011)	(500,869)
- Other	-	(2,727,001)	-	(2,727,001)
Total deferred tax liability	(2,640,647)	(37,920,438)	(1,869,901)	(37,271,817)
Total net deferred tax liabilities	4,220,175	(4,845,312)	4,723,080	(3,974,594)
Deferred tax asset	6,860,822	33,075,126	6,592,981	33,297,223
Deferred tax liability	(2,640,647)	(37,920,438)	(1,869,901)	(37,271,817)
Total net deferred tax liability	4,220,175	(4,845,312)	4,723,080	(3,974,594)

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6. Deferred tax continued...				
6.2 Reconciliation of Deferred Tax Asset/(Liability)				
At the beginning of the year	(4,845,312)	(692,941)	(3,974,594)	(692,941)
Reversing temporary differences in property, plant and equipment	(262,987)	(441,042)	(318,591)	662,576
Originating/(reversing) temporary differences in provisions	(251,554)	1,146,251	31,377	863,320
Reversing/(originating) temporary differences in prepaid expenses	(268,860)	401,227	(310,108)	447,099
Reversing/(originating) temporary differences in right of use assets	-	612,173	219,006	111,304
Reversing temporary differences in expected credit losses	90,359	-	90,359	-
(Originating) temporary differences in IFRS15 costs on deferred revenue	27,444,912	(27,444,912)	27,444,912	(27,444,912)
Reversing temporary differences in deferred revenue	(30,811,012)	30,811,012	(30,811,012)	30,811,012
Originating temporary differences in income received in advance	151,411	78,552	-	-
(Reversing)/originating temporary difference on accrued liabilities	(57,635)	(1,817,560)	(10,451)	(1,875,364)
Taxable temporary differences on unrealised foreign exchange	9,751,849	(4,061,731)	9,751,849	(4,061,731)
(Reversing)/originating temporary differences in lease liabilities	(8,224)	(709,340)	(116,668)	(67,956)
(Reversing)/originating temporary differences in assessed losses	560,227	-	-	-
(Reversing)/originating temporary differences on others	2,727,001	(2,727,001)	2,727,001	(2,727,001)
	4,220,175	(4,845,312)	4,723,080	(3,974,594)

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7. Investment in Subsidiaries

7.1 The Amounts Included on the Statements of Financial Position Comprise the Following:

Investments in subsidiaries	-	-	13,806,851	16,301,969
Investments in subsidiaries	-	-	13,806,851	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
Cost			34,795,197	34,795,197
Accumulated impairment			(34,795,197)	(32,300,079)
Total investment in subsidiaries			13,806,851	16,301,969

The impairment losses relating to the investment in subsidiary (NAMGEM Diamond Manufacturing Company (Pty) Ltd) is N\$2,495,118 (2023: NIL). An impairment loss occurs when the carrying amount of the investment exceeds its recoverable amount. Refer to Note 24 for additional information.

8. Loans to Subsidiaries

8.1 Loans to Subsidiaries Comprises the Following Balances

Eumbo Property Investment (Pty) Ltd	-	-	19,432,507	19,421,754
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	-	-	13,615,741	11,948,343
The loan is interest-free, unsecured and unconditional. This arrangement is reviewed from time to time by the directors.				
	-	-	33,048,248	31,370,097

The holding Company has no intention to recall the loans to the subsidiaries in the next 12 months. The letter of support issued to NAMGEM Diamond Manufacturing Company (Pty) Ltd will remain in force and affect for as long as this subsidiary's liabilities exceeds its assets.

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9. Inventories

9.1 Inventories Comprise

Rough diamonds	-	198,428,505	-	198,428,505
	-	198,428,505	-	198,428,505

10. Trade and Other Receivables

10.1 Trade and Other Receivables Comprise

Prepaid expenses	1,166,398	392,451	1,166,398	249,100
Deposits	18,850	4,399	2,499	2,499
Value added tax	695,328	82,829,256	691,633	82,835,657
Other receivable	206,214	10,434,776	204,390	10,429,452
Total trade and other receivables	2,086,790	93,660,882	2,064,920	93,516,708

10.2 Items Included in Trade and Other Receivables not Classified as Financial Instruments

Prepaid expenses	1,166,398	392,451	1,166,398	249,100
Deposits	18,850	4,399	2,499	2,499
Value added tax	695,328	82,829,256	691,633	82,835,657
Other receivables	206,214	10,434,776	204,390	10,429,452
Total non-financial instruments included in trade and other receivables	2,086,790	93,660,882	2,064,920	93,516,708
At amortised costs	-	-	-	-
Total trade and other receivables	2,086,790	93,660,882	2,064,920	93,516,708

Fair value of trade and other receivables

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

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11. Current Tax Assets and Liabilities

11.2 Current Tax Assets and Liabilities Comprise the Following Balances

Amounts payable at the beginning of the year	(1,227,068)	(12,302,273)	(1,268,280)	(12,343,485)
Taxation expense	(55,291,385)	(202,925,330)	(55,724,063)	(202,904,939)
Less deferred tax included in taxation expense	(9,130,352)	3,302,044	(8,697,674)	3,281,653
Taxation paid	95,919,490	210,698,491	95,919,490	210,698,491
Amounts receivable/(payable) at the end of the year	30,270,685	(1,227,068)	30,229,473	(1,268,280)
Split between current asset and liability				
Current asset	30,270,685	41,212	30,229,473	-
Current liability	-	(1,268,280)	-	(1,268,280)
	30,270,685	(1,227,068)	30,229,473	(1,268,280)

12. Intercompany Receivables

12.1 Intercompany Receivables Comprises the Following Balances

The Namdia Foundation	-	-	-	63,352
	-	-	-	63,352

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13. Cash and Cash Equivalents

13.1 Cash and Cash Equivalents Included in Current Assets

Cash

Balances with banks	485,400,167	513,117,028	460,010,086	484,580,042
Cash equivalents	-	-	-	-
Expected credit losses	(282,373)	-	(282,373)	-
	485,117,794	513,117,028	459,727,713	484,580,042

13.2 Expected Credit Losses Reconciliation

Opening balance	-	-	-	-
Increase in expected losses	(282,373)	-	(282,373)	-
Closing balance	(282,373)	-	(282,373)	-

13.3 Net Cash and Cash Equivalents

Current assets	485,117,794	513,117,028	459,727,713	484,580,042
	485,117,794	513,117,028	459,727,713	484,580,042

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:

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13 Cash and cash equivalents continued...

<u>Bank</u>	<u>Rating Agency</u>	<u>Rating</u>
First National Bank of Namibia Ltd	Global Credit Rating	AA(NA)A1+(NA)
Standard Bank of Namibia Ltd	Moody's Investor Services	Ba2
Bank Windhoek Ltd	Global Credit Rating	AA(NA)A1+(NA)
Nedbank Namibia Ltd	Moody's Investor Services	Ba2

<u>Bank</u>				
First National Bank of Namibia Ltd	454,277,374	479,372,866	454,277,374	479,372,866
Standard Bank of Namibia Ltd	5,450,339	5,207,176	5,450,339	5,207,176
Bank Windhoek Ltd	23,190,239	28,519,965	-	-
Nedbank Namibia Ltd	2,199,842	17,021	-	-
	485,117,794	513,117,028	459,727,713	484,580,042

13.4 The balances indicated above are being secured; details of collateral 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

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13 Cash and cash equivalents continued...

13.5 Facilities

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

Refer to note 33 for exposure to currency risk.

14. Issued Capital

14.1 Authorised and Issued Share Capital

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.

14.2 Additional Disclosures

Total dividends declared (N\$)	300,000,000	150,000,000	300,000,000	150,000,000
Dividends per share (N\$)	300,000	150,000	300,000	150,000

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15. Other Non-Distributable Reserves

15.1 Classification of Revaluation Reserves

Revaluation reserve on land and buildings	(5,740,000)	(2,335,000)	-	-
Total reserves	(5,740,000)	(2,335,000)	-	-
Composition of revaluation reserve				
Remainder of Erf No. 336 Klein Windhoek	(3,100,000)	120,000	-	-
Erf No. 337, Klein Windhoek	(2,640,000)	(2,455,000)	-	-
	(5,740,000)	(2,335,000)		-

15.2 Nature and Purpose of Reserves

Revaluation of Remainder of Erf No. 336 Klein Windhoek

In the current period, the property had a market value of N\$26,900,000 as determined on 16 April 2024 by an independent property valuator, Rock Solid Property Valuers represented by Mr Jorg Riedel. Resulting a fair value loss of N\$3,220,000 in the current period, with a cumulative loss YTD of N\$3,100,000.

In the prior period, the 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 a fair value loss of N\$5,495,000 in the prior period, with a cumulative gain of N\$120,000.

Revaluation of Erf No. 337 Klein Windhoek

In the current period, the property had a market value of N\$2,860,000 as determined on 30 April 2024 by an independent property valuator, Rock Solid Property Valuers represented by Mr Jorg Riedel. Resulting in a fair value loss of N\$185,000, with a cumulative YTD loss of N\$2,640,000.

In the prior 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, which is also the cumulative YTD loss.

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16. Lease Liability

16.1 Lease Liability Comprise

Minimum lease payments due

- within one year	181,908	80,262	520,708	372,885
- in second to fifth year inclusive	101,225	-	1,427,952	1,711,704
Present value of minimum lease payments	283,132	80,262	1,948,660	2,084,589
Non-current liabilities	101,225	-	1,427,952	1,711,704
Current liabilities	181,908	80,262	520,708	372,885
	283,133	80,262	1,948,660	2,084,589

16.2 Remaining Lease Terms

Leased premises

The Company entered into a lease agreement with its subsidiary, Eumbo Property Investment (Pty) Ltd, for the lease of the property (Remainder of Erf No. 336, Klein Windhoek) starting 01 September 2017 up to 31 August 2027 (i.e. 10 (ten) years or 120 months).

Leased assets - telecommunication devices

The Company obtains telecommunication devices that are subject to 24 months lease terms. Given that the devices are obtained at various times throughout the year, the remaining lease term at the end of the each financial year varies per device and as such cannot be disclosed in the financial statements.

Leased assets - printers

The Company obtained office printers starting 01 April 2022 up to 28 February 2025 (i.e. 3 (three) years or 36 months).

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16. Lease liability continued...

16.3 Amounts Recognised in the Statements of Profit or Loss and Other Comprehensive Income

Other expenses and gains

Interest expense	22,553	-	295,752	319,377
	22,553	-	295,752	319,377

16.3 Amounts Recognised in the Statements of Cash Flows

Total cash outflow for leases	202,871	80,262	(135,929)	(212,361)
	202,871	80,262	(135,929)	(212,361)

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17. Provisions

17.1 Provisions for Employee Benefits

	Leave pay provision	Severance pay provision	Performance bonus provision	Total
Balance at 1 March 2023 - Group	1,608,688	1,660,747	3,266,887	6,536,322
Increase in existing provisions	-	-	59,819	59,819
Provision used	-	(673,444)	-	(845,926)
Total changes	(673,444)	(172,482)	59,819	(786,107)
Balance at 29 February 2024	935,244	1,488,265	3,326,706	5,750,215
Balance at 1 March 2022 - Group	2,306,153	1,485,873	-	3,792,026
Increase in existing 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 2023 - Company	1,186,146	1,199,129	3,266,887	5,652,162
Increase in existing provisions	-	289,136	59,819	348,955
Provision used	(250,902)	-	-	(250,902)
Total changes	(250,902)	289,136	59,819	98,053
Balance at 29 February 2024	935,244	1,488,265	3,326,706	5,750,215
Balance at 1 March 2023 - Company	1,892,525	1,061,761	-	2,954,286
Increase in existing 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

17.2 Provisions

Provisions for employee benefits	5,750,215	6,536,322	5,750,215	5,652,162
	5,750,215	6,536,322	5,750,215	5,652,162
Provisions for employee benefits	5,750,215	6,536,322	5,750,215	5,652,162
Current portion	5,750,215	6,536,322	5,750,215	5,652,162
	5,750,215	6,536,322	5,750,215	5,652,162

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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.

The payment of this provision is subject to uncertainty owing to the actual leave days utilised before the remaining balance is paid to affected employees upon termination of their employment contract.

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.

The payment of this provision is subject to uncertainty owing to the fact that an employee's employment contract might be terminated through resignation and therefore the employee will forfeit this entitlement. The Company is only liable to make payment on this provision when the employee reaches retirement age and/or retrenchment by the employer.

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.

The payment of this provision and is only payable to the employee when their performance targets are met, and they are still employed by the company at the date the annual financial statements are authorised and approved.

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18. Trade and Other Payables

18.1 Trade and Other Payables Comprise:

Trade creditors	18,134,157	3,777,282	699,628	1,474,917
Income received in advance	718,635	245,474	-	-
Accrued liabilities	459,949	213,458	426,764	32,660
Fines & penalties accrual	6,339,917	-	-	-
Payroll payables	936,152	13,477	936,152	-
Total trade and other payables	26,588,809	4,249,691	2,062,544	1,507,577

Fair value of trade and other payables

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

Refer to Note 26.1.1 for additional disclosure on fines & penalties.

18.2 Items Included in Trade and Other Payables not Classified as Financial Liabilities

Income received in advance	718,635	245,474	-	-
Fines & penalties accrual	6,339,917	-	-	-
Total non-financial liabilities included in trade and other payables	7,058,552	245,474	-	-
Total trade and other payables excluding non-financial liabilities included in trade and other payables	19,530,257	4,004,217	2,062,544	1,507,577
Total trade and other payables	26,588,810	4,249,691	2,062,544	1,507,577

19. Deferred Revenue

19.1 Deferred Revenue Comprise

Deferred revenue - rough diamond sales	-	96,284,411	-	96,284,411
	-	96,284,411	-	96,284,411

In the prior year, deferred revenue related to the cash received from customers in respect of the sales of rough diamonds where control of the rough diamonds have 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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19.2 Reconciliation of Deferred Revenue

Opening balance	96,284,411	-	96,284,411	-
CY unrecognised revenue due to unfulfilled performance obligations	-	96,284,411	-	96,284,411
CY revenue recognised relating to PY balances	(96,284,411)	-	(96,284,411)	-
Closing balance	-	96,284,411	-	96,284,411

20. Financial Instruments - Financial Assets

20.1 Carrying Amount of Financial Assets by Category

	At amortised cost	Total
Year ended 29 February 2024 - Group		
Cash and cash equivalents (Note 13)	485,133,476	485,133,476
	485,360,364	485,133,476
Year ended 28 February 2023 - Group		
Cash and cash equivalents (Note 13)	513,117,028	513,117,028
	513,117,028	513,117,028
Year ended 29 February 2024 - Company		
Loans to subsidiaries (Note 8)	33,048,248	33,048,248
Trade and other receivables excluding non-financial assets (Note 10)	-	-
Cash and cash equivalents (Note 13)	459,743,395	459,743,395
	492,791,643	492,791,643
Year ended 28 February 2023 - Company		
Loans to subsidiaries (Note 8)	31,370,097	31,370,097
Intercompany receivables (Note 13)	63,352	63,352
Trade and other receivables excluding non-financial assets (Note 10)	-	-
Intercompany receivables (Note 12)	-	-
Cash and cash equivalents (Note 13)	484,580,042	484,580,042
	516,013,491	516,013,491

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21. Financial Instruments - Financial Liabilities

21.1 Carrying Amount of Financial Assets by Category

	At amortised cost	Leases	Total
Year ended 29 February 2024 - Group			
Lease liability (Note 16)	283,132	283,132	566,264
Trade and other payables (Note 18)	18,594,106	-	18,594,106
Bank overdraft (Note 12)	15,682	-	15,682
	18,892,920	283,132	19,176,052
Year ended 28 February 2023 - Group			
Lease liability (Note 16)	80,262	80,262	160,524
Trade and other payables (Note 18)	3,990,740	-	3,990,740
	4,071,002	80,262	4,151,264
Year ended 29 February 2024 - Company			
Lease liability (Note 16)	-	1,948,659	1,948,659
Trade and other payables (Note 18)	2,062,545	-	2,062,545
Bank overdraft (Note 12)	15,682	-	15,682
	2,078,227	1,948,659	4,026,886
Year ended 28 February 2023 - Company			
Lease liability (Note 16)	-	2,084,589	2,084,589
Trade and other payables (Note 18)	1,507,567	-	1,507,567
	1,507,567	2,084,589	3,592,156

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Figures in N\$	Group 2024	Group 2023	Company 2024	Company 2023
22. Revenue				
22.1 Revenue Comprise				
Sales - rough diamonds recognised at a point in time	2,529,971,001	3,106,516,283	2,529,971,001	3,106,516,283
Rent income	1,682,744	606,659	-	-
Other sales	-	70,069	-	70,069
Total revenue	2,531,653,745	3,107,122,942	2,529,971,001	3,106,516,283
22.2 Sources of Revenue				
Contracts with customers	2,529,971,001	3,106,516,283	2,529,971,001	3,106,516,283
Rental/lease contracts	1,682,744	606,659	-	-
	2,531,653,745	3,107,122,942	2,529,971,001	3,106,516,283
23. Cost of Sales				
23.1 Cost of Sales Comprise				
Purchases - rough diamonds	2,047,111,714	2,645,851,088	2,047,111,714	2,645,851,088
Diamond selling costs	-	468,384	-	468,384
Discount received	-	(5,000)	-	(5,000)
Export levies	26,858,714	30,169,688	26,858,714	30,169,688
Import permit	2,000	2,500	2,000	2,500
Transport & shipping charges	559,246	277,166	559,246	277,166
Opening inventory	198,428,505	-	198,428,505	-
Closing inventory	-	(198,428,505)	-	(198,428,505)
Total cost of sales	2,272,960,179	2,478,335,321	2,272,960,179	2,478,335,321
24. Impairment Losses				
24.1 Impairment Losses Comprise of				
Investments in group companies	-	-	2,495,118	-
Total impairments	-	-	2,495,118	-

Impairment of investment in subsidiary

The impairment losses relating to the investment in subsidiary (NAMGEM Diamond Manufacturing Company (Pty) Ltd) is N\$2,495,118 (2023: NIL). An impairment loss occurs when the carrying amount of the investment exceeds its recoverable amount. Refer to Note 7 for additional information.

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Figures in N\$	Group 2024	Group 2023	Company 2024	Company 2023
25. Administrative Expenses				
25.1 Administrative Expenses Comprise				
Accounting fees	572,315	208,000	393,900	208,000
Annual duty	67,195	65,640	33,390	32,660
Auditors remuneration - Fees	951,002	958,452	877,063	812,935
Bank charges	1,756,702	1,985,756	1,738,595	1,973,423
Computer expenses	840,677	622,772	839,327	597,956
Secretarial fees	179,620	-	179,620	-
Subscriptions	1,435,933	970,496	1,435,933	970,496
Telecommunication	753,548	692,442	746,782	666,079
Total administrative expenses	6,556,992	5,503,558	6,244,610	5,261,549

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Figures in N\$	Group 2024	Group 2023	Company 2024	Company 2023
26. Other Operating Expenses				
26.1 Other Operating Expenses Comprise				
Advertising	1,030,055	1,744,260	673,258	1,587,418
Assessment rates and municipal charges	652,698	170,150	-	-
Bursaries	4,220,115	2,946,253	-	-
Cleaning	236,508	201,989	236,508	201,989
Consulting fees	2,449,978	3,882,504	2,438,628	3,882,504
Consumables	652,540	935,910	652,540	935,909
Custom duty	-	656,887	-	-
Depreciation	4,174,941	5,813,168	4,413,778	6,048,941
Donations - non-tax deductible	422,107	178,850	422,107	20,178,850
Donations - tax deductible	17,312,821	6,071,736	-	-
Electricity and water	-	2,201	-	-
Employee costs - directors emoluments	1,620,295	1,284,009	1,620,295	1,284,009
Employee costs - salaries, wages, bonuses and other benefits	32,237,200	30,293,760	31,919,724	29,119,107
Entertainment	719,583	668,616	719,616	668,617
Fines and penalties	6,339,917	-	-	-
General expenses	46,839	71,966	44,839	28,882
Gifts	57,997	750	57,997	750
Insurance	2,950,560	2,147,543	2,794,886	2,004,020
Legal expense	369,656	936,839	369,656	936,839
Motor vehicle expense	173,602	160,516	173,106	147,635
Other expenses	1,247,984	29,346	1,247,984	-
Printing and stationery	40,670	139,504	40,670	139,504
Promotions	1,346,665	3,953,165	1,346,665	3,953,165
Property related expenses	794,384	832,830	672,566	656,061
Repairs and maintenance	255,334	422,468	237,013	422,468
Security	755,953	542,000	755,953	542,000
Staff welfare	939,732	1,004,019	939,732	1,004,019
Stamp duty	4,250	250	-	250
Training	482,543	486,683	482,543	474,059
Travel - Local	1,334,993	211,300	1,334,993	211,300
Travel - Overseas	1,450,592	3,696,654	1,450,592	3,696,654
Total other expenses	84,320,512	69,486,126	55,045,649	78,124,950

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26. Other operating expenses continued...

26.1 Other operating expenses comprise continued...

26.1.1 Fines and Penalties Comprise of:

On 20 July 2022, the Company was charged with a penalty for contravening the Customs And Excise Act, No. 20 of 1998 as amended. This relates to when the NAMGEM Diamond Manufacturing Company (Pty) Ltd leased an EPZ building [EPZ No. 020] together with equipment to M.Suresh Co. Namibia Diamonds (Pty) Ltd before it applied to cancel an EPZ status as required in terms of Section 88 and 93 of the Act.

The penalty imposed was in terms of Section 88(2), "Any person convicted of an offence under any provision of this Act shall, if no penalty is expressly prescribed in respect of such offence, on conviction be liable to a fine not exceeding N\$8 000, or to an amount equal to three times the value of the goods in respect of which such offence was committed, whichever is the greater, or to imprisonment for a period not exceeding two years or to both such fine and such imprisonment."

The imposed penalty of N\$6,339,917.40 was three times the value assets on the premises that was noted when Custom officials did a routine inspection of the said premises in July 2022.

26.1.2 Protective Clothing Comprise of:

Equipment	-	26,716	-	7,523
Municipal charges	597,985	828,405	476,167	414,203
Storage	196,399	196,399	196,399	196,399
	794,384	1,051,520	672,566	618,125

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27. Other Gains and (Losses)

27.1 Other Gains and (Losses) Comprise

Fair value gains/(losses) - investment property	880,000	(250,000)	-	-
Loss on disposal of assets	(11,478)	(28,902)	(11,478)	(28,902)
Expected credit losses	(282,373)	-	(282,373)	-
Gain or (loss) on foreign exchange differences on cash and cash equivalents	(12,850,388)	17,292,926	(12,850,388)	17,292,926
Gain or (loss) on realised foreign exchange differences	(16,321,607)	21,984,167	(16,321,607)	21,984,167
Unrealised loss on foreign exchange	-	(1,606,187)	-	(1,606,187)
Total other gains and (losses)	(28,585,846)	37,392,004	(29,465,846)	37,642,004

28. Profit from Operating Activities

28.1 Profit from Operating Activities Includes the Following Separately Disclosable Items

Other operating expenses

Property plant and equipment

- depreciation	4,174,941	5,813,168	4,413,778	6,048,941
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Other (impairment reservels)/impairment

- investments in subsidiaries, associates and joint ventures	-	-	2,495,118	-
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Audit fees

Auditors remuneration - Fees	951,002	958,452	877,063	812,935
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29. Interest Income

29.1 Interest Income Comprise

Interest received - banks	17,318,074	26,816,072	15,634,975	26,024,487
Total finance income	17,318,074	26,816,072	15,634,975	26,024,487

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30. Finance Costs

30.1 Finance Costs Included in Profit or Loss:

Short-term financing facilities	3,677,705	5,860,999	3,677,705	5,860,999
Lease liability	22,553	-	295,752	319,377
Trade and other payables	616	-	-	-
Taxation payables	-	983	-	983
Total finance costs	3,700,874	5,861,982	3,973,457	6,181,359

31. Income Tax Expense

31.1 Income Tax Recognised in Profit or Loss

Current tax

Local income tax - current period	64,421,737	199,623,286	64,421,737	199,623,286
Total current tax	64,421,737	199,623,286	64,421,737	199,623,286

Deferred tax

Originating and reversing temporary differences	(9,130,352)	3,302,044	(8,697,674)	3,281,653
Total deferred tax	(9,130,352)	3,302,044	(8,697,674)	3,281,653
Total income tax expense	55,291,385	202,925,330	55,724,063	202,904,939

31.2 The Income Tax for the Year Can Be Reconciled to the Accounting Profit as Follows:

Profit before tax from operations	152,847,416	612,144,031	175,421,117	602,279,595
Income tax calculated at 32.0%	48,911,173	195,886,090	56,134,757	192,729,470
Tax effect of adjustments on taxable income				
- Permanent difference	6,380,212	7,039,240	(410,694)	10,175,469
Tax charge	55,291,385	202,925,330	55,724,063	202,904,939

31.3 The Income Tax for the Year can be Reconciled to Accounting Profit as Follows:

Profit before tax from operations	152,847,416	612,144,031	175,421,117	602,279,595
Income tax calculated at 32.0%	32.00%	32.00%	32.00%	32.00%
Tax effect of-Permanent difference	4.17%	1.15%	(0.23%)	1.69%
Effective tax rate	36.17%	33.15%	31.77%	33.69%

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32 Related Parties

32.1 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 Note 7 NAMGEM Diamond Manufacturing Company (Pty) Ltd [Reg No. 1996/0461] - Refer Note 7
Founder	The Namdia Foundation (Non-Profit Association Incorporated Under Section 21) [Reg No. 21/2019/0816]

32.2 Other Related Parties

Name	Nature of relationship
J.H. Hausiku	Director
N.S. Shimutwiken	Director
L.M. Muatunga	Director
Dr. S. Ndjaba	Director (appointed 17 June 2024)
K. Naruses	Director (appointed 17 June 2024)
B.K.G. Eiseb	Director (resigned 01 April 2024)

32.3 Key Management Personnel

Name	Nature of relationship
Dr. A.E.L. Amupolo	Chief Executive and Director in the subsidiaries
U.L.W. Kauta	Chief Operations Officer and Director in the subsidiaries
L.T. Usiku	Executive: Market Development, Sales & Branding and Director in the subsidiaries
M.N.K Tjombonde	Manager: Legal & Company Secretarial (resigned 30 September 2023)
H.C. McKay	GM: Security & Safety (resigned 31 December 2022)
S.B. von Blottnitz	GM: Finance (resigned 31 October 2022)
K.N. Hamutenya	Chief Executive Officer (resigned 30 June 2022)

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32 Related parties continued...

32.4 Compensation Paid to Directors and Prescribed Officers

2024	Sitting fees	Expense allowance (S&T)	Total remuneration
J.H. Hausiku	366,496	-	366,496
N.S. Shimutwiken	314,740	127,141	441,881
L.M. Muatunga	421,870	78,750	500,620
B.K.G. Eiseb (Chairperson)	294,714	16,583	311,297
Total compensation paid to directors and prescribed officers	1,397,820	222,474	1,620,294

2023	Sitting fees	Expense allowance (S&T)	Total remuneration
J.H. Hausiku	204,734	42,872	247,606
N.S. Shimutwiken	280,264	44,945	325,209
L.M. Muatunga	245,316	42,438	287,754
B.K.G. Eiseb (Chairperson)	280,264	143,176	423,440
Total compensation paid to directors and prescribed officers	1,010,578	273,431	1,284,009

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32. Related parties continued...

32.5 Related Party Transactions and Balances

	Government of the Republic of Namibia	Eumbo Property Investments (Pty) Ltd	NAMGEM Diamond Manufacturers	The NAMDIA Foundation	Total Total
Year ended 29 February 2024					
Related party transactions					
Dividends declared	(300,000,000)	-	-	-	(300,000,000)
Leases as lessee - commercial rental	-	(612,000)	-	-	(612,000)
Leases as lessee - sub- charges	-	(476,167)	-	-	(476,167)
Outstanding loan accounts					
Amounts receivable	-	19,432,507	13,615,741	-	33,048,248
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

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33. 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 goods 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).

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33. Financial Risk Management

Group 2024			
	Gross carrying amount	Credit loss allowance	Amortised cost /fairvalue
Cash and cash equivalents (Note 13)	485,133,476	(282,373)	484,851,103
	485,133,476	(282,373)	484,851,103
Group 2023			
	Gross carrying amount	Credit loss allowance	Amortised cost /fair value
Cash and cash equivalents (Note 13)	513,117,028	-	513,117,028
	513,117,028	-	513,117,028
Company 2024			
	Gross carrying amount	Credit loss allowance	Amortised cost /fair value
Loan to subsidiaries (Note 8)	33,048,248	-	33,048,248
Cash and cash equivalents (Note 13)	460,010,086	(282,373)	459,727,713
	493,058,334	(282,373)	492,775,961
Company 2023			
	Gross carrying amount	Credit loss allowance	Amortised cost /fair value
Loan to subsidiaries (Note 8)	31,370,097	-	31,370,097
Cash and cash equivalents (Note 13)	484,580,042	-	484,580,042
Intercompany receivables (Note 12)	63,352	-	63,352
	516,013,491	-	516,013,491

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33. Financial risk management continued...

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 at credible banking institutions.

	Group 2024	Group 2023	Company 2024	Company 2023
Current liabilities				
Lease liability (Note 16)	181,908	80,262	181,908	80,262
Trade and other payables (Note 19)	26,588,809	4,249,691	2,062,545	1,507,567
	26,770,717	4,329,953	2,244,452	1,587,829

Group 2024			
Less than 1 year	2-5 years	Total undiscounted cash flows	Carrying amount as per financial statements
Non-current			
Lease liability (Note 16)	-	101,225	101,225
	-	101,225	101,225
Current			
Lease liability (Note 16)	181,908	-	181,908
Trade and other payables (Note 19)	26,588,809	-	26,588,809
	26,770,717	-	26,770,717
	26,770,717	101,225	26,871,942

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33. Financial risk management continued...

	Group 2023			
	Less than 1 year	2-5 years	Total undiscounted cash flows	Carrying amount as per financial statements
Non-current				
Lease liability (Note 16)	-	-	-	-
Financial liabilities	-	-	-	-
	-	-	-	-
Current				
Lease liability (Note 16)	-	-	80,262	80,262
Financial liabilities	-	-	-	-
Trade and other payables (Note 18)	4,249,691	-	4,249,691	4,249,691
Intercompany payables	96,284,411	-	96,284,411	4,249,691
Deferred revenue (Note 19)	96,284,411	-	96,284,411	96,284,411
	100,534,102	80,262	100,614,364	100,614,364
	100,534,102	80,262	100,614,364	100,614,364

	Company 2024			
	Less than 1 year	2-5 years	Total undiscounted cash flows	Carrying amount as per financial statements
Non-current				
Lease liability (Note 16)	-	1,427,952	1,427,952	1,427,952
Financial liabilities	-	-	-	-
	-	1,427,952	1,427,952	1,427,952
Current				
Lease liability (Note 16)	520,708	-	520,708	520,708
Financial liabilities	-	-	-	-
Trade and other payables (Note 18)	2,062,544	-	2,062,544	2,062,544
Intercompany payables	-	-	-	-
Deferred revenue (Note 19)	-	-	-	-
	2,583,252	-	2,583,252	2,583,252
	2,583,252	1,427,952	4,011,204	4,011,204

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33. Financial risk management continued...

Company 2023

	Less than 1 year	2-5 years	Total undiscounted cash flows	Carrying amount as per financial statements
Non-current				
Lease liability (Note 16)	-	1,711,704	1,711,704	1,711,704
Financial liabilities	-	-	-	-
	-	1,338,819	1,338,819	1,711,704
Current				
Lease liability (Note 16)	372,885	-	372,885	372,885
Financial liabilities	-	-	-	-
Trade and other payables (Note 18)	1,507,566	-	1,507,566	1,507,566
Intercompany payables	-	-	-	-
Deferred revenue (Note 19)	96,284,411	-	96,284,411	96,284,411
	98,164,862	-	98,164,862	98,164,862
	98,164,862	1,711,704	99,876,566	99,876,566

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 the year 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 arises of the commodity (rough diamonds) being traded in US Dollars and the market-to-market of any balances in the US Dollar denominated bank accounts.

Exposure in Namibian Dollars

The Company settles all its operating expenses and tax expenses in Namibian Dollars. Due to the fact that the Company earns a majority of its income in US Dollars but settles its operating expenses and tax expenses in Namibian Dollars, it is exposed to foreign currency risk when it transfers money from its US Dollar denominated bank accounts to Namibian Dollars. Refer to note 27 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:

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33. Financial risk management continued...

US Dollar exposure:

Current assets

FNB CFC Account, USD, 419 (2023: USD 1,419)	Note 13	27,288	26,145	27,288	26,145
RMB CFC Account, USD 12,566,309 (2023)	Note 13				
USD 9,499,256)		241,593,782	174,976,298	241,593,782	174,976,298
		241,621,070	175,002,443	241,621,070	175,002,443

Exchange rates

Namibian Dollar per unit of foreign currency:

US Dollar	19.226	18.420	19.226	18.420
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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.

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

34.1 The Capital Structure and Gearing Ratio of the Group at the Reporting Date was as Follows:

Lease liability (Note 16)	283,132	80,262	1,948,659	2,084,589
Trade and other payables (Note 18)	26,588,810	4,249,691	2,062,545	1,507,578
Deferred revenue (Note 19)	-	96,284,411	-	96,284,411
Total borrowings	26,871,942	100,614,364	4,011,204	99,876,578
Cash and cash equivalents (Note 12)	(485,117,794)	(513,117,028)	(459,727,713)	(484,580,042)
Net borrowings	(458,245,852)	(412,502,664)	(455,716,509)	(384,703,464)
Share capital (Note 13)	1,000	1,000	1,000	1,000
Share premium (Note 13)	49,999,000	49,999,000	49,999,000	49,999,000
Retained earnings	507,139,343	709,746,619	503,278,394	683,581,329
Total equity	557,139,343	759,746,619	553,278,394	733,581,329
Gearing ratio	-82%	-54%	-82%	-52%

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Figures in N\$	Group 2024	Group 2023	Company 2024	Company 2023
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35. Cash Flows from Operating Activities

Profit for the year	152,847,416	612,144,031	175,421,117	602,279,595
Adjustments for:				
Finance income	(17,318,074)	(26,816,072)	(15,634,975)	(26,024,487)
Finance costs	3,700,874	5,861,982	3,973,457	6,181,359
Depreciation and amortisation expense	4,174,941	5,813,168	4,413,778	6,048,941
Impairment losses and reversal of impairment losses recognised in profit or loss	-	-	2,495,118	-
Non-cash revaluation on property, plant and equipment	(880,000)	250,000	-	-
Gain or (loss) on foreign exchange differences on cash and cash equivalents	12,850,388	(17,292,926)	12,850,388	(17,292,926)
Movements for provisions	(786,107)	2,744,296	98,053	2,697,876
Non-cash losses on disposal of non-current assets	11,478	28,902	11,478	28,902
Expected credit losses adjustments	282,373	-	282,373	-
Change in operating assets and liabilities:				
Adjustments for decrease / (increase) in inventories	198,428,505	(198,428,505)	198,428,505	(198,428,505)
Adjustments for increase in intercompany receivables	-	-	63,352	(63,352)
Adjustments for decrease / (increase) in other operating receivables	91,570,592	(36,039,376)	91,451,788	(35,896,463)
Adjustments for increase / (decrease) in trade accounts payable	14,356,875	2,530,297	(775,278)	382,802
Adjustments for increase / (decrease) in other operating payables	7,477,614	(6,084,550)	693,906	(5,879,887)
Adjustments for increase in intercompany payables	-	-	-	(10,908,688)
Adjustments for (decrease) / increase in deferred income	(96,284,411)	96,284,411	(96,284,411)	96,284,411
Net cash flows from operations	370,432,464	440,995,658	377,488,649	419,409,578

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Figures in N\$	Group 2024	Group 2023	Company 2024	Company 2023
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36. Dividend Paid

36.1 Dividend Paid are Calculated as Follows:

Amounts payable at the beginning of the year	-	-	-	-
Dividend declared	(300,000,000)	(150,000,000)	(300,000,000)	(150,000,000)
Amounts payable at the end of the year	-	-	-	-
	(300,000,000)	(150,000,000)	(300,000,000)	(150,000,000)

Dividend paid cash flows are classified as follows:

Financing cash flow	(300,000,000)	(150,000,000)	(300,000,000)	(150,000,000)
Dividends paid	(300,000,000)	(150,000,000)	(300,000,000)	(150,000,000)

37. Income Tax Paid

37.1 Income Tax Paid

Amounts receivable / (payable) at the beginning of the year	(1,227,068)	(12,302,273)	(1,268,280)	(12,343,485)
Amounts (receivable) / payable at the end of the year	(30,270,685)	1,227,068	(30,229,473)	1,268,280
Taxation expense (credit)	(55,291,385)	(202,925,330)	(55,724,063)	(202,904,939)
Less deferred tax included in taxation expense	(9,130,352)	3,302,044	(8,697,674)	3,281,653
	(95,919,490)	(210,698,491)	(95,919,490)	(210,698,491)

Income tax cash flows are classified as follows:

Operating cash flow	(95,919,490)	(210,698,491)	(95,919,490)	(210,698,491)
	(95,919,490)	(210,698,491)	(95,919,490)	(210,698,491)

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Figures in N\$	Group 2024	Group 2023	Company 2024	Company 2023
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38. Cash Flow Calculations

38.1 Proceeds from Sales of Property, Plant and Equipment

Purchase of property, plant and equipment before adjustments	44,552	(1,412)	44,552	(1,412)
Other non-cash impact	(18,607)	-	(18,607)	28,902
	25,945	(1,412)	25,945	27,490

38.2 Purchase of Property, Plant And Equipment

Purchase of property, plant and equipment before adjustments	(3,817,065)	(494,606)	(3,817,065)	(495,139)
Other non-cash impact	309,231	-	309,231	-
	(3,507,834)	(494,606)	(3,507,834)	(495,139)

38.3 Loans to Subsidiaries

Movement in loans to subsidiaries before adjustments	-	-	(1,678,151)	(1,244,945)
Other non-cash impact	-	-	-	-
	-	-	(1,678,151)	(1,244,945)

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38. Cash flow calculations continued...

38.4 Changes in Liabilities Arising from Financing Activities

Reconciliation of liabilities arising from financing activities - 2024 Group

	Opening balance	Interest	Cash outflow	Total movements	Closing balance
Lease liability - leased assets	80,262	22,552	(197,615)	202,870	283,132
	80,262	22,552	(197,615)	202,870	283,132
Total liabilities from financing activities	80,262	22,552	(197,615)	202,870	283,132

Reconciliation of liabilities arising from financing activities - 2023 Group

	Opening balance	Interest	Cash outflow	Total movements	Closing balance
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

The tables above details 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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38. Cash flow calculations continued...

38.4 Changes in liabilities arising from financing activities continued...

Reconciliation of liabilities arising from financing activities - 2024 Company

	Opening balance	Interest	Cash outflow	Total movements	Closing balance
Lease liability - leased assets	80,262	22,552	(197,615)	202,870	283,132
Lease liability - leased property	2,004,327	273,200	(612,000)	(338,800)	1,665,527
	2,084,589	295,752	(809,615)	(135,930)	1,948,659
Total liabilities from financing activities	2,084,589	295,752	(809,615)	(135,930)	1,948,659

Reconciliation of liabilities arising from financing activities - 2023 Company

	Opening balance	Interest	Cash outflow	Total movements	Closing balance
Leaseliability-leased assets	-	-	(16,428)	80,263	80,262
Leaseliability-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

The tables above details 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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39. Contingent Liabilities and Contingent Assets

39.1 Bravo Compliance (Pty) Ltd

The contingent liability pertains to a legal case filed by Bravo Compliance against NAMDIA, seeking payment for alleged invoices and damages related to a contract award that NAMDIA cancelled. The likelihood of Bravo Compliance successfully claiming the N\$1,000,000 (2023: N\$1,000,000) is considered remote, and no outflow of economic benefits is anticipated.

40. 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 2024	Group 2023	Company 2024	Company 2023
Revenue	22				
Other sales		-	70,069	-	70,069
Rent income		1,682,744	606,659	-	-
Sales-rough diamonds recognised at a point in time		2,529,971,001	3,106,446,214	2,529,971,001	3,106,446,214
		2,531,653,745	3,107,122,942	2,529,971,001	3,106,516,283
Cost of sales	23				
Diamond selling costs		-	(468,384)	-	(468,384)
Discount received		-	5,000	-	5,000
Export levies		(26,858,714)	(30,169,688)	(26,858,714)	(30,169,688)
Import permit		(2,000)	(2,500)	(2,000)	(2,500)
Purchases-rough diamonds		(2,047,111,714)	(2,645,851,088)	(2,047,111,714)	(2,645,851,088)
Transport & shipping charges		(559,246)	(277,166)	(559,246)	(277,166)
Opening inventory		(198,428,505)	-	(198,428,505)	-
Closing inventory		-	198,428,505	-	198,428,505
		(2,272,960,179)	(2,478,335,321)	(2,272,960,179)	(2,478,335,321)
Gross profit		258,693,566	628,787,621	257,010,822	628,180,962
Impairment losses					
Impairment losses-investment in subsidiaries	24	-	-	(2,495,118)	-
		-	-	(2,495,118)	-
Administrative expenses	25				
Accounting fees		(572,315)	(208,000)	(393,900)	(208,000)
Annual duty		(67,195)	(65,640)	(33,390)	(32,660)
Auditors remuneration-Fees		(951,002)	(958,452)	(877,063)	(812,935)
Bank charges		(1,756,702)	(1,985,756)	(1,738,595)	(1,973,423)
Computer expenses		(840,677)	(622,772)	(839,327)	(597,956)
Secretarial fees		(179,620)	-	(179,620)	-
Subscriptions		(1,435,933)	(970,496)	(1,435,933)	(970,496)
Telecommunication		(753,548)	(692,442)	(746,782)	(666,079)
		(6,556,992)	(5,503,558)	(6,244,610)	(5,261,549)

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Detailed Income Statement

Figures in N\$	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Other expenses	26				
Advertising		(1,030,055)	(1,744,260)	(673,258)	(1,587,418)
Assessment rates and municipal charges		(652,698)	(170,150)	-	-
Bursaries		(4,383,422)	(2,946,253)	-	-
Cleaning		(236,508)	(201,989)	(236,508)	(201,989)
Consulting fees		(2,449,978)	(3,882,504)	(2,438,628)	(3,882,504)
Consumables		(652,540)	(935,909)	(652,540)	(935,909)
Custom duty		-	(656,887)	-	-
Depreciation-property, plant and equipment		(4,174,941)	(5,813,168)	(4,413,778)	(6,048,941)
Donations		(17,312,821)	(6,071,736)	-	-
Electricity and water		-	(2,201)	-	-
Employee costs-directors		(1,620,295)	(1,284,009)	(1,620,295)	(1,129,047)
Employee costs-salaries		(32,237,200)	(30,293,760)	(31,919,724)	(29,274,069)
Entertainment		(719,583)	(668,617)	(719,616)	(668,617)
Fines and penalties		(6,339,917)	-	-	-
General expenses		(46,839)	(71,966)	(44,839)	(28,882)
Gifts		(57,997)	(750)	(57,997)	(750)
Insurance		(2,950,560)	(2,147,543)	(2,794,886)	(2,004,020)
Legal expense		(369,656)	(936,839)	(369,656)	(936,839)
Motor vehicle expense		(173,602)	(160,516)	(173,106)	(147,635)
Other expenses		(1,247,984)	(29,346)	(1,247,984)	-
Printing and stationery		(40,670)	(139,504)	(40,670)	(139,504)
Promotions		(1,346,665)	(3,953,165)	(1,346,665)	(3,953,165)
Property related expenses		(794,384)	(832,830)	(672,566)	(656,061)
Repairs and maintenance		(255,334)	(422,468)	(237,013)	(422,468)
Security		(755,953)	(542,000)	(755,953)	(542,000)
Sponsorship-non-tax deductible		(422,107)	(178,850)	(422,107)	(20,178,850)
Staff welfare		(939,732)	(1,004,019)	(939,732)	(1,004,019)
Stamp duty		(4,250)	(250)	-	(250)
Training		(482,543)	(486,683)	(482,543)	(474,059)
Travel-Local		(1,334,993)	(211,300)	(1,334,993)	(211,300)
Travel-Overseas		(1,450,592)	(3,696,654)	(1,450,592)	(3,696,654)
		(84,483,819)	(69,486,126)	(55,045,649)	(78,124,950)
Other gain and losses	27				
Expected credit losses		(282,373)	-	(282,373)	-
Fair value adj-investment property		880,000	(250,000)	-	-
Forex gain or loss-cash and cash equivalents		(12,850,388)	17,292,926	(12,850,388)	17,292,926
Forex gain or loss-non-cash assets		(16,321,607)	20,377,980	(16,321,607)	20,377,980
Loss on sale-property, plant and equipment		(11,478)	(28,902)	(11,478)	(28,902)
		(28,585,846)	37,392,004	(29,465,846)	37,642,004
Profit from operating activities	28	139,066,909	591,189,941	163,759,599	582,436,467

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Detailed Income Statement

Figures in N\$	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Finance income	29				
Interest received		17,318,074	26,816,072	15,634,975	26,024,487
Finance costs	30	17,318,074	26,816,072	15,634,975	26,024,487
Lease liability		(22,553)	-	(295,752)	(319,377)
Short-term financing facilities		(3,677,705)	(5,860,999)	(3,677,705)	(5,860,999)
Taxation payables		-	(983)	-	(983)
Trade and other payables		(616)	-	-	-
		(3,700,874)	(5,861,982)	(3,973,457)	(6,181,359)
Profit before tax		152,684,109	612,144,031	175,421,117	602,279,595
Income tax	31				
Current tax		(64,421,737)	(199,623,286)	(64,421,737)	(199,623,286)
Deferred tax		9,130,352	(3,302,044)	8,697,674	(3,281,653)
		(55,291,385)	(202,925,330)	(55,724,063)	(202,904,939)
Profit for the year		97,392,724	409,218,701	119,697,054	399,374,656

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Ratio Analysis

Figures in N\$	Group 2024	Group 2023	Company 2024	Company 2023
Liquidity Ratios				
Current Ratio	15.91	7.43	59.96	7.39
Acid Test Ratio	15.91	5.60	59.96	5.50
Asset Management Ratios				
The asset management analysis consists of the calculation of five ratios:				
Receivables Turnover – Collection period	59.49	44.82	58.70	44.86
Days sales in receivables	0.27	9.78	0.45	9.76
Inventory turnover	22.91	24.98	22.91	24.98
Days cost of sales in inventory	0.00	29.22	0.00	29.22
Days purchases in creditors	4.10	0.61	0.32	0.21
Profitability Ratios				
Gross profit margin	10.22%	20.24%	10.16%	20.22%
Return on operating assets	14.24%	63.76%	15.75%	64.67%
Profit for the year	97,556,031	409,218,701	119,697,054	399,374,656

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Income Tax Computation

Figures in N\$	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Profit before tax		152,847,416	612,144,031	175,421,117	602,279,595
<u>Add back non-tax deductible expenditures</u>					
Depreciation		4,174,941	5,813,168	4,413,778	6,048,941
Donations and Sponsorships		17,518,878	6,250,586	206,057	20,178,850
General Expenses		2,000	43,084	-	-
Interest on lease liability		-	-	295,752	319,377
Interest on tax accounts		-	983	-	983
Impairment on investment in subsidiary		-	-	2,495,118	-
VAT receivable write-off		1,247,984	-	1,247,984	-
Expected credit losses		282,373	-	282,373	-
Loss/(gains) on disposal of assets		11,478	28,902	11,478	28,902
Stamp Duty		4,250	250	-	250
		23,241,904	12,136,973	8,952,540	26,577,303
<u>Deduct specific tax-deductible expenditure, non-taxable income</u>					
Wear and tear		(1,451,298)	(528,038)	(1,451,298)	(450,171)
Rent paid (remove IFRS16 adjustments)		(675,600)	(612,000)	(675,600)	(612,000)
Building allowance [s17(1)(f)]		(326,259)	(326,259)	-	-
Scrapping allowance - Section17(1)(u)		(15,768)	-	(15,768)	-
Deferred revenue (PY)		(96,284,411)	-	(96,284,411)	-
Cost of the deferred revenue (PY)		85,765,350	-	85,765,350	-
Deferred revenue (CY)		-	96,284,411	-	96,284,411
Cost of the deferred revenue(CY)		-	(85,765,350)	-	(85,765,350)
		(12,987,986)	9,052,764	(12,661,727)	9,456,890
<u>Other temporary difference</u>					
Severance pay provision (CY)		1,488,265	1,660,747	1,488,265	1,199,129
Severance pay provision (PY)		(1,660,747)	(1,485,873)	(1,199,129)	(1,061,761)
Conditional Accrued expenses (CY)		3,326,706	-	3,326,706	3,266,887
Conditional accrued expenses (PY)		-	(5,893,171)	(3,266,887)	(5,893,171)
Forex unrealised gains (CY)		-	(1,606,187)	24,158,131	(1,606,187)
Forex unrealised gains (PY)		1,606,187	-	1,606,187	-
Unrealised forex gains/losses - Bank (CY)		(11,307,743)	(16,017,953)	(11,307,743)	(16,017,953)
Unrealised forex gains/losses - Bank (PY)		16,017,953	4,931,232	16,017,953	4,931,232
Prepaid expenses (CY)		(1,215,687)	(392,451)	(1,215,687)	(249,100)
Prepaid expenses (PY)		(392,451)	(1,646,284)	249,100	1,646,284
Leave pay provision (CY)		935,244	1,608,688	935,244	1,186,146
Leave pay provision (PY)		(1,608,688)	(2,306,153)	(1,186,146)	(1,892,525)
		7,189,039	(21,147,405)	29,605,994	(14,491,019)
Taxable income		170,290,373	612,186,363	201,317,924	623,822,769
Normal tax		64,421,737	199,623,286	64,421,737	199,623,286
Deferred tax		(9,130,352)	3,302,044	(8,697,674)	3,281,653
Total per statements of profit or loss and other comprehensive income		55,291,385	202,925,330	55,724,063	202,904,939

Namib Desert Diamonds (Proprietary) Limited

(Registration Number 2016/0338)

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2024

Income Tax Computation


Figures in N\$	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Total tax for the year		55,291,384	202,925,330	55,724,062	202,904,939
Provisional tax	-1st payment	(94,651,210)	(120,000,000)	(94,651,210)	(120,000,000)
	-2nd payment	-	(78,355,006)	-	(78,355,006)
	-3rd payment	(1,268,280)	(12,343,485)	(1,268,280)	(12,343,485)
Deferred tax		9,130,352	(3,302,044)	8,697,674	(3,281,653)
(Debit)/ Credit balance brought forward		1,227,068	12,302,273	1,268,280	12,343,485
Total per statement of financial position-(Asset)/ Liability		(30,270,685)	1,227,067	(30,229,473)	1,268,280





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