NAMIB BOU (PROPRIETARY) LIMITED

Registration no: 90/581

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2022

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COMPANY INFORMATION

Registration number:	90/581
Registered address:	Capricorn Group Building Kasino Street Windhoek, Namibia
Postal address:	PO Box 15 Windhoek, Namibia
Country of incorporation:	Namibia
Auditors:	PricewaterhouseCoopers
Attorneys:	Dr Weder, Kauta, Hoveka Inc
Bankers:	Bank Windhoek Limited
Company Secretary:	B Haipinge (appointed 15 November 2018)
Directors:	C.B. Matthee (appointed 13 February 2017) D.G. Fourie (appointed 13 February 2017) B. Minnaar (appointed 13 February 2019) D. S. Fourie (appointed 13 June 2019)
Nature of operations and principal activities:	Provision of property valuation services to Bank Windhoek Low-cost housing project, specifically in Ondangwa

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NAMIB BOU (PROPRIETARY) LIMITED

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ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2022

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of Namib Bou (Proprietary) Limited.

The financial statements presented on pages 6 to 27 have been prepared in accordance with International Financial Reporting Standards, and include amounts based on judgements and estimates made by management.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the company will not be a going concern in the foreseeable future based on forecasts and available cash resources. The viability of the company is supported by the financial statements.

The financial statements have been audited by the independent auditing firm, PricewaterhouseCoopers, which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholder, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate. PricewaterhouseCoopers' audit report is presented on page 3 - 5.

The financial statements set out on pages 6 to 27 were approved and authorised for issue by the board of directors on and are signed on its behalf.

A directors' report is not presented as the company is a wholly owned subsidiary of Capricorn Group Limited, a company incorporated in the Republic of Namibia and listed on the Namibian Stock Exchange.

Director	*Director*

Independent auditor's report

To the Members of Namib Bou (Proprietary) Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Namib Bou (Proprietary) Limited (the Company) as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

What we have audited

Namib Bou (Proprietary) Limited's financial statements set out on pages 6 to 27 comprise:

- the statement of financial position as at 30 June 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 Company in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standard)* (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Namib Bou (Proprietary) Limited Annual Financial Statements for the year ended 30 June 2022”. The other information does not include the financial statements and our auditor’s report thereon.

Our opinion on the 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 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 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 financial statements

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

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

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Louis van der Riet
Partner
Windhoek
Date: 10 August 2022

NAMIB BOU (PROPRIETARY) LIMITED

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STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

	Notes	2022 N$	2021 N$
Revenue	5	**13,542,128**	13,853,621
Cost of sales	6	**(3,845,386)**	(3,554,762)
Gross profit		**9,696,742**	10,298,859
Administrative expenses	7	**(10,844,719)**	(10,366,071)
Other income	8	**142,480**	53,692
Loss before income tax		**(1,005,497)**	(13,520)
Income tax	10	**(191,720)**	14,741
(Loss) / profit for the year		**(1,197,217)**	1,221
Total comprehensive (loss) / income for the year		**(1,197,217)**	1,221

NAMIB BOU (PROPRIETARY) LIMITED

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STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Notes	2022 N$	2021 (restated) N$
ASSETS			
Non-current assets			
Property, plant and equipment	11	**876,525**	523,528
Deferred tax assets	18	**-**	191,720
		876,525	715,248
Current assets			
Cash and bank balances	12	**1,579,381**	664,545
Financial assets at fair value through profit or loss *	14	**3,283,890**	2,675,487
Trade and other receivables	15	**2,061,264**	3,001,892
Inventory	16	**35,064,087**	36,861,789
Current tax assets	21	**481,362**	481,362
		42,469,984	43,685,075
Total assets		**43,346,509**	44,400,323
EQUITY			
Capital and reserves attributable to equity holder			
Share capital and premium	17	**23,000,000**	23,000,000
Retained earnings		**18,504,336**	19,701,553
		41,504,336	42,701,553
Total equity		**41,504,336**	42,701,553
LIABILITIES			
Non-current liabilities			
Share-based payment liabilty	19	**162,178**	70,230
		162,178	70,230
Current liabilities			
Trade and other payables	20	**1,679,995**	1,628,540
		1,679,995	1,628,540
Total liabilities		**1,842,173**	1,698,770
Total equity and liabilities		**43,346,509**	44,400,323

*** Refer note 26 for reclassification of comparative figures.**

NAMIB BOU (PROPRIETARY) LIMITED

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STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

	Share capital N$	Share premium N$	Retained earnings N$	Total equity N$
Balance at 30 June 2020	600,000	22,400,000	19,700,332	42,700,332
Total comprehensive income for the year	-	-	1,221	1,221
Balance at 30 June 2021	600,000	22,400,000	19,701,553	42,701,553
Balance at 1 July 2021	**600,000**	**22,400,000**	**19,701,553**	**42,701,553**
Total comprehensive income for the year	-	-	(1,197,217)	(1,197,217)
Balance at 30 June 2022	**600,000**	**22,400,000**	**18,504,336**	**41,504,336**
	17	**17**		

NAMIB BOU (PROPRIETARY) LIMITED

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STATEMENT OF CASH FLOWS
for the year ended 30 June 2022

	Notes	2022 N$	2021 (restated) N$
Cash flows from operating activities			
Loss before income tax		**(1,005,497)**	(13,520)
Adjusted for			
Non-cash items and adjustments disclosed separately			
Depreciation	7	**48,055**	168,243
Interest income	8	**(6,012)**	(11,209)
Dividend income	8	**(112,295)**	(37,266)
Fair value adjustment - Capricorn Group shares	8	**(6,673)**	4,722
Share-based payment expense	8,7	**91,948**	47,923
Movements in working capital	23	**2,789,785**	35,733
Cash flows generated from operating activities		**1,799,311**	194,626
Interest income	8	**6,012**	11,209
Dividend income *		**10,099**	3,349
Income taxes paid	24	-	(95,000)
Net cash generated from operating activities		**1,815,422**	114,184
Cash flows from investing activities			
Acquisition of financial assets at fair value through profit or loss *	14	**(2,099,535)**	(2,579,560)
Withdrawals from financial assets at fair value through profit or loss	14	**1,600,000**	-
Acquisition of property, plant and equipment	11	**(401,051)**	(10,145)
Net cash utilised in investing activities		**(900,586)**	(2,589,705)
Net increase / (decrease) in cash and cash equivalents		**914,836**	(2,475,521)
Cash and cash equivalents at beginning of year		**664,545**	3,140,066
Cash and cash equivalents at end of year	13	**1,579,381**	664,545

*** Refer note 26 for reclassification of comparative figures.**

1. Summary of significant accounting policies

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

1.1 Basis of preparation

These financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS) issued by the IASB and IFRIC interpretations issued and effective at the time of preparing these statements.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss and all derivative contracts. They are presented in Namibia Dollars, which is the company's functional currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

1.2 Property, plant and equipment

All property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Motor vehicles	5 years
- Furniture and fittings	9 years
- Computer equipment	3-5 years
- Office equipment	3-7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the statements of financial position. Residual values of motor vehicles are deemed to be equal to 30 % of the original cost. The residual values of all other property, plant and equipment are deemed to be negligible.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in profit or loss.

1.3 Financial instruments

1.3.1 Measurement methods
Amortised cost and effective interest
The amortised cost is the cost at which the financial assets or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider the expected credit losses and includes transaction costs, premiums or discounts and fees paid or received that are integral to the effective interest rate, such as origination fees.

When the company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income
Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets.

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the entity becomes a part to the contractual provisions of the instrument. 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.

At initial recognition, the company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

1.3 Financial instruments (continued)

1.3.1 Measurement methods (continued)

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference immediately when the fair value is based on quoted price in an active market for an identical asset of liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

1.3.2 Financial assets

(i) Classification and subsequent measurement
From 1 July 2018, the company has applied IFRS 9 and classifies its financial assets in the following measurement categories:
• Fair value through profit or loss (FVPL)
• Fair value through other comprehensive income (FVOCI); or
• Amortised cost

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Debt and debt instruments for the company consists of cash and bank balances as well as trade receivables.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The company does not have any such instruments.

(ii) Impairment
The company assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and with the exposure arising from loan commitments and financial guarantee contracts. The company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:
• An unbiased and probability-weighted amount that is determined by using the transition matrix methodology;
• The time value of money; and
• Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

1.3.3 Financial liabilities

(i) Classification and subsequent measurement
In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost.

(ii) Derecognition
Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

1.4 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversals of the impairment at each reporting date.

1.5 Income tax

(a) Current income tax
Income tax payable (receivable) is calculated on the basis of the applicable tax law in the respective jurisdiction and is recognised as an expense (income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credit to other comprehensive income or to equity (for example, current tax on an available-for-sale investment).

Where the company has tax losses that can be relieved against a tax liability for a previous year, it recognises those losses as an asset, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against an existing current tax balance.

The company does not offset income tax liabilities and current income tax assets.

1.5 Income tax (continued)

(b) Deferred income tax
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

The principal temporary differences arise from depreciation on property, plant and equipment, provision for leave pay, provision for bonuses and tax losses carried forward.

1.6 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are included in current liabilities.

1.7 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economics benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

There were no provisions recognised during the year under review.

Employee entitlements to annual leave and long service gratuity are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave, bonus and long-service gratuity as a result of services rendered by employees up to the date of the statements of financial position.

1.8 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of good and services in the ordinary course of the company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The company develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have no alternative use for the company due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue on the sale of erven is recognised at a point in time when the legal title has passed to the customer. Revenue from the building of houses is recognised over time, based on progress reports.

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when the legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds 12 months. The transaction price is therefore not adjusted for the effects of a significant financing components. Transfer costs and other related taxes does not form part of the sales price recorded in the statement of comprehensive income.

Revenue from valuation fees received from Bank Windhoek is recognised at a point in time when the service is rendered.

Interest income is recognised on a time-proportion basis, taking account of the principle outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the company. Dividends are recognised when the right to receive payment is established.

1.9 Borrowing costs

Interest costs incurred on the financing of major projects are capitalised. Such interest costs relate to expenditure incurred prior to the project becoming operational.

1.10 Dividend distribution

Dividends payable are recorded in the company's financial statements in the period in which they are approved by the company's shareholder.

1.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established on an expected credit loss basis.

1.12 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

1.14 Leases

At inception of a contract, the company assesses whether a 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. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:
• the contract involves the use of an identified asset;
• the company has the right to obtain substantially all of the economic benefits associated with the use of the asset throughout the period of use; and
• the company has the right to direct or use the asset. The company has the right to direct or use the asset when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

As the lessee
The company leases various offices and parking spaces.

Until the 2019 financial year, leases of property and equipment were classified as either finance or operating leases based on the requirements of IAS 17. From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company as required by IFRS 16.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Right-of-use assets are presented as part of 'property and equipment', while lease liabilities are presented as part of 'other liabilities' on the statement of financial position.

Initial recognition
At the commencement date a lessee recognises a right-of-use asset and a lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
• fixed payments (including in-substance fixed payments), less any lease incentives receivable
• variable lease payments that are based on an index rate or a rate, initially measured using the index or rate as at the commencement date
• amounts expected to be payable by the company under residual value guarantees
• the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
• payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Right-of-use assets are 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, and
• an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

1.14 Leases (continued)

Subsequent measurement
Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Depreciation starts at the commencement date of the lease.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be repayable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in any way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Discount rate

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Generally, the company uses the lessee's incremental borrowing rate as the discount rate.

Short-term and leases of low-value assets

Payments associated with short-term leases of equipment and vehicles and all leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise IT equipment and small items of office furniture.

All of the company's leases are classified as short-term leases, as there are no fixed contracts in place, and as a result, can be cancelled within 12 months or less. Payments are made to Bank Windhoek on a monthly basis based on invoices received.

Lessor accounting
The company recognises rental income on short-term contracts as and when rental payments are received on a monthly basis.

1.15 Share capital

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

1.16 Employee benefits

(a) Pension obligations
The company operates a defined contribution plan. The plan is generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity.

The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The company provides no other post-retirement benefits to their retirees.

(b) Leave pay provision
Employee benefits in the form of annual leave entitlements are provided for when they accrue to employees with reference to services rendered up to the reporting date.

(c) Severance pay provision
Namib Bou (Pty) Ltd is also committed, by legislation to make payments (or provide other benefits) to employees when it terminates their employment as is required by the Labour Act 11 of 2007. The implications of the new Act are that severance pay has to be paid to all employees when:
a) The employee is dismissed under certain circumstances;
b) dies while employed; or
c) reaches the age of 65.

Based on the above it is clear that Namib Bou (Pty) Ltd has an obligation, however, this balance is immaterial. Therefore no provision for severance pay is included in the statement of financial position.

(d) Performance bonuses
The company recognises a liability and an expense for bonuses, based on the approved budget for performance bonuses. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.17 Share-based payments

The company operates a conditional share plan (CSP), whereby share-based compensation benefits are provided to employees. The fair value of the options granted under the CSP is recognised as an employee benefits expense, with a corresponding liability. The total amount to be expensed is determined by reference to the fair value of the shares and share options granted:

- including any market performance conditions (e.g. an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to the original estimates, if any, in profit or loss, with a corresponding adjustment to the liability.

1.18 Inventory

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), also including borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventory include the transfer from equity of any gains / losses on qualifying cash flow hedges for purchases of raw materials.

2. Standards and interpretations issued

2.1 Standards and interpretations issued affecting amounts reported and disclosures in the current year

Standards and interpretations issued affecting amounts reported and disclosures in the current year.

	Effective date
Amendments to IFRS 9 'Financial instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosure', IFRS 4 'Insurance contracts and IFRS 16 'Leases' - Interest rate benchmark reform	
Interest rate benchmark reform phase 2: The amendments to IAS 39, IFRS 7 and IFRS 9, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.	Annual periods commencing on or after 1 January 2021 Adoption date by the company: 1 July 2021.

• The amendments enable (and require) entities to continue hedge accounting in the circumstances when changes arise because of the IBOR reform by requiring companies to amend their heding relationship to reflect: Designating an alternative benchmark rate as the hedged risk; changing the description of the hedged item, including the designated portion, and changing the description of how the entity would assess hedge effectiveness.
• The amendment to IFRS 7 requires an entity to make additional disclosures in its financial statements so that investors can better understand the effects of IBOR reform.
• The amendments to IFRS 9 enable an entity to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform.

The adoption of the amendments did not have a material impact on the company.

Amendments to IFRS 16 'Leases'	
Interest rate benchmark reform phase 2: The amendment enables an entity to apply a practical expedient to account for a lease modification required by the IBOR reform.	Annual periods commencing on or after 1 January 2021 Adoption date by the company: 1 July 2021.

The adoption of the amendments did not have a material impact on the company.

2.2 Standards and interpretations issued but not yet effective

Effective date

IFRS 17 'Insurance contracts
The IASB issued IFRS 17 'Insurance contracts' and thereby started an epoch of accounting for insurers. Whereas the current standards, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on the financial statements and key performance indicators.

Mandatory for financial years commencing on or after 1 January 2023

Expected date of adoption by the company: 1 July 2023

Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.

Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less.

For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation of the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. Consequently, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.

The adoption of this standard is not expected to have a material impact on the company.

3. Financial risk management

The company's activities expose it to a variety of financial risks: cash flow interest rate risk, credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The company does not use derivative financial instruments to hedge risk exposures.

The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

3.1 Market risk

Cash flow interest rate risk
As part of managing interest rate exposure, interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates.

Had the interest rate changed by 100 basis points, the effect on the net profit and equity would have been N$nil (2021: N$nil).

3.2 Price risk

The following fair value financial instruments expose the company to price risk: derivative financial instruments, treasury bills, government stock and unit trust investments designated at fair value through profit or loss and equity securities classified as available-for-sale. The company generally does not undertake equity exposure. The exposure arose due to specific circumstances and are managed individually.

i) Financial assets at fair value through profit or loss	**2022** **N$**	**2021** **N$**
The following is a sensitivity analysis showing the increase/(decrease) in the fair value of financial assets at fair value had the following changes arisen on the significant inputs:		
10 % increase in price (effect on profit or loss)	**328,389**	267,549
10 % decrease in price (effect on profit or loss)	**(328,389)**	(267,549)

Refer to note 26 for reclassification of comparative figures.

3.3 Credit risk

Credit risk consists mainly of cash and cash equivalents, and trade receivables. The company only deposits cash with Bank Windhoek and Capricorn Asset Management, which has a credit rating of A1+.

The majority of trade receivables is with Bank Windhoek, which has a credit rating of A1+, and is also a related party. Risks relating to customers are evaluated by management on an ongoing basis.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties. The effect of IFRS 9 expected credit losses were assessed, and found to be immaterial. No amounts are overdue at the statement of financial position date.

The maximum exposure to credit risk is presented in the table below:

	Gross carrying amount	**Credit loss allowance**	**Amortised cost**
2022	**N$**	**N$**	**N$**
Trade receivables	**957,053**	**-**	**957,053**
Cash and bank balances	**1,579,381**	-	**1,579,381**
	2,536,434	-	**2,536,434**
2021			
Trade receivables	1,023,573	-	1,023,573
Cash and bank balances	664,545	-	664,545
	1,688,118	-	1,688,118

The above table represents a worst case scenario of credit risk exposure to the company on financial assets at 30 June 2022 and 30 June 2021 without taking account of any collateral held or other credit enhancements attached.

Refer to note 26 for reclassification of comparative figures.

3.3.2 Financial assets at amortised cost classification
Financial assets at amortised cost are classified as follows:

	2022 **N$**	**2021** **N$**
Neither past due nor impaired	**2,536,434**	1,688,118
Individually impaired	**-**	-
Gross	**2,536,434**	1,688,118
Less: allowance for impairment	**-**	-
Net	**2,536,434**	1,688,118

Loans that are neither past due nor impaired for the company comprise balances due from related parties.

Refer to note 26 for reclassification of comparative figures.

3.3.3 Credit risk concentration by statement of financial position line item

	Financial assets at fair value through profit or loss	Financial instruments at amortised cost	TOTAL
FINANCIAL ASSETS	**N$**	**N$**	**N$**
As at 30 June 2022			
Cash and bank balances	**-**	**1,579,381**	**1,579,381**
Financial assets at fair value through profit or loss	**3,283,890**	**-**	**3,283,890**
Trade and other receivables	**-**	**957,053**	**957,053**
Total assets	**3,283,890**	**2,536,434**	**5,820,324**
FINANCIAL LIABILITIES			
Trade and other payables	**-**	**938,514**	**938,514**
Total liabilities	**-**	**938,514**	**938,514**
FINANCIAL ASSETS			
As at 30 June 2021			
Cash and bank balances	-	664,545	664,545
Financial assets at fair value through profit or loss	2,675,487	-	2,675,487
Trade and other receivables	-	1,023,573	1,023,573
Total assets	2,675,487	1,688,118	4,363,605
FINANCIAL LIABILITIES			
Trade and other payables	-	873,190	873,190
Total liabilities	-	873,190	873,190

Refer to note 26 for reclassification of comparative figures.

3.4 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding from an adequate amount of credit facilities.

Maturity profile of financial instruments

	Within 1 year	Contractual cash flow
	N$	**N$**
As at 30 June 2022		
Financial assets		
Trade and other receivables	**957,053**	**957,053**
Financial assets at fair value thorugh profit or loss	**3,283,890**	**3,283,890**
Cash and bank balances	**1,579,381**	**1,579,381**
Financial liabilities		
Trade and other payables	**938,514**	**938,514**
As at 30 June 2021		
Financial assets		
Trade and other receivables	1,023,573	1,023,573
Financial assets at fair value thorugh profit or loss	2,675,487	2,675,487
Cash and bank balances	664,545	664,545
Financial liabilities		
Trade and other payables	873,190	873,190

The bank overdraft facility of N$ 1,000,000 has been approved during the year under review and expires on 4 October 2022. It is management's intention to renew this facility. Refer to note 22 for information regarding the security provided for this facility.

Refer to note 26 for reclassification of comparative figures.

3.5 Capital risk management

The company's objective in capital risk management is to maintain a balance between optimising shareholder's return, as well as to ensure the company is able to operate efficiently in the foreseeable future, which includes operating with an acceptable level of gearing. In order for this balance to be maintained, the company determines the dividends to be paid to the shareholders, issue new shares or sell assets to reduce debt.

There were no major changes in the capital structure of the company.

4. Critical accounting estimates and judgements

4.1 Critical judgement in applying the company's accounting policy

In the process of applying the company's accounting policy, management has not made any significant judgements that have a significant effect on the amounts recognised in the financial statements.

4.2 Critical accounting estimates and judgements

The company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. 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.

(a) Impairment losses
The company reviews its receivables measured at amortised cost to assess impairment on an annual basis. In determining whether an impairment loss should be recorded in the profit or loss, the company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from the receivable leading to expected credit losses.

(b) Share-based payments
IFRS 2 requires the comnpany to measure the fair value of the employee services received by reference to the fair value of the equity instruments granted. This fair value depends on a number of factors that are determined on an actuarial basis, at grant date, using a number of assumptions. Any changes in these assumptions will impact the expense and a share-based compensation liability created at grant date. For assumptions made in the valuation of share-based payments refer to note 19.

(b) Useful lives and residual values of property, plant and equipment
The charge in respect of periodic depreciation is derived after estimating an asset's expected useful life and the expected residual value. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of comprehensive income.

The company assesses the residual value of every item of property, plant and equipment annually. The estimation of useful lives is based on certain indicators such as historical experience with similar assets as well as anticipation of future events, which may impact the lives. The useful lives will also depend on the future performance of the assets as well as management's judgement of the period over which economic benefits will be derived from the assets.

Refer to the accounting policy for property, plant and equipment for the useful lives over which the respective assets are depreciated. The residual value of vehicles is expected to be 30 % of the cost thereof; the residual values of other asset classes are expected to negligible.

NAMIB BOU (PROPRIETARY) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

		2022 N$	2021 (restated) N$
5.	**Revenue**		
	Valuation fees - at a point in time	**11,441,299**	11,728,381
	Sale of residential units:		
	Erven - at a point in time	**1,302,500**	670,000
	Construction of houses - over time	**798,329**	1,455,240
		13,542,128	13,853,621
6.	**Cost of sales**		
	Valuation fee expense	**1,841,727**	1,713,125
	Sale of residential units:		
	Erven	**1,195,851**	479,584
	Houses	**807,808**	1,362,053
		3,845,386	3,554,762
7.	**Administrative expenses**		
	Agents' commission	**-**	55,000
	Accounting fees	**332,079**	333,121
	Annual duty	**14,950**	14,950
	Auditors' remuneration - audit fees	**92,562**	86,919
	Auditors' remuneration - other	**27,065**	22,631
	Consulting fees	**327,943**	326,483
	Legal fees	**62,350**	-
	Depreciation	**48,055**	168,243
	Directors' emoluments for services as directors	**217,500**	318,080
	Rent paid	**653,204**	863,164
	Salaries and wages (refer to note 9)	**8,078,945**	7,430,940
	Travelling costs	**37,194**	22,301
	Fair value adjustment - Capricorn Group shares (refer to note 14)	**-**	4,722
	Insurance	**104,886**	94,961
	Property and vehicle maintenance costs	**542,552**	381,942
	Marketing costs	**86,920**	83,971
	Telephone, printing and stationery	**103,914**	123,927
	Office expenses	**35,916**	3,735
	Other	**78,684**	30,981
		10,844,719	10,366,071
8.	**Other income**		
	Interest income on bank balances	**6,012**	11,209
	Dividend income (*)	**112,295**	37,266
	Fair value adjustment - Capricorn Group shares (refer to note 14)	**6,673**	-
	Rental income	**17,500**	-
	Other income	**-**	5,217
		142,480	53,692

* Dividends are received from financial assets measured at fair value through profit or loss (FVPL). Dividends are recognised as other income in profit or loss when the right to receive payment is established.

		2022 N$	2021 (restated) N$
9.	**Salaries and wages**		
	Paid to employees	**6,971,349**	6,376,070
	Share-based payment expense (refer to note 19)	**91,948**	47,923
	Pension contributions	**373,251**	380,990
	Medical aid contributions	**642,397**	625,957
		8,078,945	7,430,940

	2022 N$	2021 (restated) N$
10. Income tax		
Current tax	**-**	-
Deferred tax (note 18)	**191,720**	(14,741)
	191,720	(14,741)
The tax on the company's profit before income tax differs from the theoretical amount that would arise using the basic tax rate as follows:		
Loss before income tax	**(1,005,497)**	(13,520)
Tax calculated at a tax rate of 32%	**(321,759)**	(4,327)
Non-deductible expenditure	-	1,511
Non-taxable income received	**(38,070)**	(11,925)
Deferred tax asset not raised	**551,549**	-
Total tax for the year	**191,720**	(14,741)

	Furniture & fittings N$	Computer equipment N$	Offce equipment N$	Motor vehicles N$	Total N$
11. Property, plant and equipment					
Year end 30 June 2022					
Cost					
Cost at 1 July 2021	**32,719**	**215,234**	**1,964**	**1,369,137**	**1,619,054**
Additions	**-**	**-**	**-**	**401,051**	**401,051**
Disposals	**-**	**-**	**-**	**-**	**-**
Cost at 30 June 2022	**32,719**	**215,234**	**1,964**	**1,770,188**	**2,020,105**
Accumulated depreciation					
Depreciation at 1 July 2021	**19,692**	**195,747**	**556**	**879,530**	**1,095,525**
Charge for the period	**3,337**	**6,959**	**279**	**37,480**	**48,055**
Disposals	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation at 30 June 2022	**23,029**	**202,706**	**835**	**917,010**	**1,143,580**
Net book value at 30 June 2022	**9,690**	**12,528**	**1,129**	**853,178**	**876,525**
Year end 30 June 2021					
Cost					
Cost at 1 July 2020	32,719	238,404	1,964	1,369,137	1,642,224
Additions	-	10,145	-	-	10,145
Disposals	-	(33,315)	-	-	(33,315)
Cost at 30 June 2021	32,719	215,234	1,964	1,369,137	1,619,054
Accumulated depreciation					
Depreciation at 1 July 2020	16,355	199,451	277	744,514	960,598
Charge for the period	3,337	29,611	279	135,016	168,243
Disposals	-	(33,315)	-	-	(33,315)
Accumulated depreciation at 30 June 2021	19,692	195,747	556	879,530	1,095,526
Net book value at 30 June 2021	13,027	19,487	1,408	489,607	523,528

	2022 N$	2021 (restated) N$
12. Cash and bank balances		
Bank balances with Bank Windhoek Limited	**1,576,381**	661,545
Capricorn Corporate Fund - Capricorn Asset Management	**-**	-
Petty cash	**3,000**	3,000
	1,579,381	664,545

In the prior year, the funds in the Capricorn Corporate Fund with Capricorn Asset Management was classified as cash and bank balances as the portfolio has a maturity of three months or less from the date of acquisition and is repayable within 24 hours' notice with no loss of interst. In the current year, these amounts were reclassified to Financial assets at fair value through profit or loss (refer notes 13, 14 and 26).

13. Cash and cash equivalents

For the purpose of the statement of cash flows the year-end cash and cash equivalents comprise the following:

	2022 N$	2021 (restated) N$
Cash and bank balances (see note 12)	**1,579,381**	664,545
Bank overdraft (see note 22)	**-**	-
	1,579,381	664,545

Classification as cash and cash equivalents:

In the prior year, the funds in the Capricorn Corporate Fund with Capricorn Asset Management was classified as cash and bank balances as the portfolio has a maturity of three months or less from the date of acquisition and is repayable within 24 hours' notice with no loss of interst. In the current year, these amounts were reclassified to Financial assets at fair value through profit or loss (refer notes 12, 14 and 26).

14. Financial assets at fair value through profit or loss

	2022 N$	2021 (restated) N$
Capricorn Corporate Fund - Capricorn Asset Management	**3,036,111**	2,533,917
Investment - Capricorn Group shares	**247,779**	141,570
	3,283,890	2,675,487

Namib Bou purchased 4,770 shares of the issued share capital of Capricorn Group in February 2020 for N$76,320. It purchased a further 6,120 shares in November 2020 for N$79,560. Another 7,740 share were bought in November 2021 for an amount of N$99,536, brining the total number of shares at 30 June 2022 to 18,630 (30 June 2021: 10,890). At 30 June 2022, the shares were revalued to the closing share price of N$13.30 per share (30 June 2021: N$13.00 per share), with a corresponding fair value adjustment recognised in profit or loss (refer notes 7 and 8).

In the prior year, the funds in the Capricorn Corporate Fund with Capricorn Asset Management was classified as cash and bank balances as the portfolio has a maturity of three months or less from the date of acquisition and is repayable within 24 hours' notice with no loss of interst. In the current year, these amounts were reclassified to Financial assets at fair value through profit or loss (refer notes 12, 13 and 26).

Price risk exposure:

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet as at FVTPL.

Fair value hierarchy:

IFRS specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the company's market assumptions. These two types of inputs have created the following fair value hierarchy:

• Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

• Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of the over-the-counter derivative contracts, traded loans and issued structured debt. The sources of input parameters like JIBAR yield curve or counterparty credit risk are Bloomberg and Reuters.

• Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

	Level 1 N$	Level 2 N$	Total N$
30 June 2022			
Capricorn Corporate Fund - Capricorn Asset Management	**-**	**3,036,111**	**3,036,111**
Investment - Capricorn Group shares	**247,779**	**-**	**247,779**
	247,779	**3,036,111**	**3,283,890**
30 June 2021			
Capricorn Corporate Fund - Capricorn Asset Management	-	2,533,917	2,533,917
Investment - Capricorn Group shares	141,570	-	141,570
	141,570	2,533,917	2,675,487

15. Trade and other receivables

Financial instruments:		
Trade receivables	**957,053**	1,023,573
Loss allowance	**-**	-
Trade receivables at amortised cost	**957,053**	1,023,573
Non-financial instruments:		
Receiver of Revenue - VAT	**528,662**	532,269
Sundry debtors	**575,549**	1,446,050
Total trade and other receivables	**2,061,264**	3,001,892

Exposure to credit risk:

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2022	
	Estimated gross carrying amount at default	**Loss allowance (lifetime expected credit losses)**
Not past due: 0 %	-	-
Total	**-**	-

	2021	
	Estimated gross carrying amount at default	**Loss allowance (lifetime expected credit losses)**
Not past due: 0 %	-	-
Total	-	-

Classification as trade and trade receivables:
Trade receivables are amounts due from customers for property sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

16. Inventory

	2022 N$	2021 (restated) N$
Work in progress	**32,143,585**	36,861,789
Completed houses not yet sold	**2,920,502**	-
	35,064,087	36,861,789
Movement for the year:		
Opening balance	**36,861,789**	37,215,843
Additions	**205,956**	1,542,584
Cost of sales	**(2,003,658)**	(1,896,638)
Closing balance	**35,064,087**	36,861,789

Included in inventory are completed houses with a total sales value of N$3,090,000 which have not been sold. One of these houses are currently being leased out for an amount of N$3,500 per month (refer note 8). The intention is still for these houses to be sold, and they are being actively marketed in this regard.

The inventory has been encumbered by means of a first continuing covering mortgage bond as disclosed in note 22.

17. Share capital and - premium

Share capital		
Authorised:		
750,000 ordinary shares of N$1 each	**750,000**	750,000
Issued:		
600,000 ordinary shares of N$1 each	**600,000**	600,000
Share premium	**22,400,000**	22,400,000
Total share capital and premium	**23,000,000**	23,000,000

	2022 N$	2021 (restated) N$
18. Deferred income tax		
Deferred tax assets	-	337,613
Deferred tax liabilities	-	(145,893)
Deferred tax assets (net)	-	191,720

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 32%.

The movement on the deferred tax account is as follows:		
At beginning of year	**(191,720)**	(176,979)
Reversal of prior year deferred tax asset raised	**191,720**	(14,741)
At end of year	-	(191,720)

Deferred tax assets may be analysed as follows:		
Accelerated depreciation	-	145,893
Provision for leave pay	-	(158,799)
Performance bonus	-	(61,221)
Share-based payment liability	-	(22,474)
Assessed tax loss	-	(95,119)
	-	(191,720)

The accumulated tax loss at year-end is N$1,462,732 (2021: N$297,245). No deferred tax asset has been raised for the losses, as it is currenty uncertain whether the company will generate future taxable profits against which these losses can be offset. As a result, the deferred tax asset raised in the prior was also reversed.

19. Share -based payment liability

Conditional Share Plan (CSP)

Capricorn Group shares are granted to executive directors and to selected employees for no consideration. The allocation of shares are conditional on the employee completing three years' service after grant date (the vesting period).

Details of the number of shares outstanding are as follows:

	Opening balance	Granted	Vested	Forfeitures	Closing balance
As at 30 June 2022					
Capricorn Group shares	**12,100**	**8,600**	-	-	**20,700**
As at 30 June 2021					
Capricorn Group shares	5,300	6,800	-	-	12,100

CSPs have a vesting period of three years from grant date.

The fair value of shares granted during the year was determined with reference to the Capricorn Group Limited listed share price at year end of N$13.30 (2021: N$13.00) and taking into account a membership attrition of 5%. Refer to note 9 for the total expense recognised in profit or loss for shares granted to executive directors and employees.

	2022 N$	2021 (restated) N$
Conditional Share Plan		
CSP charge to profit or loss	**91,948**	47,924
Share-based payment liability	**162,178**	70,230

20. Trade and other payables

Trade payables	**782,440**	873,190
Employee liabilities	**700,956**	693,346
Sundry creditors	**156,074**	-
Sundry deposits	**3,500**	-
Accruals	**37,025**	62,004
	1,679,995	1,628,540

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

	2022 N$	2021 (restated) N$
21. Current tax assets		
Current tax assets		
Tax refund receivable / (payable):		
2017 tax year	**35,689**	35,689
2018 tax year	**-**	-
2019 tax year	**50,673**	50,673
2020 tax year	**300,000**	300,000
2021 tax year	**95,000**	95,000
	481,362	481,362

22. Bank overdraft

The bank overdraft facility has been reduced from N$ 15,000,000 to N$1,000,000 during the current year and expires on 4 October 2022. Management is of the intention to renew the overdraft at this date.

The overdraft has been secured by means of a first covering mortgage bond of N$53,987,405, over Portion 44 (A Portion of Portion 19 of Farm Ondangwa Town and Townlands No 882), Portion 45 (A Portion of Portion 19 of Farm Ondangwa Town and Townlands No 882) and the remainder of Portion 19 of Farm Ondangwa Town and Townlands No 882.

23. Working capital movements

	2022 N$	2021 (restated) N$
Decrease in trade and other receivables	**940,628**	18,224
Decrease / (increase) in inventories	**1,797,702**	354,055
Decrease in trade and other payables	**51,455**	(336,546)
Working capital movements	**2,789,785**	35,733

24. Income taxes paid

	2022 N$	2021 (restated) N$
Charge per statement of comprehensive income	**-**	-
Movement in current tax asset	**-**	95,000
Income tax paid	**-**	95,000

25. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The holding company and sole shareholder of Namib Bou (Pty) Ltd is Capricorn Group Limited, a company incorporated in Namibia, listed on the Namibian Stock Exchange as from 20 June 2013. Bank Windhoek Limited and Capricorn Asset Management are fellow subsidiaries of the company. All transactions with related parties were conducted taking into consideration normal terms of trade.

The following directors and their close family members are also related parties of the entity:
C. B. Matthee
D. G. Fourie
B. Minnaar
D. S. Fourie

	2022 N$	2021 (restated) N$
25.1 Trade receivable balances		
Bank Windhoek Limited	**957,053**	1,023,573
25.2 Bank balances		
Bank Windhoek Limited	**1,576,381**	661,545
25.3 Financial assets at fair value through profit or loss		
Capricorn Corporate Fund - administered by Capricorn Asset Management	**3,036,112**	2,533,917
25.3 Trade payable balances		
Bank Windhoek Limited	**743,940**	753,635
25.4 Services rendered		
Bank Windhoek Limited - consulting and valuation fee	**11,386,923**	11,728,381
25.5 Payments made in respect of services received		
Capricorn Group Limited - accounting fee	**332,079**	233,185
Capricorn Group Limited - consulting fee	**327,943**	326,483
Bank Windhoek Limited - administration fee	**154,522**	201,382
Bank Windhoek Limited - bank charges	**39,416**	11,358
Bank Windhoek Limited - legal fees	**62,350**	-
Bank Windhoek Limited - rent paid	**653,204**	863,164
25.6 Key management compensation		
Salaries and other short-term benefits	**1,377,048**	1,329,618
25.7 Directors' emoluments		
Directors' emoluments for services as directors (note 7)	**217,500**	318,080

26. Reclassification of comparitives

In the current financial year, the money invested in the Capricorn Corporate Fund, administered by Capricorn Asset Management, was reclassified from cash and bank balances to financial assets at fair value through profit or loss. This provides a better indication of the nature of the investment when considering the underlying investments of the Capricorn Corporate Fund. A statement of financial position is not disclosed for 30 June 2020 as a result of the reclassification, as the money was only invested in the 30 June 2021 financial year.

	As previously stated	**Adjustment**	**Restated**
Effect on the statement of financial position	**N$**	**N$**	**N$**
Cash and bank balances	3,198,462	(2,533,917)	664,545
Financial assets at fair value through profit or loss	141,570	2,533,917	2,675,487
	3,340,032	-	3,340,032
Effect of the statement of cash flows			
Cash flows generated from / (utilised in) operating activities	194,626	-	194,626
Interest income	11,209	-	11,209
Dividend income *	37,266	(33,917)	3,349
Income taxes paid	(95,000)	-	(95,000)
Net cash generated from / (utilised in) operating activities	148,101	(33,917)	114,184
Cash flows from investing activities			
Acquisition of financial assets at fair value through profit or loss *	(79,560)	(2,500,000)	(2,579,560)
Acquisition of property, plant and equipment	(10,145)	-	(10,145)
Net cash utilised in investing activities	(89,705)	(2,500,000)	(2,589,705)
Net increase / (decrease) in cash and cash equivalents	58,396	(2,533,917)	(2,475,521)
Cash and cash equivalents at beginning of year	3,140,066	-	3,140,066
Cash and cash equivalents at end of year	3,198,462	(2,533,917)	664,545

Effect on financial risk management

3.2 Price risk
i) Financial assets at fair value through profit or loss

The following is a sensitivity analysis showing the increase/(decrease) in the fair value of financial assets at fair value had the following changes arisen on the significant inputs:

10 % increase in price (effect on profit or loss)	14,157	253,392	267,549
10 % decrease in price (effect on profit or loss)	(14,157)	(253,392)	(267,549)

3.3 Credit risk
The maximum exposure to credit risk is presented in the table below:

Trade receivables	1,023,573	-	1,023,573
Cash and bank balances	3,198,462	(2,533,917)	664,545
	4,222,035	(2,533,917)	1,688,118

3.3.2 Financial assets at amortised cost classification
Financial assets at amortised cost are classified as follows:

Neither past due nor impaired	4,222,035	(2,533,917)	1,688,118
Individually impaired	-	-	-
Gross	4,222,035	(2,533,917)	1,688,118
Less: allowance for impairment	-	-	-
Net	4,222,035	(2,533,917)	1,688,118

3.3.3 Credit risk concentration by statement of financial position line item

Cash and bank balances	3,198,462	(2,533,917)	664,545
Financial assets at fair value through profit or loss	141,570	2,533,917	2,675,487
Trade and other receivables	1,023,573	-	1,023,573
Total assets	4,363,605	-	4,363,605

3.4 Liquidity risk
Maturity profile of financial instruments

Financial assets			
Trade and other receivables	1,023,573	-	1,023,573
Financial assets at fair value thorugh profit or loss	141,570	2,533,917	2,675,487
Cash and bank balances	3,198,462	(2,533,917)	664,545
	4,363,605	-	4,363,605

26. Reclassification of comparitives (continued)

Effect on the notes to the financial statements	As previously stated N$	Adjustment N$	Restated N$
12. Cash and bank balances			
Bank balances with Bank Windhoek Limited	661,545	-	661,545
Capricorn Corporate Fund - Capricorn Asset Management	2,533,917	(2,533,917)	-
Petty cash	3,000	-	3,000
	3,198,462	(2,533,917)	664,545
13. Cash and cash equivalents			
For the purpose of the statement of cash flows the year-end cash and cash equivalents			
Cash and bank balances (see note 12)	3,198,462	(2,533,917)	664,545
Bank overdraft (see note 22)	-	-	-
	3,198,462	(2,533,917)	664,545
14. Financial assets at fair value through profit or loss			
Capricorn Corporate Fund - Capricorn Asset Management	-	2,533,917	2,533,917
Investment - Capricorn Group shares	141,570	-	141,570
	141,570	2,533,917	2,675,487

27. Going concern

The company remains in a net asset position at the end of the current financial year, and as a result, the company is expected to continue as a going concern for the foreseeable future. This is supported by the budget and cash flow forecasts for the financial year ending 30 June 2023.

28. Events after the reporting period

No events that could materially affect the fair presentation of the financial statements took place between the end of the reporting period and the approval of the annual financial statements.