

RTO Housing Issuer (Proprietary) Limited
Annual Financial Statements
for the year ended 31 August 2024

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	To issue shares, debentures, notes, bonds or other instruments (including options on shares or debentures, notes or units, and rights thereto) to noteholders who subscribe to these notes with the RTO Housing Issuer (Proprietary) Limited and which notes are listed on the Namibian Stock Exchange. These listed instruments will be repaid from cash flows that RTO Housing Issuer (Proprietary) Limited receives from RTO Housing Namibia (Proprietary) Limited.
Directors	ECK Ngula F Hiiko J Hano-Oshike S Pokolo E Kafita
Registered office	No 3 Feld Street Windhoek Namibia
Postal address	P O Box 6705 Ausspannplatz Windhoek Namibia
Holding company	RTO Housing Issuer SPV Trust incorporated in Namibia
Auditor	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)
Legal advisors	Dr Weder, Kauta & Hoveka Inc

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

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RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of Namibia to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS® Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on pages 4 to 7.

The annual financial statements set out on pages 8 to 24, which have been prepared on the going concern basis, were approved and authorised for issue by the directors and were signed on their behalf by:



ECK Ngula



F Hiiko

30-04-2025 | 10:52 SAST

Date
Windhoek



Independent auditor's report

To the Directors of RTO Housing Issuer (Proprietary) Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of RTO Housing Issuer (Proprietary) Limited (the Company) as at 31 August 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Namibia.

What we have audited

RTO Housing Issuer (Proprietary) Limited financial statements set out on pages 8 to 24 comprise:

- the directors' report for the year ended 31 August 2024
- the statement of financial position as at 31 August 2024 ;
- 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 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 entity 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.

PricewaterhouseCoopers, Registered Auditors
1st Floor, PwC Building, 122 Theo-Ben Gurirab Street, Walvis Bay, Erongo Region, Republic of Namibia
P O Box 12, Walvis Bay, Erongo Region, Republic of Namibia
T: +264 (64) 21 7700, F: +264 (64) 21 7800, www.pwc.com.na

Country Senior Partner: Chantell N Husselmann

The Firm's principal place of business is at 1st Floor, PwC Building, 122 Theo Ben Gurirab Street, Walvis Bay, Erongo Region, Republic of Namibia

Partners: Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Willem A Burger, Nina A Coetzer, Audrey C van Antwerpen

Practice Number 9406, VAT reg no. 00203281-015



Our audit approach

Overview

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

<i>Overall materiality</i>	63
<i>How we determined it</i>	1 % of the total assets
<i>Rationale for the materiality benchmark applied</i>	<i>We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of the entity is most commonly measured by users being the shareholders and management. Also as the company has not been operational in the current year or prior years.. We chose 1% which is consistent with quantitative materiality thresholds used for profit -oriented companies.</i>

How we tailored our audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure, the accounting processes and controls, and the industry in which the entity operates

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "RTO Housing Issuer (Proprietary) Limited annual financial statements for the year ended 31 August 2024". 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 IFRS Accounting Standards and the requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing separate 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 entity'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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

PricewaterhouseCoopers

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Willem A Burger
Partner
Walvis Bay, Namibia
Date 30-04-2025 | 10:54 SAST

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of RTO Housing Issuer (Proprietary) Limited for the year ended 31 August 2024.

1. Nature of business

RTO Housing Issuer (Proprietary) Limited was incorporated in Namibia with interests to issue shares, debentures, notes, bonds or other instruments (including options on shares or debentures, notes or units, and rights thereto) to noteholders who subscribe to these notes with the RTO Housing Issuer (Proprietary) Limited and which notes are listed on the Namibian Stock Exchange. These listed instruments will be repaid from cash flows that RTO Housing Issuer (Proprietary) Limited receives from RTO Housing Namibia (Proprietary) Limited. The company operates in Namibia.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS® Accounting Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

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

4. Dividends

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

The directors do not recommend the declaration of a dividend for the year.

5. Directorate

The directors in office at the date of this report is as follows:

Directors	Nationality	Changes
ECK Ngula	Namibian	
F Hiiko	Namibian	Appointed 23 April 2024
J Hano-Oshike	Namibian	Appointed 23 April 2024
S Pokolo	Namibian	Appointed 23 April 2024
E Kafita	Namibian	Appointed 23 April 2024
N Bassingthwaighe	Namibian	Resigned 31 October 2023

6. Going concern

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

The directors believes that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Director's Report

6. Going concern (continued)

We draw attention to the fact that at 31 August 2024, the company had accumulated losses of N\$ 169,803 (2023: N\$ 114,701) and that the company's total liabilities exceed its total assets by N\$ 169,703 (2023: N\$ 114,601). This is due to some administrative expenses incurred by the company. The company has the financial support of N\$ 350,000, provided by RTO Housing Namibia (Proprietary) Limited to pay these administrative expenses as and when they fall due, up until such point that the entity becomes trading. The directors are satisfied that the company has access to adequate resources to continue in operation for the foreseeable future.

7. Holding company

RTO Housing Issuer SPV Trust holds 100% (2023:100%) of the company's issued shares. RTO Housing Issuer SPV Trust is registered in Namibia.

In terms of IFRS 10 it was concluded that the ultimate holding company is Fullbright Investments (Proprietary) Limited who holds 80% in Ongos Valley Development (Proprietary) Limited, which holds 100% in RTO Housing Namibia (Proprietary) Limited, which in turn controls RTO Housing Issuer (Proprietary) Limited. This conclusion is based on the following:

- RTO Housing Namibia (Proprietary) Limited has power as it is able to direct the relevant activities that will significantly affect RTO Housing Issuer (Proprietary) Limited's returns in terms of the bond program when notes are fixed and maintaining the notes through the service agreement;
- The company is exposed to variable returns from its involvement with RTO Housing Issuer (Proprietary) Limited through the preference shares to be issued in terms of the bond program with the notes issued
- It has the ability to use its power to affect its variable returns.

The above assessment is done in terms of IFRS 10, however RTO Housing Issuer (Proprietary) Limited does have legal independence from RTO Housing Namibia (Proprietary) Limited because neither Ongos Valley Development (Proprietary) Limited nor RTO Housing Namibia (Proprietary) Limited hold shares in RTO Housing Issuer (Proprietary) limited and there is an independent board of directors governing its operations. This structure was set up in this way to create insolvency remoteness and independence within the group.

In terms of the service agreement, RTO Housing Issuer (Proprietary) Limited may terminate RTO Housing Namibia (Proprietary) Limited's appointment if certain events of default or insolvency occurs.

8. Events after the reporting period

Subsequent to year end, the company raised N\$ 10,482,200 in November 2024, and N\$ 35,462,200 in February 2025 on the Asset Backed Bond Programme on the Namibian Stock Exchange.

9. Secretary

No company secretary has been appointed.

10. Auditor

The company's auditor is PricewaterhouseCoopers.

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Statement of Financial Position as at 31 August 2024

Figures in Namibia Dollar	Note(s)	2024	2023
Assets			
Current Assets			
Cash and cash equivalents	3	6,341	5,676
Equity and Liabilities			
Equity			
Share capital	4	100	100
Accumulated loss		(169,803)	(114,701)
		(169,703)	(114,601)
Liabilities			
Current Liabilities			
Loans from group companies	5	176,044	120,277
Total Equity and Liabilities		6,341	5,676

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibia Dollar	Note(s)	2024	2023
Other operating expenses	6	(55,102)	(49,998)
Loss for the year		(55,102)	(49,998)
Other comprehensive income		-	-
Total comprehensive loss for the year		(55,102)	(49,998)

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Statement of Changes in Equity

Figures in Namibia Dollar	Share capital	Accumulated loss	Total equity
Balance at 1 September 2022	100	(64,703)	(64,603)
Loss for the year	-	(49,998)	(49,998)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	-	(49,998)	(49,998)
Balance at 1 September 2023	100	(114,701)	(114,601)
Loss for the year	-	(55,102)	(55,102)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	-	(55,102)	(55,102)
Balance at 31 August 2024	100	(169,803)	(169,703)
Note(s)	4		

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Statement of Cash Flows

Figures in Namibia Dollar	Note(s)	2024	2023
Cash flows from operating activities			
Cash used in operations	8	(2,835)	(2,698)
Cash flows from financing activities			
Cash advances received on loans from group companies	5	3,500	6,000
Total cash movement for the year		665	3,302
Cash and cash equivalents at the beginning of the year		5,676	2,374
Cash and cash equivalents at the end of the year	3	6,341	5,676

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

1. Material accounting policies

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

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and IFRIC interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act No. 8 of Namibia.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Namibian Dollars, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS Accounting Standards, requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

The annual financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.3 Financial instruments

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

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Financial liabilities:

- Amortised cost.

Note 12 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

1.3 Financial instruments (continued)

Loans from related parties

Classification

Loans from group companies (note 5) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Loans from related parties expose the company to liquidity risk. Refer to note 12 for details of risk exposure and management thereof.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Accounting Policies

1.3 Financial instruments (continued)

Financial liabilities

Financial liabilities are not reclassified.

1.4 Share capital and equity

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

Ordinary shares are classified as equity.

1.5 Company activities

The company was dormant and incurred bank charges, secretarial fees and audit fees during the financial year under review.

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Annual Improvement to IFRS Accounting Standards 2018-2020: Amendments to IFRS 9

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date of the company is for years beginning on or after 1 January 2022.

The company has adopted the amendment for the first time in the 2024 annual financial statements.

The impact of the amendment is not material.

Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37

The amendment defined the costs that are included in the cost of fulfilling a contract when determining the amount recognised as an onerous contract. It specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These are both the incremental costs of fulfilling the contract as well as an allocation of other costs that relate directly to fulfilling contracts (for example depreciation allocation).

The effective date of the company is for years beginning on or after 1 January 2022.

The company has adopted the amendment for the first time in the 2024 annual financial statements.

The impact of the amendment is not material.

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The company has adopted the amendment for the first time in the 2024 annual financial statements.

The impact of the amendment is not material.

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the annual financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The company has adopted the amendment for the first time in the 2024 annual financial statements.

The impact of the amendment is not material.

Definition of accounting estimates: Amendments to IAS 8

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

2. New Standards and Interpretations (continued)

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in annual financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 1 January 2023.

The company has adopted the amendment for the first time in the 2024 annual financial statements.

The impact of the amendment is not material.

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The company has adopted the amendment for the first time in the 2024 annual financial statements.

The impact of the amendment is not material.

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

2. New Standards and Interpretations (continued)

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 September 2024 or later periods:

IFRS 18 Presentation and Disclosure in Financial Statements

This is a new standard which replaces IAS 1 Presentation of Financial Statements and introduces several new presentation requirements. The first relates to categories and subtotals in the statement of financial performance. Income and expenses will be categorised into operating, investing, financing, income taxes and discontinued operations categories, with two new subtotals, namely "operating profit" and "profit before financing and income taxes" also being required. These categories and sub totals are defined in IFRS 18 for comparability and consistency across entities. The next set of changes requires disclosures about management-defined performance measures in a single note to the financial statements. These include reconciliations of the performance measures to the IFRS defined subtotals, as well as a description of how they are calculated, their purpose and any changes. The third set of requirements enhance the guidance on grouping of information (aggregation and disaggregation) to prevent the obscuring of information.

The effective date of the amendment is for years beginning on or after 1 January 2027.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.

The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, as such features could affect whether the assets are measured at amortised cost or fair value. The amendment also clarifies the date on which a financial asset or financial liability is derecognised in cases where liabilities are settled through electronic payment systems.

The effective date of the amendment is for years beginning on or after 1 January 2026.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2024	2023
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3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	100	100
Bank balances	6,241	5,576
	6,341	5,676

The fair value of cash and cash equivalents approximates their carrying amounts.

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

The credit quality of cash at bank and short-term deposits, excluding cash on hand, that are neither past due nor impaired can be assessed by reference to external credit ratings of counterparties:

Credit rating - Moody's

A (Nedbank Namibia Limited)	6,241	5,576
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Risk exposure

Refer to note 12 Financial instruments and financial risk management for details of risk management for cash and cash equivalents.

4. Share capital

Authorised

4 000 Ordinary shares of N\$1.00 each	4,000	4,000
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Issued

100 Ordinary shares of N\$1 each	100	100
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5. Loans from group companies

RTO Housing Namibia (Proprietary) Limited	164,434	114,277
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The loan is unsecured, interest free and payable on demand. The loan has been subordinated in favour of other creditors until the assets fairly valued exceed the liabilities fairly valued.

Ongos Valley Development (Proprietary) Limited	11,610	6,000
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The loan is unsecured, interest free and payable on demand. The loan has been subordinated in favour of other creditors until the assets fairly valued exceed the liabilities fairly valued.

Split between non-current and current portions

Current liabilities	176,044	120,277
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Fair value of group loans payable

The fair value of loans from group companies approximates their carrying amounts.

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2024	2023
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6. Operating profit (loss)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external

Audit fees	50,157	40,415
Secretarial services	-	6,885
	50,157	47,300

Expenses by nature

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Audit fees	50,157	40,415
Annual duties	2,110	-
Bank charges	2,835	2,698
Secretarial fees	-	6,885
	55,102	49,998

7. Taxation

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting loss	(55,102)	(49,998)
Tax at the applicable tax rate of 32% (2023: 32%)	(14,878)	(15,999)
Tax effect of adjustments on taxable income		
Non-deductable expenses	14,878	15,999
	-	-

No provision for taxation was made as the company did not trade during the year under review and no tax loss exist to be carried forward. No deferred tax asset was recognised for the unused tax loss as no income was generated in the current year of assessment.

8. Cash used in operations

Loss before taxation	(55,102)	(49,998)
Adjustments for non-cash items:		
Expenses paid through related party loan account	52,267	47,300
	(2,835)	(2,698)

9. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Loans from group companies	120,277	52,267	52,267	3,500	176,044
Total liabilities from financing activities	120,277	52,267	52,267	3,500	176,044

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2024	2023
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9. Changes in liabilities arising from financing activities (continued)

Reconciliation of liabilities arising from financing activities - 2023

	Opening balance	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Loans from group companies	66,977	47,300	47,300	6,000	120,277
Total liabilities from financing activities	66,977	47,300	47,300	6,000	120,277

10. Related parties

Relationships	
Ultimate controlling entity	Fullbright Investments (Proprietary) Limited who holds 80% in Ongos Valley Development (Proprietary) Limited
Intermediate controlling entity	Ongos Valley Development (Proprietary) Limited who holds 100% in RTO Housing Namibia (Proprietary) Limited, which in turn controls RTO Housing Issuer (Proprietary) Limited
Holding company	RTO Housing Issuer SPV Trust
Immediate controlling entity	RTO Housing Namibia (Proprietary) Limited

Related party balances

Loan accounts - Owing (to) by related parties

Refer to note 5 for disclosure of balances with related parties.

Related party transactions

No related party transactions were incurred.

11. Directors emoluments

No emoluments were paid to the directors during the year.

12. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Note(s)	Amortised cost	Total
Cash and cash equivalents	3	6,341	6,341

2023

	Note(s)	Amortised cost	Total
Cash and cash equivalents	3	5,676	5,676

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Namibia Dollar

12. Financial instruments and risk management (continued)

Categories of financial liabilities

2024

	Note(s)	Amortised cost	Total
Loans from group companies	5	176,044	176,044

2023

	Note(s)	Amortised cost	Total
Loans from group companies	5	120,277	120,277

Capital risk management

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

There are no externally imposed capital requirements, thus the company is not exposed to capital risk.

Financial risk management

Overview

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

- Credit risk; and
- Liquidity risk.

Credit risk

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

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

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

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Notes to the Annual Financial Statements

Figures in Namibia Dollar

12. Financial instruments and risk management (continued)

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Cash and cash equivalents	3	6,341	-	6,341	5,676	-	5,676

Liquidity risk

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

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and loans from group companies. Loans from group companies have been subordinated in favour of other creditors until the company's assets fairly valued exceed the liabilities fairly valued.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts.

2024

			Less than 1 year	Total	Carrying amount
Current liabilities					
Loans from group companies	5		176,044	176,044	176,044

2023

			Less than 1 year	Total	Carrying amount
Current liabilities					
Loans from group companies	5		120,277	120,277	120,277

13. Going concern

We draw attention to the fact that at 31 August 2024, the company had accumulated losses of N\$ 169,803 and that the company's total liabilities exceed its total assets by N\$ 169,703. This is due to some administrative expenses incurred by the company. The company has the financial support of N\$ 350,000, provided by RTO Housing Namibia (Proprietary) Limited to pay these administrative expenses as and when they fall due, up until such point that the entity becomes trading. The directors are satisfied that the company has access to adequate resources to continue in operation existence for the foreseeable future

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note 5 of these annual financial statements will remain in force for so long as it takes to restore the solvency of the company.

14. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

RTO Housing Issuer (Proprietary) Limited

Annual Financial Statements for the year ended 31 August 2024

Detailed Income Statement

Figures in Namibia Dollar	Note(s)	2024	2023
Other operating expenses			
Annual duties		(2,110)	-
Auditor's remuneration - external audit fees	6	(50,157)	(40,415)
Auditor's remuneration - secretarial services	6	-	(6,885)
Bank charges		(2,835)	(2,698)
		(55,102)	(49,998)
Loss for the year		(55,102)	(49,998)