

NAMIBIA TOURISM BOARD

ANNUAL REPORT 2017/18



Namibia Tourism Board



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Vision

For Namibia to be a world renowned destination and become the leader in tourism growth and GDP contribution in Africa.

Mission

To market and develop tourism to and within Namibia that exceeds our visitors experience expectations, delivers value to our stakeholders, improves the living standard and sustain the cultural values and way of life of our people and enables broad base participation of Namibians in the tourism industry.

FOREWORD

BY THE CHAIRPERSON



In terms of UNWTO reports only 5 percent of global travel is to Africa; this is an opportunity to grow. The Africa continent is one of warmth and diversity. We are one as humanity and we will express it on the continent and to our visitors.

The past year has been dramatic for tourism in Namibia, with a record arrivals of total of 1,499,442 tourists for 2017 reflecting an increase of 2.1% from 2016. While the arrival figures are peaking, we also advise that the tourists are buying down by making use of camping facilities or bringing own food, which is adversely affecting restaurants at very remote lodges, etc. But Namibia needs to trump up more drive to attract more tourists spent by both domestic and international tourists.

Therefore, beside wider array of baskets of benefits, domestic tourism has

a critical role to play as it increases pride in the country and a greater respect for international tourists. Therefore, there is a need that as a country, we need to cultivate the culture of saving for holidays. But some possible options that can be considered by the financial institutions is the possibility of packaging travel deals on credit such as "holiday now, pay later" arrangements. To further excite domestic tourism; it is also essential to give them compelling reasons to travel. Example of some of the things that businesses could do to attract them could include destinations that elevate more culturally immersive experiences for the visitors, or creating events tailored towards local tourists.

For international discerning travellers, exclusive journeys that are tailored to travellers needs are more relevant than ever. The target group of travellers seeking high-end products do not define luxury based on material factors. It is all about memories, experiencing something real, authentic and unforgettable on a premium quality level. Namibia is poised to become a magnet for culture enthusiasts seeking a deeper understanding of both traditional and contemporary and for good reason. Namibia's culture is preserved; thus remains authentic, but yet untapped.

For us to reach these tourists the digital revolution is increasingly becoming an essential element in the overall marketing plans of tourism destinations for wider reach through distribution across the board. NTB is well under way to embrace digital marketing, as part of its 360 degrees integrated marketing strategy.

On behalf of the Board and the leadership team, we are delighted to present NTB's annual Report for the past financial year ending 31st March 2018.

STATEMENT

BY THE CHIEF EXECUTIVE OFFICER



In the financial year 2017/2018, we began a significant programme to develop a new strategic plan to be completed by December 2018, after consultations with the stakeholders. The strategy shall take our successes of the past and the new paradigm shift of transforming the Namibia Tourism Board into a destination marketing agency into account. It shall further outline three key priorities for NTB. These are to widen our measure and targeting of value to manage our source markets, as a strategic investor would and to work towards adopting quality assurance schemes to position Namibia as a quality offering destination. We also intend to work more closely with others to build knowledge and expertise.

All above, must be underlined by Namibia's global ability of working consistently to become the leader in environmental protection to ensure the sustainability of the very resources on which tourism is premised by seek-

ing a balanced interaction between three essential factors in the tourism industry. These are the appropriate management of natural and cultural resources, improvement of communities' quality of life in conservancy areas, and economic success that contributes to other national development programmes. Therefore, one of the key objectives in the Financial Year 2018 was to support the Government's tourism strategy in ensuring all regions benefit from tourism. To support sustainable value growth, we actively started promoting the KAZA Transfrontier Park of which the focus was to continue to create awareness to enable regional dispersal. This is an effort in support of the Four (4) Rivers Tourism Route developed, with the assistance of the MCA-Project, of which the Four Rivers Route transcends the KAZA Transfrontier Park.

Another key area of this has been self-drive tourism. For the past two years, NTB has steadily communicated the message of safer driving to trade agents and directly to consumers. We have promoted safer driving; however, our content needs to be updated to promote safety via direct marketing, social media and with an interactive online games to generate awareness of driving on gravel road conditions and isolated crime spots.

The resource allocation decisions were based on the extent to which each proposed activity would contribute towards the delivery of NTB's mandates. In Financial Year 2018, NTB's activities were funded primarily from the tourism levy, whereas government grant is in decline.

Item	FY18 Actual N\$	FY18 Budget N\$
Government Grant	\$10,000,000	\$10,000,000
Tourism Levy	\$42,602,684	\$40,000,000
NTB Own Revenue	\$5,344,239	\$5,247,378
Total Revenue	\$57,946,923	\$55,247,378

I take gratitude in thanking the Board leadership of the NTB, and committed management and staff.

GOVERNANCE

The Board

The Namibia Tourism Board is an entity established under the Namibia Tourism Board Act, 2000.

The Namibia Tourism Board is governed by a Board appointed by the Minister of Environment and Tourism. All decisions relating to the operation of the Namibia Tourism Board are made by, or under the authority of, the Board in accordance with the Namibia Tourism Board Act 2000. In accordance with the Namibia Tourism Board Act 2000, the Board must have five members. The Minister's formal line of accountability with the Namibia Tourism Board is through the Board's Chair. Board appointments are generally for three years, with reappointment possible. The composition of the Board reflects a balance of tourism industry and commercial expertise.

The Board meets at least four times a year, including a one-day meeting to review the organisation's on-going strategic direction. This strategy meeting for now focused on the development of the five year strategic plan, but going forward it shall initiate the business planning process which should inform the preparation of the annual Statement of Intent.

Delegation

The Board delegates day-to-day management of NTB to the Chief Executive Officer who is directly accountable to the Board through the Chairman. . The Namibia Tourism Board's Delegated Authorities Policy is set by the Board and reviewed time-to-time.

Appropriate formal processes are in place for reporting back to the Board.

Induction and Development

The Namibia Tourism Board introduces each new Board member to the organisation through an induction process, which includes presentations by the executive management team on the activities of their respective departments at Board meetings or time spent with senior executives who are responsible for providing the strategic input to the Audit Committee, Marketing Advisory Committee, Standards and Industry Human resources Advisory Committee. Members are also encouraged, where appropriate, to attend tourism and industry-related events such as International trade fairs, networking events and other industry events.

BOARD MEMBERS



Paul Brinkmann
(Chairperson)



Madelein /Goagoses
(Vice Chairperson)



Terence Makari
(Board Member)



Marie Friede
(Board member)



Kishi Silas Shakumu
(Board member)

CORE LEADERSHIP TEAM



Digu //Naobeb
(CEO)



Bornventure Mbidzo
(Head of Industry Services)



Beneductice Nakuta
(Head of Corporate Services)



Maureen Posthuma
(Head of Marketing)



Freddie Scholtz
(Head of Finance & IT)

MARKETING STRATEGIC PRIORITIES AND OUTCOMES

TRADE ENGAGEMENT ACTIVITIES

SOURCE MARKETS	NUMBER TRADE ACTIVITIES DONE	BRIEF DESCRIPTION OF THE EVENTS	DELIVERABLES YIELDED
EUROPE			
	Destination workshops / Namibia presentations		
	8	Aviareps Around the World (Brussels)	Reached 220 TA's & TO's?
		Visit Africa Association (Amsterdam)	Reached 41 TA's
		Dertour Deluxe Campus (DE)	Reached 50 TA's
		Dertouristik Summer Opening (DE, AT, CH)	Reached 1,561 TA's
		Gebeco Foodboom (DE)	Reached 20 TA's
		Spotlight on Africa Nordic Roadshow (Copenhagen)	Reached 231 TO's
		Spotlight on Africa Nordic Roadshow (Oslo)	
		Spotlight on Africa Nordic Roadshow (Stockholm)	
	High-level trade liaison		
	5	NTB & SAA Networking Dinner (Frankfurt)	Attended by 21 PM's & MD's of leading TO's
		NTB & Air Namibia Networking Dinner (Berlin)	Attended by 20 PM's & MD's of leading TO's
		NTB & SAA Networking Dinner (Paris)	Attended by 194 PM's & MD's of leading TO's
		NTB & SAA Networking Dinner (Milan)	
		NTB & SAA Networking Dinner (Rome)	
	E-Learning programmes		
	2	E-Learning Programme – FVW Academy (DE, AT, CH)	Reached over 8,000 TA's
		E-Learning Programme – FTI & SAMOVA brand cooperation	Expected reach over 2,000 TA's
	MICE events & presentations		
	4	Destination Circle's Summer Summit	Reached 52 MICE DM's
		MICE Board's MICE Boat	Reached 49 MICE DM's
		Destination Circle's MICE Trophy	Reached 18 MICE DM's
		NTB & Condor MICE event at IMEX (Frankfurt)	Attended by 60 DM's from Europe, Asia & Americas
UNITED KINGDOM			
	Destination workshops / Namibia presentations		

	5	Trade education – Presentation on Namibia's USP's (face to face)	Reached 35 TA's
	1	Trade education – Presentation on Namibia's USP's (webinar)	Reached 10 TA's
	High-level trade liaison		
	4	Satoa event (Northampton)	Reached 15 PM's
		Satoa event (London)	Reached 16 PM's
		ATTA event (London)	Reached 95 TO's
		Celebrate Africa Workshop (Cirencester)	Reached 11 PM's
	E-Learning programmes		
	1	E-Learning Programme – Namibia Know it all	362 new entrants / sales agents
CHINA			
	Destination workshops / Namibia presentations		
	1	Africa Showcase Asia Roadshow (Hong Kong)	Reached 24 TO's
REST OF ASIA			
	Destination workshops / Namibia presentations		
	2	Africa Showcase Asia Roadshow (Kuala Lumpur)	Reached 73 TO's & Travel Counsellors
		Africa Showcase Asia Roadshow (Singapore)	Reached 66 TO's & Travel Counsellors
	High-level trade liaison		
	1	Courtesy call at Namibia Diplomatic Mission (Kuala Lumpur)	
NORTH AMERICA			
	Destination workshops / Namibia presentations		
	2	Africa Showcase US Roadshow (Washington)	Reached 78 TO's & Travel Counsellors
		Africa Showcase US Roadshow (Los Angeles)	Reached 80 TO's & Travel Counsellors
	High-level trade liaison		
	1	Courtesy call at Namibia Diplomatic Mission (Washington)	
SOUTH AFRICA			
	Destination workshops / Namibia presentations		
	3	Namibia Roadshow (Cape Town)	Reached 146 TO's & TA's
		Namibia Roadshow (Durban)	Reached 71 TO's & TA's
		Namibia Roadshow (Johannesburg)	Reached 90 TO's & TA's

NAMIBIA			
	Stakeholder Engagement		
	1	Fenata Tourism Forum (Ongwediva)	
	1	HTTF & HAN Gala (Windhoek)	
	1	TASA AGM (Windhoek)	
	1	Fenata Stakeholder Session (Windhoek)	
	1	Eco-Awards Management Committee meeting (Windhoek)	
	2	Seminar on Intellectual Property (Ongwediva)	
		Seminar on Intellectual Property (Windhoek)	
	3	National Tourism Competitive Advisory Council (NTCAC)	
	1	Motor Vehicle Accident Fund (MVA Fund)	Discussion on joint marketing initiatives
	1	National Planning Commission (Windhoek)	Short presentation on strategic approach and related success stories
	1	Ministry of Environment & Tourism (Windhoek)	Presented media release at launch of MET 2016 Statistics
	1	Ministry of International Relations and Cooperation (Windhoek)	Presentation at Pre-posting Induction and orientation training for diplomats

VISITING JOURNALIST PROGRAMME (VJP)

SOURCE MARKETS	NUMBER OF VJ's HOSTED	BRIEF DESCRIPTION OF THE EVENTS	DELIVERABLES YIELDED
EUROPE			
	Individual journalists in joint-venture with Air Namibia, SAA & Outbound TO		
	1	TV Producer (DE)	Travel Documentary on TV channel (Sat1; Reach: 900,000 viewers)
	1	Journalist (DE); Key story angle: The Namibian coastline	Travel feature in regional newspaper (Süddeutsche Zeitung; Circulation: 300,000)
	1	Freelancer (DE, AT, CH); Key story angle: Conservation & Communal conservancies	Update version of Namibia Travel Guide (Baedeker Travel Guide; Circulation: 25,000)
	1	Freelancer (DE, AT, CH); Key story angle: latest tourism developments in the Cuvelai & Zambezi Regions as well as special feature on Etosha National Park	Various articles in travel magazine (Süd-Afrika Magazin; Circulation: 30,500)
	1	Freelancer (DE, AT, CH); Key story angle: Conservation projects in Namibia	Article in special-interest magazine (Pure Value; Circulation: 40,000)
	1	Journalist (NL, CH); Key story angle: Motorbiking Tours in Namibia	Travel feature in special interest magazine (Moto Sport; Circulation: 40,000)
	1	Freelancer (DE); Key story angle: vibrant Katutura	Various articles in travel magazine (Süd-Afrika Magazin; Circulation: 30,500)
	1	Photographer (DE); Key story angle: Cultural experiences in the Cuvelai-region	
	1	Freelancer (CH); Key story angle: Conservation & Communities in the Zambezi Region	Article in conservation magazine (Terra; Circulation: 36,470)
	2	TV Producer (DE); Key story angle: Namibia's colonial past vs modern Namibia	Socio-political documentary on TV channel (N24) presented by well-known ex-editor-in-chief and publisher of most important socio-political magazine (Spiegel) and newspaper (Die Welt) in Germany.
	1	Freelancer (DE); Key story angle: Namibia for kids	Feature on Namibia in family magazine (Kinder; Circulation: 205,423)

	1	Blogger (DE, AT, CH); Key story angle: Namibia as ideal self-drive destination for the adventurous traveller	Blog posts on Good Morning World; Reach: 35,000 unique visitors / month; 7,100 Facebook fans; 3,600 Twitter Follower; 23,000 Instagram Follower; 1,500 Pinterest Follower; 320 Google+ Follower; 800 newsletter subscribers
	DE Media Group BEEFER in joint-venture with Air Namibia & Outbound TO		
	6	Journalist + Photographer (DE)	Features on Namibia in special-interest magazines on Cuisine / Food trends (20 Minutes; Circulation: 442,994 + (Fire & Food; Circulation: 35,000) + (Taste & Travel; Circulation: 30,000)
		Influencer (DE)	Features on Namibia on Food Blogg (High Foodality; Reach: 50,000 Follower)
		Celebrity Chef & Influencer (DE & DK)	Follower: 1 million
		Product developer (DE)	Website / Blog (Beefer.de; Reach: 8,800 Follower)
		TV Presenter & Influencer (DE)	Follower: 100,000
		Key story angle: BBQ in Namibia, Micro Brewery; Beefer stations	
	Media Group in joint-venture with Air Namibia & Outbound TO		
	5	Journalist (DE)	Travel feature on online platform of influential socio-political magazine (Focus Online; Reach: 5,6 million)
		Journalist (DE)	Travel feature in regional newspaper (Rhein-Zeitung; Circulation: 179,429)
		Journalist (DE)	Travel feature in national newspaper (Die Welt am Sonntag; Circulation: 415,676)
		Journalist (DE)	Travel feature in special-interest magazine (360* Afrika; Circulation: 5,000; Mannheimer Morgen; Circulation: 53,156)
		Freelancer (DE)	Various articles in travel magazine (Süd-Afrika Magazin; Circulation: 30,500)

		Key story angle: Cultural experiences in the Cuvelai-region	
	Media Group in joint-venture with Air Namibia & Outbound TO		
	7	Journalist (AT)	Travel feature in regional newspaper (Tiroler Tageszeitung; Circulation: 96,354)
		Journalist (AT)	Travel feature in national newspaper (Kronen Zeitung; Circulation: 1,364,636)
		Journalist (AT)	Travel feature in travel magazine (Reiselust; Circulation: 80,000)
		Journalist (AT)	Travel feature in regional newspaper (Kleine Zeitung; Circulation: 354,683)
		Journalist (AT)	Destination feature in travel trade publication (Traveller; Circulation: 10,000)
		Journalist (AT)	Travel feature in local newspaper (Salzburger Nachrichten; Circulation: 67,426)
		Journalist (AT)	Travel feature in travel magazine (ReiseAktuell; Circulation: 43,000)
		Key story angle: Cultural experiences and unique selling points of Southern Namibia	
	Influencer Group in joint-venture with Olympus Germany, Air Namibia & Outbound TO		
	4	Influencer (DE)	@hannes_becker; Instagram reach: 1.1 million Followers
		Influencer (CH/DK)	@cosmokoala; Instagram reach: 110,000 Followers
		Influencer (FI)	@kpunkka; Instagram reach: xxx Followers
		Influencer (US)	@robstrok; Instagram reach: 647,000 Followers
		Key story angle: Photogenic Namibia & Top photo stops in Namibia via the lense of an Olympus camera	
UNITED KINGDOM			
	1	Photographer (UK); Key story angle: Life in the Namib Desert	Travel feature in travel magazine (National Geographic Traveller; Circulation: 43,936)

	1	Freelance Journalist; Key story angle: Namibia's best places to stay in Northern Namibia	10 Lodge reviews (The Telegraph Online; Reach: xxx)
	2	Freelance writers (UK); Key story angle: Namibia as top high-end holiday destination describing the highlights, activities and niche possibilities for the adventure-curious luxury traveller.	Travel feature in daily newspaper (The Irish News; Circulation: 56,000 + 320,000 monthly unique visitors); Travel feature in online lifestyle magazine (Glass Magazine; 839,033 monthly unique visitors); Travel feature in lifestyle magazine (London Glossy Circulation: 100,000 + 255,000 monthly unique visitors); Travel feature in daily newspaper (The Scotsman; Circulation: 21,214 + 2.1 million unique visitors); Travel feature in online lifestyle magazine London Economic Magazine; 750,000 monthly unique visitors)
	1	Travel journalist (UK); Key story angle: Namibia as top holiday destination describing the highlights, activities and niche possibilities for the affluent UK traveller.	(The Sunday Times; Circulation: 739,845); Sunday Times Travel Magazine; Circulation: 67,934; Travel Show on BBC radio; Reach: 11,253,000 listeners)
CHINA			
	0		
REST OF ASIA			
	0		
NORTH AMERICA			
	1	Instagrammer (US)	Fly Brother; Worldwide audience: 70 million
		Key story angle: Omulunga Palm Route	
	2	Social Media Influencer / Instagrammer (Canada)	Reach: xxx
		Key story angle: Four River's Route	
SOUTH AFRICA			
	5	TV Production Team & Presenters (ZA); Key story angle: to show case the fun, active, adventures South Africans can do in Namibia.	Travel reality show on SABC3 TV; (The Man Cave; Reach: xxx viewers); @ManCave_SA: Instagram reach: 15,000 Followers
NAMIBIA			
	1	NBC radio journalist at Indaba	Interview

MULTI-CHANNEL CROSS PROMOTIONS / 360 DEGREE-CAMPAIGNS

SOURCE MARKETS	NUMBER OF CAMPAIGNS REALIZED	BRIEF DESCRIPTION OF THE CAMPAIGNS	DELIVERABLES YIELDED
EUROPE			
	Brand Partnerships		
	5	Online, Social Media, Media, Point of sales (POS) and Print Campaign with Outdoor Brand TRANSA (CH); Main Partners: TRANSA, GloboTrek, Globetrotter Travel Agencies, Condor	Reach: 1 million contacts
		Online, Social Media, Media, Point of sales (POS) and Print Campaign with BBQ Brand BEEFER; Main Partners: Iwanowskis Reisen, Air Namibia	Reach: 1 million contacts
		Online, Social Media, Media, Point of sales (POS) and Print Campaign with Foody Community Food boom; Main Partners: Gebeco, Air Namibia	Reach: 5 million contacts
		Online, Social Media, Media, Point of sales (POS) and Print Campaign with the Tea Brand SAMOVA; Main Partners: FTI, Air Namibia	Reach: 2 million contacts
		Online, Social Media and Print Campaign with the Aerial photography Brand dji; Main Partners: dji, Air Namibia	Reach: 250,000 contacts
	Airline Partnerships		
	4	Out-of-Home Campaign, Social Media and Online Promotion EUROWINGS (DE); Main Partners: Eurowings	Reach: 20 million contacts
		Dedicated Namibia promotion on leading travel page in Germany: "Urlubsguru.de"; Main Partners: Urlaubsguru, Qatar Airways	Reach: 5 million contacts
		Sweepstake on dedicated Micro Page with KLM (NL); Main Partners: KLM Royal Dutch Airlines	Reach: 500,000 contacts
		Development of "Air Namibia Stars" campaign	
UNITED KINGDOM			
	Brand Partnerships		

	1	Main Partners: Nikon (Brand Partner), South African Airways (Airline), and Imagine Africa (TO)	
NTB is working on a content and media partnership with Lonely Planet and Wanderlust, and a Brand Partnership with Nikon. Nikon is a Japanese multinational corporation headquartered in Tokyo, Japan, specialising in optics and imaging products. The campaign includes full access to Nikon's UK consumer database, social media channels, a co-branded microsite and presence throughout their UK website.	Estimated reach: 3,607,167.		
	Joint-Marketing Campaigns		
		Cox & Kings Joint Marketing Activity	
Main Partner: Cox & Kings (Tour Operators)			
NTB UK partnered with Cox & Kings on a joint marketing campaign to increase bookings to Namibia. The campaign included the below activity;			
- Full-page Compass Magazine advertisement– sent to approx. 30,000 previous bookers and subscribers (negotiated free of charge)			
- X1 full-page advertisement in the iPad edition of The Week – read by 39K users.			
- Compass Online blog post			
- Paid social 'boosted' posts including carousel format (including the promotion of above Compass Online blog post) to extend reach to target audience and leverage C&K followers	In progress		
		Voyages Jules Verne Joint Marketing Activity	
Main Partner: Voyages Jules Verne (Tour Operator)			

NTB UK partnered with Voyages Jules Verne on a joint marketing campaign to increase bookings to Namibia. The campaign involved online activity only, including:			
- Email Campaign - Jules Verne 74k database			
- Social Media Timeline Posts – 1 x post on Facebook, Google+ and Twitter			
- Homepage Tour Tile - vjv.com	In progress		
CHINA			
	Joint-marketing campaigns		
	1	NTB China approached Travelzen, one of the biggest tourism enterprises in China, to jointly launch “My Favourite Consumer Voting Campaign” to promote Namibia to Chinese tourists.	Expected reach: 12 million contacts
NAMIBIA			
	1	Put Foot Rally	NTB was main facilitator of the “Put Foot Rally” a five-country self-drive project for 600 adventure seekers in 200 vehicles from all over the globe. NTB liaised with stakeholders and Government Departments (Customs, Immigrations, Welfare/Social Services and Higher Education) and received all permissions and support letters in a short period of time.
	2	Digital Marketing Campaigns	#sharemynamibia – win a digital camera – campaign; Reach: xxx
#sharemynamibia – Christmas campaign; Reach: xxx			
6 x digital adverts, 6 x website banner, 3 x Instagram posts, 3 x Twitter covers			

TRADE FAIRS & CONSUMER SHOWS ATTENDED

SOURCE MARKETS	NUMBER OF NAMIBIAN PARTICIPANTS	BRIEF DESCRIPTION OF THE EVENT	DELIVERABLES YIELDED
EUROPE			
	Main Exhibitor: NTB + 3 Strategic Partners (Air Namibia, Namibia Wildlife Resorts, Gondwana Collection Namibia) + 24 co-exhibitors	ITB - International Travel Exchange (Berlin)	Sponsored table for 5 ETEA members; Estimated number of visitors at consumer desk: 2,000; Estimated number of high-profiled business leads: 1,800 (tbc)
	Main Exhibitor: NTB & Namibian Association of Trophy Hunting Operators (NATHO)	Hohe Jagd & Fischerei Hunting Fair (Salzburg)	Sponsored participation & logistical support (space & compact stand) for NATHO
SOUTH AFRICA			
	Main Exhibitor: NTB + 16 co-exhibitors	Africa's Travel Indaba (Durban)	Estimated number of high-profiled business leads: 800 (tbc)
NAMIBIA			
	NTB only	Namibia Travel Expo (Windhoek)	Table within Unity Square did not attract much attention. Number of contacts: 120
	NTB only	Ongwediva Annual Trade Fair (Ongwediva)	Number of contacts: 1,500

TOURISM INDUSTRY PERFORMANCE

Research and Market Intelligence

The budget cuts and realignment had a significant impact on execution of planned projects by the research unit.

The Unit received a total of 655 requests for data and/or information from a wide spectrum of users which included local, regional and international research, financial and investment institutions, individuals and business in tourism trade, tourism students, media and government institutions which is a testimony that there is a great need for relevant and up to date tourism statistics.

(a) Tourism Satellite Account

The Tourism Satellite Account was launched in January 2018 by the Hon. Minister of Environment and Tourism, Pohamba Shifeta. The direct contribution of the tourism sector in 2015 is estimated at N\$5.2 billion of value added and more than 44,700 jobs. Using the broader economy concept (this includes indirect effects and makes allowances for investment spending in support of tourism activities) the contribution rises to N\$15.1 billion (representing 10.2% of overall GDP) and 100,700 jobs (14.5% of total employment).

Preliminary estimates for 2016 show an improvement on these figures: N\$16.7 billion (10.5% of overall GDP) and 101,000 jobs (14.9% of total employment).

The outlook for the sector over the next four years remains positive and robust. In 2020 tourism-related value added is expected to reach N\$26.4 billion (11.7% of overall GDP) and employment generation is likely to be above 123,000 jobs (16.4% of total employment). These projections are consistent with an increase in foreign tourist arrivals from 1,387,773 in 2015 to 1,724,000 in 2020.

(b) Tourist Accommodation Statistics 2017

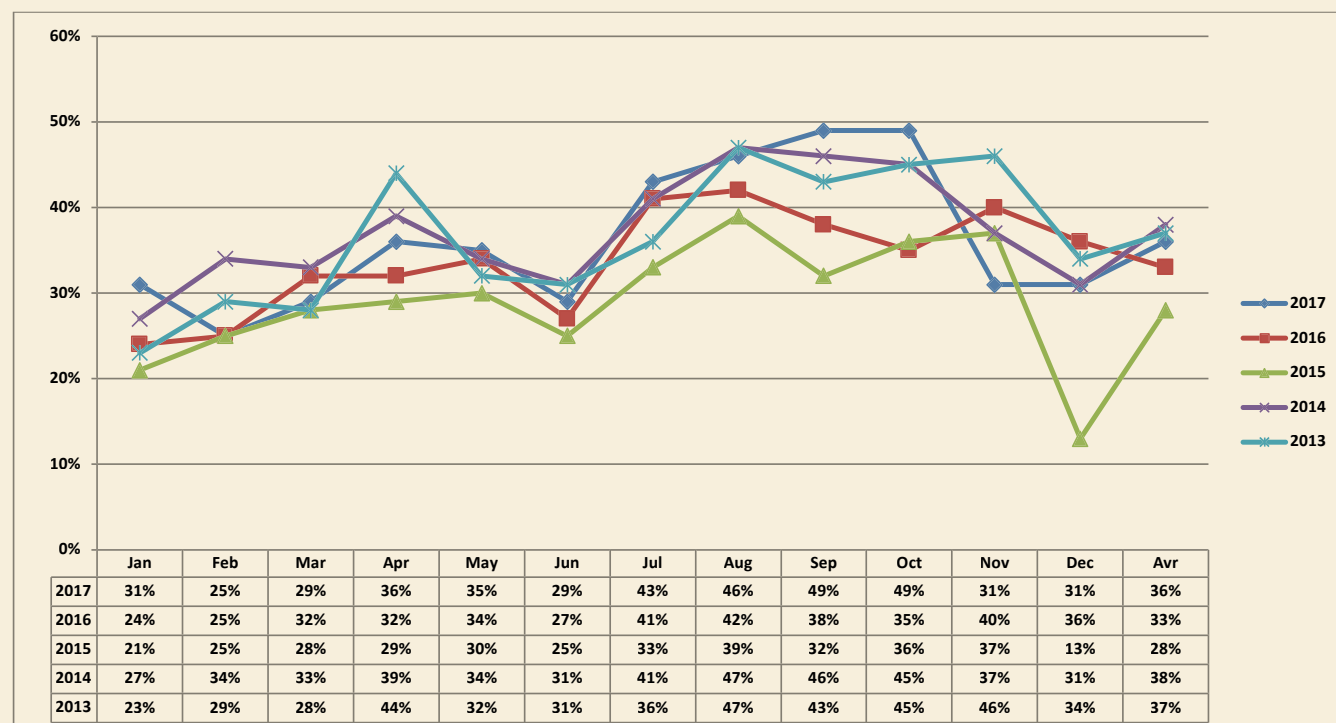
Namibia offers an extensive choice of accommodation facilities, ranging from self –caterings to luxury full board facilities. Statistics on capacity and utilization of accommodation are compiled on a regular basis by the Namibia Tourism Board from the levy return data submitted by the registered accommodation establishments. Further, it highlights the general tourism performance with regards to utilization and travel trends from the source markets.

ACCOMMODATION UTILISATION

Bed occupancy rates

The average bed occupancy rate for 2017 was three percentage points higher than that of 2016 as indicated in figure 1 below.

Figure 1: Bed occupancy rate by month (2013 - 2017)



April/May, and July to October remains the tourism peak season in Namibia as illustrated by Fig.1 above. This means that there is still substantial opportunity to leverage occupancy to smooth out curve of high season.

Figure 2: Bed occupancy rate by month (2016 vs 2017)

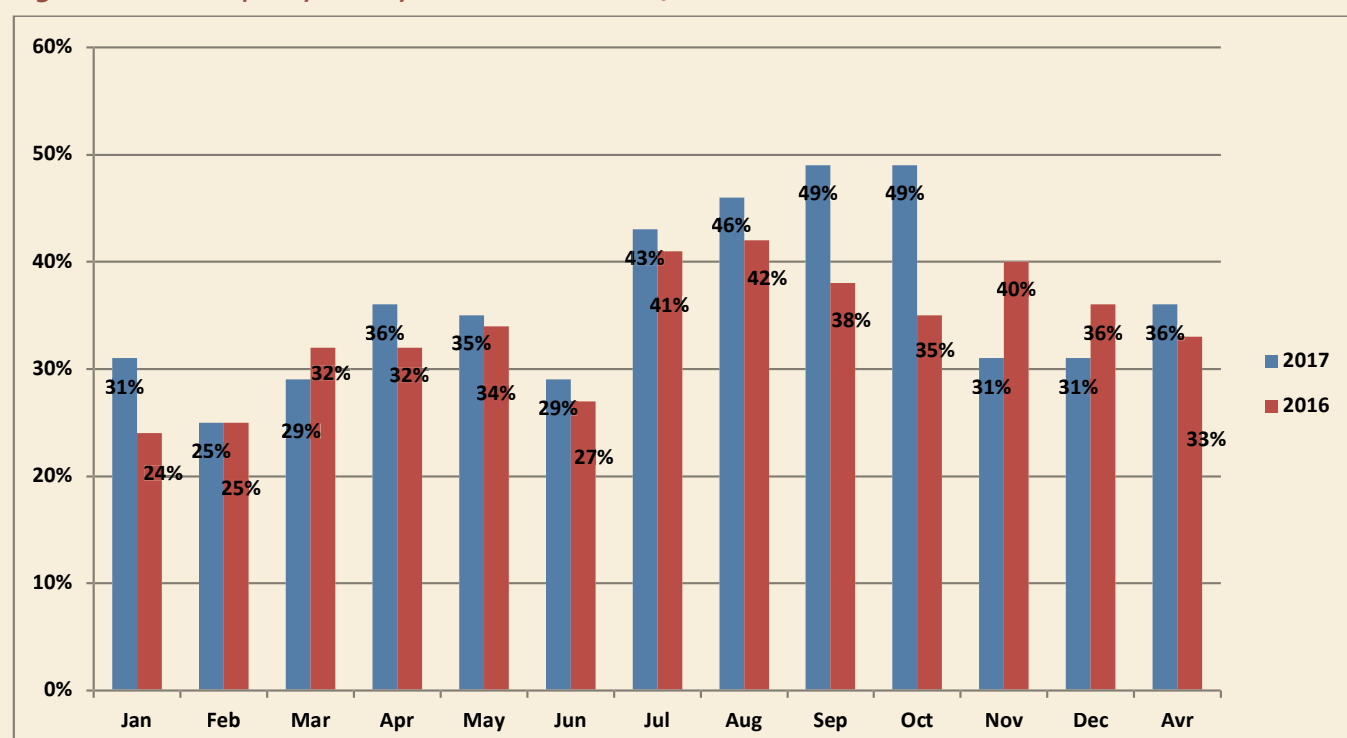


Figure 2 above shows that bed occupancy rates for 2017 were generally better compared to 2016.

Figure 3: Average Bed occupancy rate by category (2016 vs 2017)

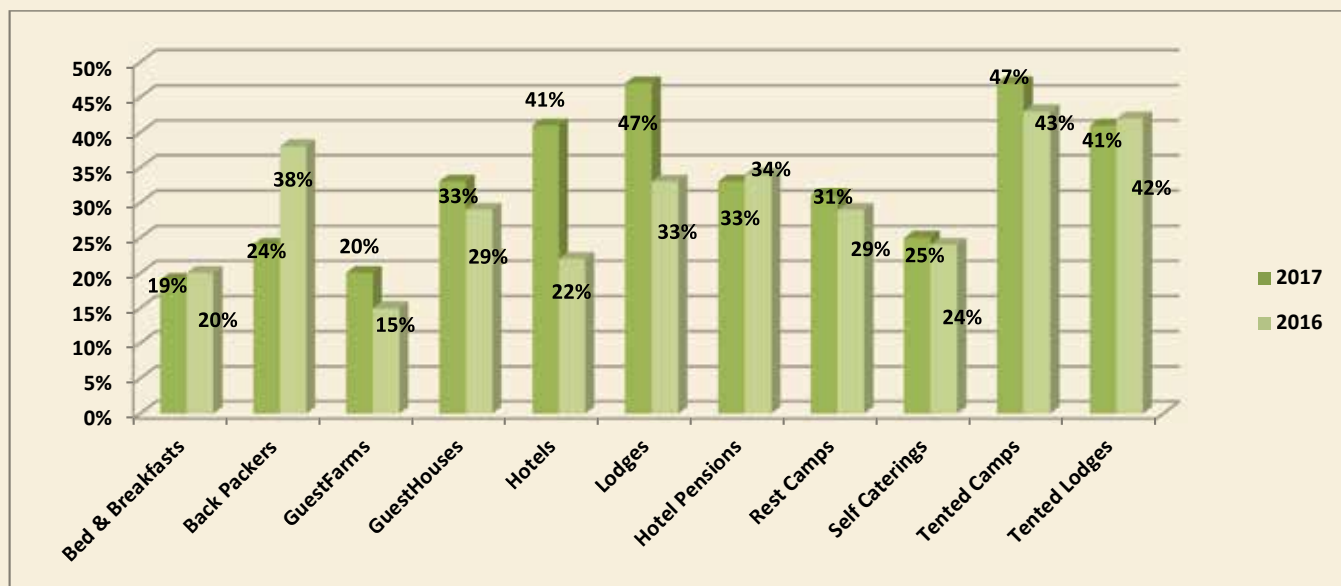


Fig. 3 above shows that Tented camps, Hotels, Lodges and Guesthouses recorded an increase in 2017 compared to 2016.

Figure 4: Average Bed occupancy rate by region (2016 vs 2017)

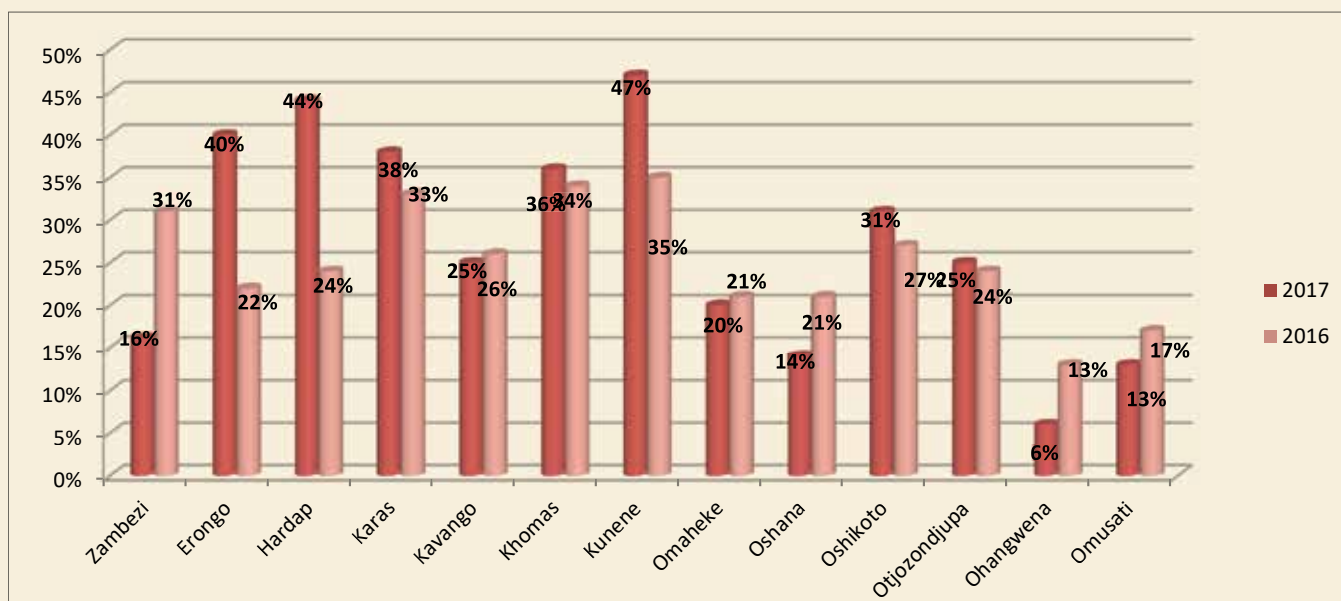


Figure 4 above illustrates that Erongo (40% vs 22%), Hardap (44% vs 24%), Oshikoto (47% vs 35%) and Karas (38% vs 33%) had exceptionally good occupancies in 2017 compared to previous year.

Figure 5: Tourist Arrivals by Year: 2013 - 2018

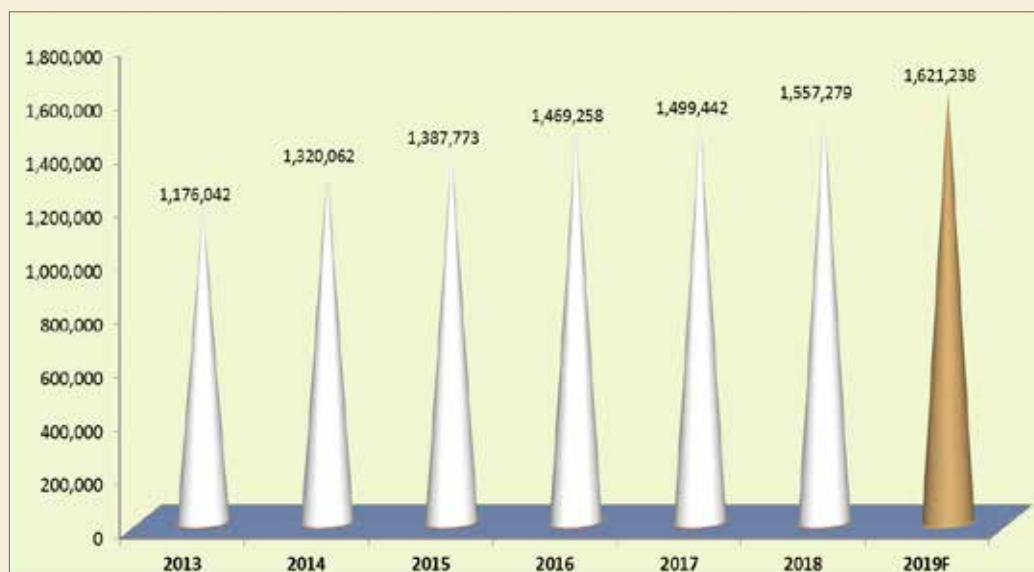
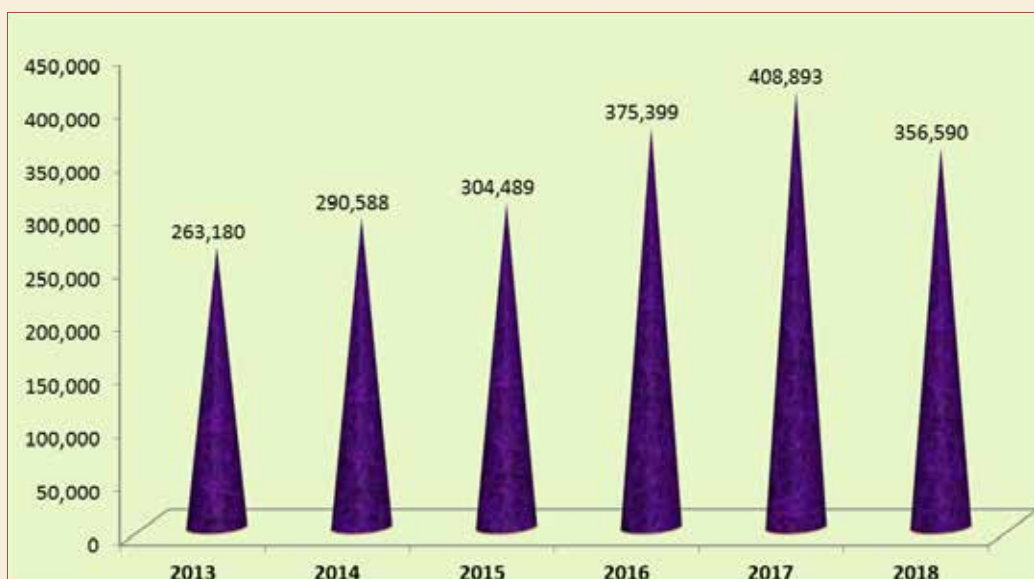


Figure 6: Tourist Arrivals - Growth Rate: 2013 - 2018



Figure 7: Overseas Tourist Arrivals : 2013 - 2018



QUALITY ASSURANCE

A. Registrations Profile

Classes/Categories of Tourism Business	Number of registered businesses by end March 2017	Newly registered businesses till end March 2018	Total
Accommodations establishments	2195	158	2353
Regulated businesses	2205	183	2388
Total	4400	341	4741

Notes:

- (a) A total of **158** new accommodation business were registered
- (b) A total of **183** new regulated businesses were registered
- (c) A **341** combined new businesses were registered under the period

B. Inspections Profile

Classes/Categories of Tourism Business	Routine Inspections for existing businesses	Star Grading Inspections	Total
Accommodation & Regulated businesses	1001	2	1003
Regulated	680		680
	1681	2	1683

Summary

1. A 6.2% growth in accommodation establishment is noted with a 8.3% growth in regulated businesses
2. Fewer routine inspections were conducted with an increase into levy inspections
3. Two grading inspections were undertaken during the review period

NOTE: The increase in business registration is attributed to increased law enforcement operations and such has increased the levy contribution

C. Law Enforcement

A total of **11 criminal cases** were opened with the Namibian police against illegal businesses

D. Industry Capacity Building Interventions

Capacity Activity(ies) conducted	Objective	Description of the industry capacity building intervention	Number of Participants attended	Number of participants
Career Awareness Campaigns	1. To create career awareness among school learners from Grade 10 to Grade 12 and provide them with career options in the Tourism and Hospitality Industry	To introduce the Namibia Tourism Board to the audience Conducting of career guidance at schools and other related platforms for the Grade 10 – 12 learners. Career Fairs attended/ conducted:		
	2. To sensitize school learners about the importance of the Tourism and Hospitality Industry to Namibia's economic development	1. Oshana Region	2089	2089
		2. Kunene Region (NUST Annual Career Fair)	2250	2250
	3. To expose school learners to the Tourism and Hospitality Industry	3. Kunene East & West Regions	2005	2005
	4. To distribute career guide booklets and pamphlets			
	5. To introduce the Namibia Tourism Board to the audience and to the public			

CORPORATE SERVICES

Equal Employment Opportunities

As per the Employment Equity Act, NTB is required to provide information about compliance with obligations to be a good employer, including its Equal Employment Opportunities (EEO) Programme.

Set out below is a work place profile for NTB as 31st March 2018.

Fig 1: Staff Profile

JOB CATERGORY	Racially Disadvantage		Racially Advantage		Persons with Disability		Non Namibians		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Executive Management	3	1							3	1
Middle Management	2	2					1	1	3	3
Other staff	17	25				1			17	26
Total Permanent employees	24	28	1			1			24	29
Casual/Temporary or internship	0	3							0	0
TOTAL	24	28	1			1			25	29

All staff members employed at the Head Office are Namibian citizens and all, with the exception of one (1) are classified as belonging to the previously disadvantaged group. NTB operates in 2 foreign offices and employs people of different nationalities, race and ethnicity. The organisation recognises the value of a diverse workforce and the importance of working together to deliver on outcomes. Women continue to be well represented at all levels of the organisation. They represent 54 percent of the permanent staff members employed at the Head Office are female with one staff member with a disability among its permanent employees at the Head Office.

Staff Academic Qualifications

NTB boasts a well-educated Team with some members of Executive Management in possession of a Master's Degree in Tourism and a Master's Degree in Business Leadership (MBL) whilst some Executive Committee (EXCO) members are in the process of completing MBA Programmes and other post graduate qualifications.

Qualification Type	Executive Management	Management	Other Staff
Postgraduate (Postgraduate Diploma, Masters degree, etc)	3	2	0
Graduate (Bachelors degree)	0	5	11
Diploma			13
Certificate			5
Grade 12			12
Grade 10 and below			2

The overwhelming majority of other staff members are in possession of a tertiary education qualification either in the form of a Certificate, Diploma or Bachelor Degree and only 21 percent of permanent staff members are not in possession of a tertiary education qualification.

Presently eight (8) staff members are active students in various fields such as Business Management and Administration (Post and Undergraduate levels), Tourism and Marketing Management, Supply Chain and Logistics, either on a distance or part-time mode which is further testimony that NTB employees practically subscribe to the continuous education concept Life Long Learning.

Employment type

Position Band	Fixed Term Contract Employees	Permanent Contract Employees
Executive Management	4	0
Middle Management	2	4
Other staff	0	44
TOTAL	6	48

NTB staff establishment comprises of the following:

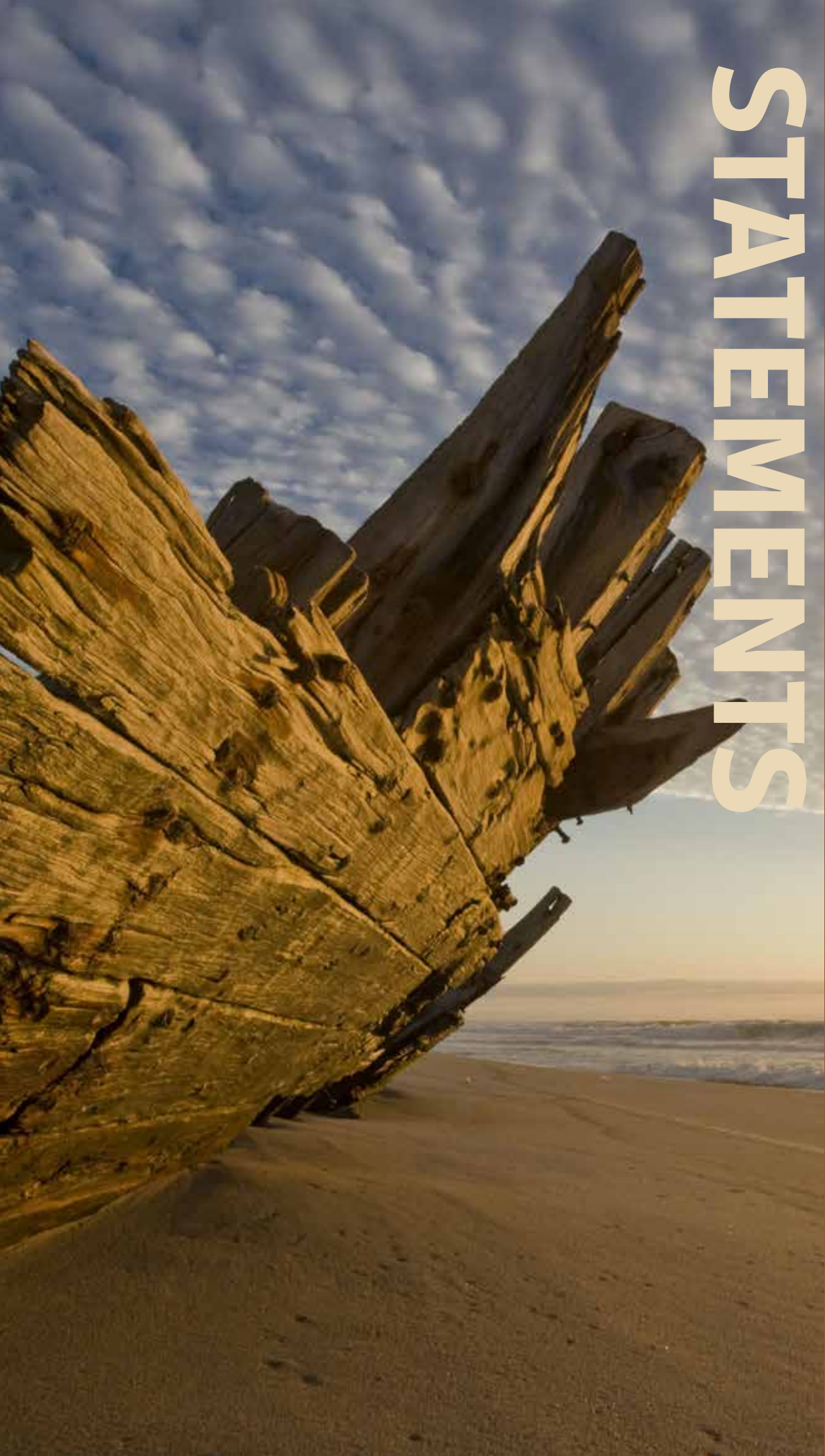
- Six Executive managerial positions,
- Eleven middle management positions and
- Approximately 56 non-management positions

Staff Turnover

During the period under review three staff members have resigned (one middle management member, one supervisor and one ordinary staff member) which translates into a staff turnover of 6 percent which is within acceptable levels vis-a-vis best practices related to labour related evaluations of staff turnover management

JOB CATERGORY	Staff Resignations Male	Female	TOTAL
Executive Management	0	0	0
Middle Management	1	0	1
Other staff	1	1	2
TOTAL	2	1	3

FINANCIAL STATEMENTS



**NAMIBIA TOURISM BOARD
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. QUALIFIED AUDIT OPINION

I have audited the financial statements of the Namibia Tourism Board for the financial year ended 31 March 2018. These financial statements comprise the balance sheet, income statement and statement of cash flows for the year then ended, and a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, the financial position of the Namibia Tourism Board as at 31 March 2018 and its financial performance and cash flows for the year then ended.

2. BASIS FOR QUALIFIED AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the code of ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the code of ethics.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. A qualified audit opinion is being expressed due to the following:

- Lack of use of an established accounting framework as adopted for use in Namibia.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have nothing to report in this regard.

4. OTHER INFORMATION

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

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with acceptable standards and legislation, and for such internal control as management determines 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, management is responsible for assessing the Entity'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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible of overseeing the entity's financial reporting process.

6. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions, 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 the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit.

- 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 my 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 controls.
- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit

evidence obtained up to the date of my report. However, future events or conditions may cause the Entity 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

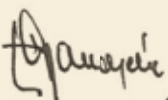
I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accounts were submitted later than required by the Accounting Officer to the Auditor-General on the 4 April 2019 in terms of Section 2(b) of the Namibia Tourism Board Act, 2000 instead of three (3) months after years end.

WINDHOEK, July 2019


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

**NAMIBIA TOURISM BOARD
BOARD OF DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

The Board presents its report for the year ended 31 March 2018.

1. BUSINESS AND OPERATIONS

The Board's business and operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

The Board is engaged in promoting tourism in Namibia according to statutory agreements.

2. STATEMENT OF RESPONSIBILITY

Directors' Responsibility for the Financial Statements

The Board's directors are responsible for the preparation and fair presentation of these annual financial statements and for ensuring regularity of the financial transactions. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board is also responsible for the system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatements and losses. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the board has every reason to believe that it has adequate resources in place to continue its operations for the foreseeable future.

NAMIBIA TOURISM BOARD
BOARD OF DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

3. FINANCIAL RESULTS

The Board's (deficit)/surplus on ordinary activities for the years is shown below. Annual results are summarised as follows:

	2018	2017
	N\$	N\$
Revenue	57 946 923	61 989 796
Interest received	1 222 729	532 272
	59 169 652	62 522 068
Other income	2 655 621	2 692 068
Expenditure	(62 091 401)	(55 548 712)
Interest paid	(1 820 686)	(1 868 810)
Net (deficit)/surplus for the year before adjustments	(2 086 814)	7 796 614
Adjustments	(16 961 957)	(238 344)
Net (deficit)/surplus for the year	(19 048 771)	7 558 270

Liquid assets

Cash and cash equivalents	28 163 300	24 688 086
---------------------------	------------	------------

4. PROPERTY, PLANT AND EQUIPMENT

The Board acquired property, plant and equipment amounting to N\$ 211 954 (2017: N\$ 2 040 051) during the year under review.

5. EVENTS SUBSEQUENT TO THE YEAR END

The Board of directors are not aware of any subsequent events that have impact on the financial statements.

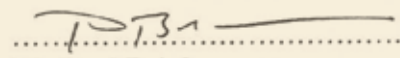
6. BOARD OF DIRECTORS

The Board of directors who served during the year are as follows:

Name	Date of Appointment	End of Term
Mr Paul Brinkmann (Chairperson)	01 April 2018	31 March 2020
Ms Madelein Goagoses (Vice Chairperson)	01 April 2018	31 March 2020
Ms Marie Friede (Board Member)	01 April 2018	31 March 2020
Mr Silas-Kishi Shakumu (Board Member)	01 April 2018	31 March 2020
Mr Terence Makari (Board Member)	01 April 2018	31 March 2020

7. APPROVAL

The financial statements were approved by the Board in May 2019 and signed by the Chairperson:

A handwritten signature in black ink, appearing to read 'P. Brinkmann', is written over a horizontal dotted line.

Mr Paul Brinkmann
Chairperson

Windhoek, June 2019

**NAMIBIA TOURISM BOARD
ANNUAL FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31 MARCH**

ASSETS	Note	2018	2017
		N\$	N\$
Non-current assets		56 503 712	68 595 229
Property, plant and equipment	2	54 824 154	65 275 769
Intangible assets	3	1 679 558	3 319 460
Current assets		29 494 854	25 941 417
Trade and other receivables	4	1 331 554	1 253 331
Cash and cash equivalents	5	28 163 300	24 688 086
TOTAL ASSETS		85 998 566	94 536 646
FUNDS AND LIABILITIES			
Funds and reserves			
Accumulated funds		50 057 264	69 106 035
Long-term liabilities			
Long-term portion of the loan	13	16 857 639	18 321 284
Current liabilities		19 083 663	7 109 327
Trade and other payables	6	16 400 332	4 209 005
Provisions	7	1 225 152	1 249 996
Short-term portion of the loan	13	1 458 179	1 650 326
TOTAL FUNDS AND LIABILITIES		85 998 566	94 536 646

**NAMIBIA TOURISM BOARD
ANNUAL FINANCIAL STATEMENTS
INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH**

	Note	2018 N\$	2017 N\$
Revenue	8	57 946 923	61 989 796
Other income	12	2 655 621	2 692 068
Other operating expenses		(62 091 401)	(55 548 712)
Operating (deficit)/surplus	9	(1 488 857)	9 133 152
Interest received	10	1 222 729	532 272
Interest paid		(1 820 686)	(1 868 810)
Net (deficit)/surplus for the year before adjustments		(2 086 814)	7 796 614
Adjustments	15	(16 961 957)	(238 344)
Net (deficit)/surplus for the year		(19 048 771)	7 558 270
ACCUMULATED SURPLUS			
- Beginning of the year		69 106 035	61 547 765
- End of the year		50 057 264	69 106 035

NAMIBIA TOURISM BOARD
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH

	Note	2018 N\$	2017 N\$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		59 743 936	64 681 864
Cash paid to suppliers		(54 259 901)	(55 931 156)
Cash generated by operations	11	5 484 035	8 750 708
Interest received	10	1 222 729	532 272
Interest paid		(1 820 686)	(1 868 810)
Net cash flows from operating activities		4 886 078	7 414 170
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(211 954)	(2 040 051)
Purchase of intangibles		(515 200)	-
Other		(1 947)	(7)
Proceeds from sale of property, plant and equipment		974 029	38 416
		244 928	(2 001 642)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of long-term loan		(1 655 792)	(1 459 582)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS			
		3 475 214	3 952 946
CASH AND CASH EQUIVALENTS –BEGINNING OF THE YEAR			
		24 688 086	20 735 140
CASH AND CASH EQUIVALENTS –END OF YEAR			
	5	28 163 300	24 688 086

NAMIBIA TOURISM BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

1. ACCOUNTING POLICIES

1.1 Introduction

The annual financial statements set out in Annexures B to E were prepared on the historical cost basis and incorporate the following principal accounting policies, which are consistent in all material aspects with those applied in the previous year.

1.2 Revenue recognition

Revenue comprises grants received from the Government of the Republic of Namibia and from other sources to defray costs necessarily incurred by the Namibia Tourism Board as well as levies and fees collected in terms of the Namibia Tourism Board Act, 2000 (Act 21 of 2000).

1.3 Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investments.

1.4 Property, plant and equipment

All property, plant and equipment are initially recorded at cost and adjusted for any impairment in value.

Impairment losses and reversal of impairment losses are recognised in the income statement.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

- Buildings	2%
- Motor vehicles	20 %
- Furniture and fittings	20 %
- Office equipment	20 %
- Computer equipment	33.3 %

1.5 Provisions

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

1.6 Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis relative to the costs that it is intended to compensate. Where the grant relates to an asset, the fair

NAMIBIA TOURISM BOARD
NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH (cont'd)

value is credited to the deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

1.7 Foreign currency transactions

Transactions

Foreign currency transactions are recorded, on initial recognition in Namibian Dollar, by applying to the foreign currency amount the exchange rate between the Namibia Dollar and the foreign currency at the date of the transactions.

At each balance sheet date:

- (a) Foreign currency monetary items are reported using the closing rate,
- (b) Non- monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction, and
- (c) Non- monetary items which are carried at fair value denominated in a foreign currency are reported using the exchange rates that exist when the fair values were determined.

Net investment in foreign currency

Exchange differences arising on a monetary item that, in substance, forms part of the net investments in a foreign entity are classified as equity in the financial statements until the disposal of the net investment, at which time they are recognised as income or expenses.

Foreign operations that is integral to the operations of the Board

The financial statements of a foreign operation that is integral to the operations of the Board are translated using the same standards and procedures as if the transactions of the foreign operations had been those of the Board itself.

1.8 Financial instruments

Financial instruments carried on the statement of financial position include trade and other receivables, cash and cash equivalents, investments, leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

1.9 Intangible assets

Computer software programs are expensed in the year in which they are acquired, unless when it forms part of the cost of an intangible asset that meets the recognition criteria of IAS 38, paragraph 18-67.

After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortisation accumulated impairment losses.

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH (cont'd)

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

- Computer software 20%

2. PROPERTY, PLANT AND EQUIPMENT

	2018			2017		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Land	1 865 313	-	1 865 313	1 865 313	-	1 865 313
Building	62 340 936	(9 995 936)	52 345 000	62 311 150	-	62 311 150
Motor vehicles	3 590 892	(3 438 381)	152 511	4 841 460	(4 272 093)	569 367
Furniture and fixtures	1 770 676	(1 574 376)	196 300	1 835 347	(1 672 381)	162 966
Office equipment	422 054	(411 599)	10 455	413 231	(407 495)	5 736
Computer equipment	4 686 280	(4 431 705)	254 575	4 640 856	(4 279 659)	361 237
	74 676 151	(19 851 997)	54 824 154	75 907 397	(10 631 628)	65 275 769

NAMIBIA TOURISM BOARD
NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH (cont'd)

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Adjustments	Depreciation and impairment	Carrying value at end of year
	N\$	N\$	N\$		N\$	N\$
2018						
Land	1 865 313	-	-	-	-	1 865 313
Building	62 311 150	29 786	-	(2 181 932)	(7 814 004)	52 345 000
Motor vehicles	569 367	-	-	-	(416 856)	152 511
Furniture and fixtures	162 966	108 627	-	-	(75 293)	196 300
Office equipment	5 736	8 824	-	-	(4 105)	10 455
Computer equipment	361 237	64 717	-	1 947	(173 326)	254 575
	65 275 769	211 954	-	(2 179 985)	(8 483 584)	54 824 154
2017						
Land	1 865 313	-	-	-	-	1 865 313
Building	60 729 784	1 581 366	-	-	-	62 311 150
Motor vehicles	1 223 475	-	(38 417)	-	(615 691)	569 367
Furniture and fixtures	100 121	130 179	-	-	(67 334)	162 966
Office equipment	20 969	3 350	-	-	(18 583)	5 737
Computer equipment	151 164	325 156	-	-	(115 084)	361 236
	64 090 826	2 040 051	(38 417)	-	(816 692)	65 275 769

Details of Properties

Erf no 8716, Windhoek

The property consists of Erf 8716, Windhoek, and measures 2,239 square meters and is registered under the title deed T933/2013. The property is securing a loan detailed on note 13 of these financial statements.

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH (cont'd)

3. INTANGIBLE ASSETS

	2018			2017		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Computer software	11 143 101	(9 463 543)	1 679 558	10 627 901	(7 308 441)	3 319 460
	11 143 101	(9 463 543)	1 679 558	10 627 901	(7 308 441)	3 319 460

The carrying value of intangible assets can be reconciled as follows;

	Carrying value at the beginning of the year	Additions	Amortisation	Carrying value at the end of the year
	N\$	N\$	N\$	N\$
2018				
Computer software	3 319 460	515 200	(2 155 102)	1 679 558
	3 319 460	515 200	(2 155 102)	1 679 558
2017				
Computer software	5 444 980	-	(2 125 520)	3 319 460
	5 444 980	-	(2 125 520)	3 319 460

4. TRADE AND OTHER RECEIVABLES

	2018 N\$	2017 N\$
Trade receivables	8 034 198	8 281 458
Provision for doubtful debts	(7 224 976)	(7 343 693)
Employee costs in advance	55 814	12 745
Prepayments	166 877	166 877
Other	165 975	-
Deposits	133 666	135 944
	1 331 554	1 253 331

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand balances and with banks. Cash and cash equivalents included in the cash flow statement comprise the following:

Cash on hand	444	191
Bank balances	9 475 225	12 564 754
Investment (*)	18 687 631	12 123 141
	28 163 300	24 688 086

(*) - The investment with Simonis Storm attracts interest at market rates.

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH (cont'd)

	2018	2017
	N\$	N\$
6. TRADE AND OTHER PAYABLES		
Trade payables	1 648 231	3 468 685
Deposit – Office of the Prime Minister	120 950	120 950
Accrued expenses	14 137 385	125 604
Owing to Ministry of Environment and Tourism (KORA)	493 766	493 766
	16 400 332	4 209 005
7. PROVISIONS		
Provisions : Leave Days	866 386	882 545
Provisions : Bonus	358 766	367 451
	1 225 152	1 249 996
8. REVENUE		
Revenue comprises turnover which excludes value added tax and represents the invoiced value of services provided.		
Major classes of revenue comprise the following:		
Operational grant - GRN	10 000 000	17 611 206
Additions renovations and alterations fees	187 013	191 600
Application fees	786 960	550 700
Levies received	42 602 684	39 066 023
Interest on outstanding levies	1 899 030	1 909 783
Registration fees	124 000	73 250
Replacement fees	177 960	105 900
Participation fees	2 152 026	2 481 334
Grading fees	17 250	-
	57 946 923	61 989 796

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH (cont'd)

	2018 N\$	2017 N\$
9. OPERATING SURPLUS		
Operating (deficit)/surplus is stated after:		
<i>Expenditure</i>		
Auditors' remuneration	122 727	131 006
Employee costs	-	-
Depreciation and amortisation and impairments	10 638 686	2 942 212
Provision for bad debts	-	1 001 281
Operating lease rentals	1 581 417	2 140 190
- Premises	1 581 417	1 861 794
- Other assets	-	278 396
Foreign currency movements	317 210	(36 036)
10. FINANCE INCOME		
Interest income		
- Financial institutions	1 222 729	532 272
11. CASH GENERATED BY OPERATIONS		
Net operating deficit	(2 086 814)	7 796 614
<i>Adjustments for:</i>		
Depreciation and amortisation	10 638 686	2 942 212
Prior period depreciation	2 181 932	7
Interest received	(1 222 729)	(532 272)
Movement in provisions	(24 844)	(118 434)
Profit on disposal of fixed assets	(974 029)	-
Interest paid	1 820 686	1 868 810
Prior year adjustments	(16 961 957)	(238 344)
OPERATING SURPLUS BEFORE CHANGES IN WORKING CAPITAL	(6 629 069)	11 718 593
CHANGES IN WORKING CAPITAL	12 113 104	(2 967 885)
(Increase)/decrease in trade and other receivables	(78 223)	215 393
Increase /(decrease) in trade and other payables	12 191 327	(3 183 278)
Cash generated by operations	5 484 035	8 750 708

NAMIBIA TOURISM BOARD
NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH (cont'd)

	2018	2017
	N\$	N\$
12. OTHER INCOME		
(Loss)/gain on exchange differences	(317 210)	-
Profit on sale of plant and equipment	974 029	-
Other income	1 998 802	2 692 068
	2 655 621	2 692 068
13. LONG TERM LOANS		
First National Bank Limited	18 315 818	19 971 610
Presented as follows:		
Short-term portion	1 458 179	1 650 326
Long-term portion	16 857 639	18 321 284
	18 315 818	19 971 610

The loan is repayable over 7 years at average monthly instalments of N\$ 277 601 and attracts interest at prime rate less 1.35%, which currently equates to 8.65% per annum. It is secured by a First Mortgage Bond of N\$ 22 million registered over Erf 8716, Windhoek.

	2018	2017
	N\$	N\$
14. DIRECTORS EMOLUMENTS AND EXPENSES		
Directors Fees	533 000	271 908
Board expenses	590 373	195 631
	1 123 373	467 539

15. ADJUSTMENTS

Withholding tax, penalties and interest	13 424 281	-
Accrued consultancy fees - Syntex	477 368	-
Accrued interest - Syntex	929 233	-
Prior period depreciation on the building	2 181 932	-
Other	(50 857)	238 344
	16 961 957	238 344

16. CONTINGENCIES**16.1 Third party versus Namibia Tourism Board**

A third party is claiming principal debt of N\$ 1 066 168 from Namibia Tourism Board (NTB) for breach of a procurement contract plus interest of N\$ 929 233. Both amounts have been accrued in these financial statements. NTB is disputing the amounts on the basis of breach of contract (failure to deliver a functional system) by the third party and has instituted a counter-claim. In its counter-claim, NTB is claiming damages of N\$ 2 615 974 or N\$ 1 864 840 plus interest at 20% per annum from the

NAMIBIA TOURISM BOARD

NOTES TO THE FINANCIAL STATEMENTS OF THE YEAR ENDED 31 MARCH (cont'd)

date of arbitration award to the date of full payment. The damages are as a result of failure by the third party to deliver a functional system.

The matter has been referred for arbitration and the likely outcome cannot be determined.

16.2 NTB versus a third party

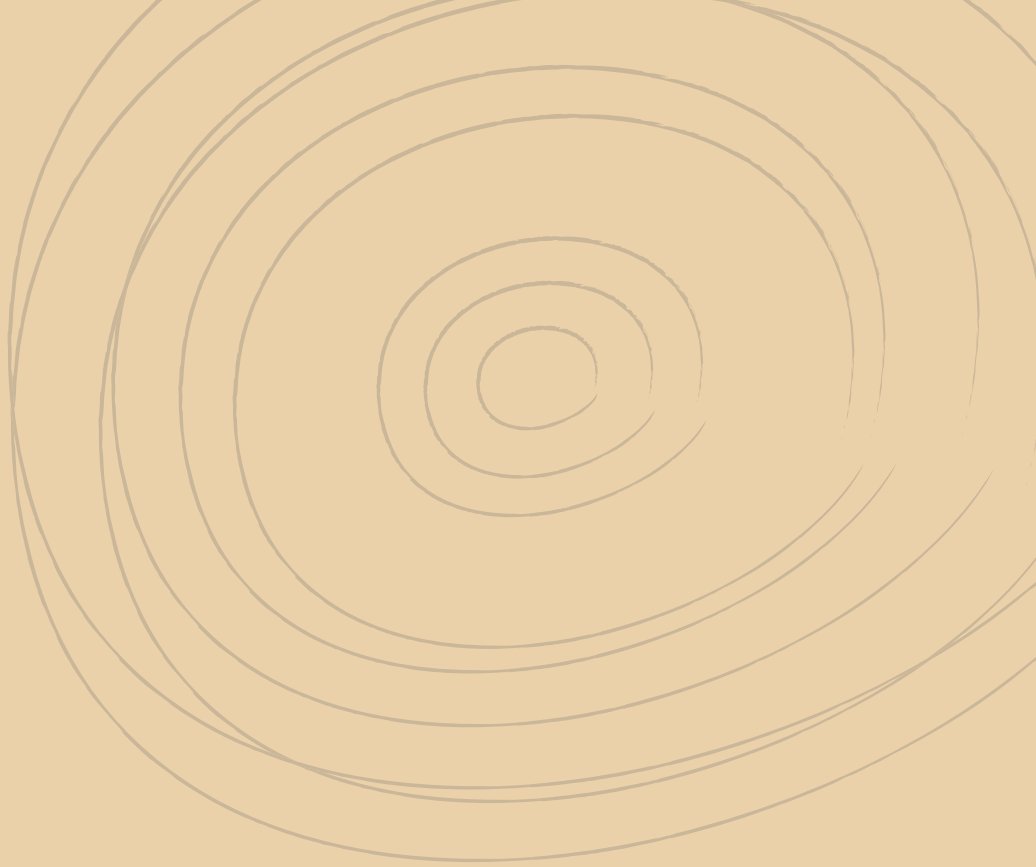
NTB is claiming N\$ 13 424 281 from a third party in respect of amounts deducted from its bank accounts to settle withholding tax, penalties and interest relating to consultancy fees paid to a foreign service provider. Of the total amount, N\$ 3 727 500 was deducted in the 2018 financial year while the balance was deducted in the subsequent financial year. The full amount of N\$ 13 424 281 has been provided for in these financial statements. The third party is alleging lack of compliance with Income Tax Act 1981 (as amended), section 35(2). NTB is of the view that the payment made to the foreign service provider does not fall into the scope of the Income Tax Act 1981 (as amended), section 35(2) and is therefore not liable to pay the amount.

The matter has been referred to the Tax Tribunal for arbitration and the hearing date is yet to be set.

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NOTES

This image shows a single sheet of cream-colored paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no text or other markings on the paper.



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