# INTEGRATED ANNUAL REPORT

For the year ended 28 February 2015

WILDERNESS HOLDINGS

## About this report

### Defining report content and materiality

The sustainability strategy and structure of Wilderness, which is based on the 4Cs (Commerce, Conservation, Community and Culture), was first implemented in 2010. At that time, the content of the integrated reports that followed was also established. Sustainability is built into the very DNA of Wilderness, where sustainability specialists across the 4Cs are employed at both regional and Group levels (see p17). These specialists have been responsible for defining the content of the report, based on the aspects they believe to be most material in their respective C. At the outset, this process was also overseen and advised on by an independent consultant specialising in sustainable ecotourism.

During the process we also defined the various elements of our stakeholder universe (see figure 8, p 19). Aspects are considered material and have been included in the report if, from the process described above, they are believed to have a significant impact on the business or on one or more of our stakeholders and their respective engagement with Wilderness. Regular sustainability workshops held since 2010 have ensured that we continue to re-evaluate our materiality definition process. The sustainability or 4Cs specialists are responsible for prioritising the material issues within their respective C. This is approved by the Sustainability Committee which is tasked by the Board to provide oversight in all sustainability issues. This process also allows us to ensure that any aspects that may under normal circumstances be considered material to the industry, but which we do not believe are material to our organisation or our stakeholders, are given due consideration and attention. We take further comfort that an attempt at a more objective materiality process undertaken in 2015 has resulted in no significant changes to the material aspects covered in the Integrated Report. Where relevant the materiality matrix results are provided in the report, while the full assessment results can be found in the online appendices.

### Scope and boundaries

The scope of this report covers the aspects deemed material in the context of the Group and its stakeholders, based upon the process described above. We have prepared the report in accordance with the GRI G4 – Core. However, the GRI indicators are biased towards manufacturing and extractive industries and contain many matters that are not relevant to our operations. These have been excluded and a note to that effect has been made in the GRI checklist. At the same time, the remaining GRI aspects do not cover all matters which are relevant to us. In order to capture these missing items, we have reviewed a number of sustainable tourism initiatives to identify other possible issues and included these in our assessment framework. The resulting framework is therefore an amalgam of the GRI indicators which are relevant to our business, plus additional indicators from other sources.

Comments about this report and sustainability initiatives detailed herein can be directed to sustainability@wilderness-safaris.com.

This report covers our financial year from 1 March 2014 to 28 February 2015. The financial results reported are those of the Wilderness Holdings Limited Group. A full list of the companies making up this Group is presented in the Appendices.

The financial scope and boundaries of this document have been set in accordance with International Financial Reporting Standards. Full details of the accounting policies adopted are given in the Annual Financial Statements. In terms of the sustainability aspects reported in this document, we have adopted the following approach to setting the scope and boundaries:

- We report the results associated with operations falling directly under our control. This means that camps which we market but do not manage have been excluded from the boundaries, whereas those camps that we manage but do not own have been included. In addition, we have included sustainability data for Central African Wilderness Safaris Limited which was treated as an associate in the financial statements until the effective date of the sale of this business; and
- We have not covered impacts arising in our supply chain. We do, however, intend to extend our boundaries to include our supply chain in future.

A full list of the reporting units falling within the scope of this report is given in the Appendices. To summarise, the report covers:

- Seven offices in five countries (this is a reduction from the 11 offices reported in 2014, due to the sale of our investments in the tour operating business in Swakopmund and the Malawi associate Central African Wilderness Safaris Limited);
- Flying operations in three countries;
- 52 camps in seven countries. This differs from the numbers reported in prior years as the result of the following changes:
  - Addition of Hoanib Skeleton Coast Camp in Namibia;
  - Sale of Pafuri Camp in South Africa which was previously damaged by flooding; and
  - Sale of the Malawi business which operates six camps.

Where possible and meaningful, we have shown the effects of the changes in scope and illustrated trends in performance.

### Accuracy, completeness and comparability of data

This is the Group's fifth integrated report. The data reported in this document is based on our fifth year of reporting on sustainability indicators. We believe that there has been a general improvement in the quality of the data and some errors reported in prior years have been detected and corrected. Nonetheless, some of the data continues to be based upon broad assumptions and extrapolations and requires further refinement (we have noted where this is the case). As time goes by, we expect our measurement and reporting activities to become more sophisticated and therefore more accurate and complete.

### Context and attribution

This report outlines and discusses progress across a wide range of dimensions, using the 4Cs sustainability framework which is explained in some detail in the body of the report. It is important to note that our degree of influence varies across these dimensions and from location to location, depending upon the nature of our tenure and contractual engagement, and local circumstances. As a consequence of this, the extent to which we are solely responsible for any advance or regression in whichever dimension also varies. For example, under the Conservation C, our degree of influence over biodiversity varies greatly and so we take care when claiming any direct attribution.

Likewise, under the Community C, the level of our impact on local communities varies according to the size of the area concerned, the size and proximity of the community concerned, the nature of our involvement, and other factors. We have taken care in these situations to make clear the extent to which any achievements or failures under these dimensions are a consequence of our engagement.

### Assurance

We have considered the recommendation of the King Code of Corporate Governance (King III) to seek independent third party assurance and decided not to seek external assurance this year. We believe that our reporting processes have improved and are still improving after previous assurance engagements. When our sustainability data gathering matures further, we may consider seeking external assurance again, once it is clear that there is real value associated with doing so.

# Contents



# Key performance indicators

The body of this report provides detailed indications of our performance across the 4Cs. This page provides a high-level snapshot of some of our key performance indicators:

## Commerce

### Occupancy rates, owned beds (%)

| | |
|---|---|
| 2013 | 56 |
| 2014 | 62 |
| 2015 | 65 |

Numbers of bednights sold is the most basic determinant of our financial results. However, varying numbers of available beds (due to new camps or closures) distort this result and so occupancy rates in percentage terms are the most useful indicator of capacity utilisation.

*See p33 for further information*

### Turnover (P'ooo)

| | |
|---|---|
| 2013 | 744 935 |
| 2014 | 843 288 |
| 2015 | 944 586 |

Bednight sales, multiplied by the rate achieved per bednight sold (which varies from camp to camp and from season to season), gives us turnover in source currency. This is difficult to illustrate due to the number of currencies involved. Therefore, the turnover, converted into Pula, shows growth of the business.

*See p31 for further information*

### Net profit after tax (P'ooo)

| | |
|---|---|
| 2013 | 27 704 |
| 2014 | 48 490 |
| 2015 | 76 232 |

Our after-tax earnings are the figure of most interest to investors. This is the amount that is attributable to the owners of the Company and could theoretically be distributed to them, subject to the need to retain earnings for working capital and capital expenditure.

*See p110 for further information*

### Headline earnings per share (thebe)

| | |
|---|---|
| 2013 | 11.13 |
| 2014 | 16.07 |
| 2015 | 31.66 |

HEPS is generally accepted as the earnings that relate to the operating/trading of an entity and not those items (such as the revaluation of certain assets) that relate to the capital platform of the business. The operating/trading items are essentially those that reflect performance in the current period (sales, salaries, etc.) and that can be extrapolated (modified or not) into the future.

*See p129 for further information*

## Conservation

### Carbon emissions per bednight (tonnes $CO_2e$)

*Target: 0.08*

| | |
|---|---|
| 2013 | 0.09 |
| 2014 | 0.085 |
| 2015 | 0.081 |

Given concerns about global warming, carbon emissions from the business are of great interest to stakeholders. We report this on a per bednight basis to eliminate the effects of changes in the level of business.

*See p46 for further information*

### Bottled water consumption (l/bednight)

*Target: 0.5*

| | |
|---|---|
| 2013 | 2.16 |
| 2014 | 2.39 |
| 2015 | 1.24 |

Production, transport and disposal of plastic water bottles is a major environmental challenge worldwide. Through the provision of water purified on-site, and the use of recyclable steel bottles, we have significantly reduced the amount of bottled water used in our business.

*See p48 for further information*

## Community

### Joint venture and other payments to community partners (P'ooo)

| | |
|---|---|
| 2013 | 30 851 |
| 2014 | 36 813 |
| 2015 | 43 401 |

Payments for concessions, in the form of rentals, royalties or profit shares, together with wages paid into local communities, constitute a major contribution to local economies.

*See p70 for further information*

### Numbers of staff employed

| | |
|---|---|
| 2013 | 2 594 |
| 2014 | 2 663 |
| 2015 | 2 436 |

Wilderness employs staff from the communities in which our camps or operations are located. This is often in the most remote areas and we strive to train and develop locals to create better opportunities for them.

*See p61 for further information*

### Guest satisfaction (%)

| | |
|---|---|
| 2013 | n/a |
| 2014 | 78 |
| 2015 | 83 |

Our ultimate objective is to satisfy guests and thus encourage repeat visits and word-of-mouth referrals. We therefore track and monitor guest feedback carefully, based on the Ultimate Question "Would you recommend the product to friends/family?"

*See p52 for further information*

**Notes:**

- Targets for financial KPIs have not been shown in view of stock exchange restrictions on publishing forecast data.
- The Culture C does not lend itself to measurable indicators, at least not at our present stage of implementation. For this reason, no KPIs for Culture are presented here. In the body of the report, quantitative KPIs are however given.

# At a glance
# Who is Wilderness?

Our **vision** is to be **Africa's leading ecotourism** organisation, creating **life-changing journeys** in order to build **sustainable conservation economies** and **inspire positive action.**

## Values

Our values provide a moral compass and framework for decision making and day-to-day operations within our organisation.

### Leadership

We have the courage to innovate and are purpose-driven in shaping a better Africa.

### Authenticity

We always remain loyal to the Wilderness Way.

### Integrity

We are respectful, honest and ethical.

## Blueprint

WILDERNESS HOLDINGS

### C COMMERCE

We create life-changing wilderness journeys for our guests and clients, and work closely with our Government partners, conservation and community stakeholders and shareholders, to ensure the ongoing financial success and sustainability of our business.

### C CONSERVATION

We aim to maximise the positive impact of our operations on biodiversity conservation and to build and manage our camps in the most eco-friendly way possible to minimise our negative impact.

$CO_2$

### C COMMUNITY

People are at the heart of our business. We hope to provide opportunities and growth to inspire our staff and external communities to learn about nature, love and conserve it, and to realise the importance of ecotourism.

### C CULTURE

We respect and promote our unique Wilderness culture, as well as those of all our employees and neighbouring rural communities. We hope to positively impact a global culture of respect and care for the environment.

**Figure 1: Blueprint**

**Fun**

We enjoy making a difference and changing people's lives.

**Accountability**

We take responsibility for our actions.

**Commitment**

Our dedication to the environment and our guests is unwavering.

# Top achievements in sustainability

## Commerce

### Wilderness flying business in Botswana implements new initiatives

Following the global economic crisis in 2009, our flying business in Botswana was hard hit. Other than lower passenger numbers resulting from reduced demand out of target markets, an additional contributing factor was the higher fuel costs that peaked at nearly US$130 a barrel in mid-2011 (today around US$65). This led to the implementation of new initiatives in 2012 that included reduced flying to non-Wilderness products, better usage of empty seats by combining staff movements with guest transfers and a greater focus on eliminating dead or empty legs. The result is that over the last three years total kilometres flown have reduced by 7% with the passenger count remaining relatively flat and EBITDA increasing by 44% over 2014, from a loss in 2013.

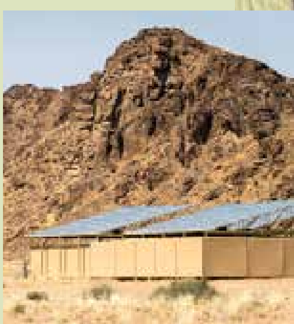
## Conservation

### Black rhino translocated to Botswana

During 2014, Wilderness Safaris successfully translocated a founder population of Critically Endangered black rhino to the Okavango Delta World Heritage Site in a joint collaboration with the Botswana and South African Governments. This is part of an ongoing conservation project to establish a core population of this species in Botswana and will be followed by further translocations from Zimbabwe and South Africa in 2015.

### Namibia solar plant

In Namibia, Hoanib Skeleton Coast Camp, situated in the Palmwag Concession, opened on 1 August 2014. This is our first 100% solar-powered camp in Namibia, following on from the success of the solar conversions in Botswana. The camp's diesel consumption since August was only 382 litres, approximately 4% of the 9 623 litres consumed over the same period at Damaraland Camp (which is a similar size to Hoanib Skeleton Coast Camp). The carbon emissions are minimal, with Hoanib Skeleton Coast only emitting one tonne of $CO_2e$ while Damaraland emitted 25 tonnes $CO_2e$.



# Community

## Children in the Wilderness wins PURE Award for Community Engagement

In 2014, Wilderness Safaris' non-profit Children in the Wilderness (CITW) initiative won the PURE Award for Community Engagement.

Now in its second year, the PURE Awards form part of the annual PURE Life Experiences travel trade event in Morocco, celebrating excellence in the field of high-end experiential travel. After the judging panel selected a shortlist of finalists for six categories, PURE attendees voted for the most deserving initiative in each one.

The Community Engagement category was defined by PURE as an initiative that "strategically and sensitively integrates the local community, aligning itself with the values and priorities of the inhabitants and protecting the authenticity of the culture, while enriching the experience of the traveller."


# Culture

## Wilderness Safaris Ethics Charter and Codes of Conduct for Cultural Tourism

During the reporting period we developed and finalised a comprehensive Wilderness Safaris Ethics Charter and Codes of Conduct for Cultural Tourism which will be the guide for cultural engagement. The Charter highlights positive behavioural conduct for both staff and guests, and promotes ethical engagements which develop mutual respect.

This document is to be launched on Wilderness' Heritage Day 2015 and will also be available for our guests throughout their journey with us. It is to be incorporated into our training manuals and uphold the values of Wilderness.

# Our African footprint

**Seychelles** Wilderness Collection: **22** beds

**1** Managed

**Kenya** Wilderness Collection: **16** beds

**1***

* Segera Retreat in Kenya is not reported on in the sustainability chapters as it falls out of the scope and boundaries of this report.

**Congo** Wilderness Collection: **24** beds

**2** Managed

**Zambia** Wilderness Safaris: **88** beds

Victoria Falls

**1** Owned | **1** Leased

**6** Owned

**Zimbabwe** Wilderness Safaris: **116** beds

Victoria Falls

**5** Owned

**7** Owned

**Namibia** Wilderness Safaris: **270** beds

Windhoek

**11** Owned | **4** Leased

**9** Owned | **4** Managed

**Botswana** Wilderness Safaris: **328** beds • Wilderness Collection: **12** beds

Maun | Gaborone

**14** Owned | **2** Leased

**20** Owned | **2** Managed

**South Africa** Wilderness Safaris: **34** beds

Johannesburg | Cape Town

**1** Owned

Travel Shops and internal sales

Aircraft

Camp operations and explorations

Figure 2: Our African footprint

## Wilderness business model

The Wilderness business model is illustrated in very simple form in the diagram.

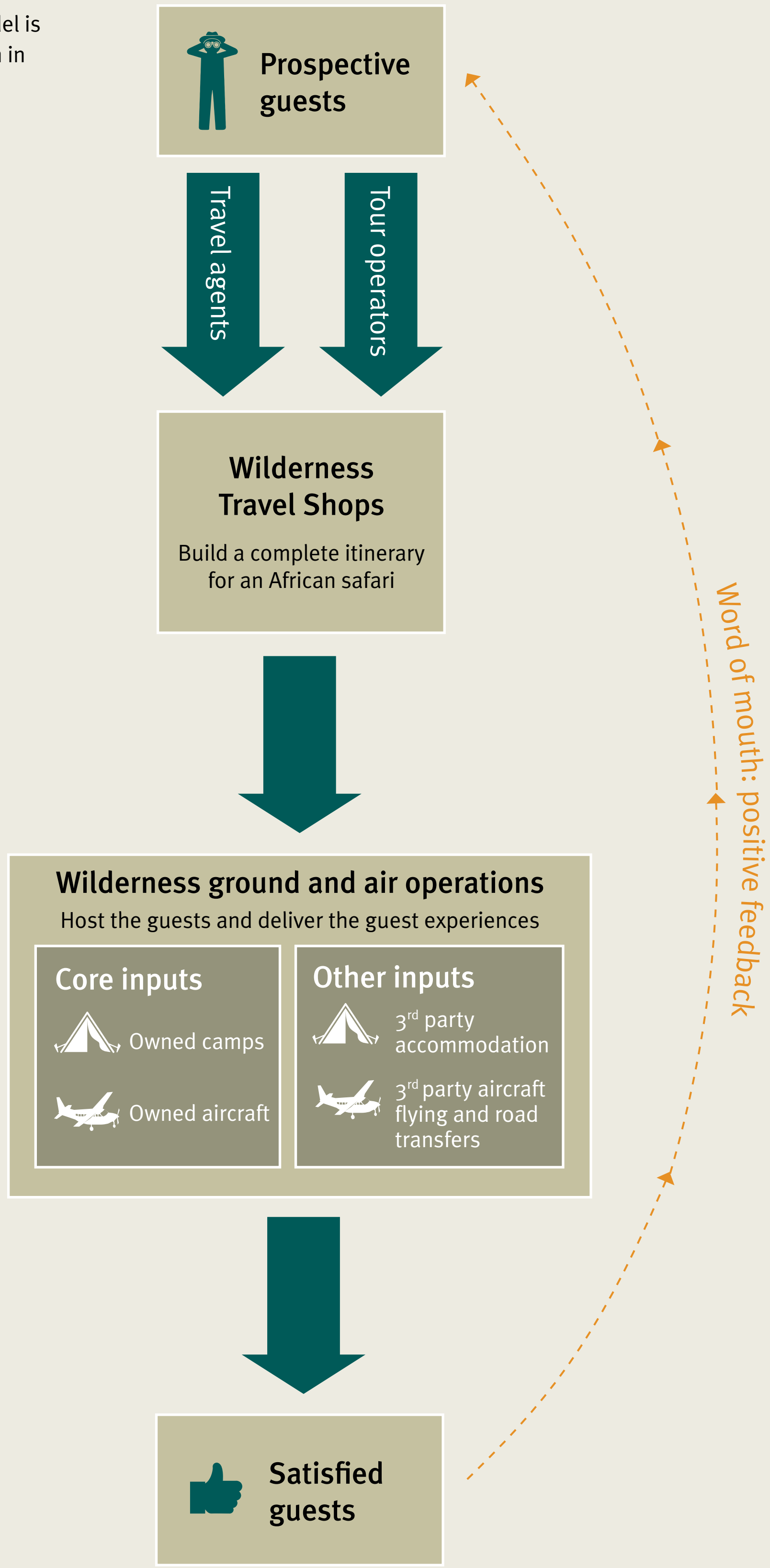



**Figure 3: Wilderness business model**

# The Wilderness business

Wilderness Safaris had its formal beginnings in Botswana in 1983. Two young overland safari guides, a South African and a New Zealander, had been working in the remote, wilderness reaches of the country since 1977 and, by the early 1980s, had decided to strike out on their own.

Their reasons for taking this plunge were:

- They wanted somehow to ensure that the financial benefits of their safaris flowed to Botswana and its people and thus help to ensure the conservation of the country's wildlife areas; and
- They wanted to offer authentic safaris with integrity that catered for people as passionate about nature as they were.

At the time, most professional safari outfitters in the photographic side of the industry were not based in Maun, employed mostly expatriates and sourced their supplies in neighbouring South Africa. The Wilderness founders wanted to change this and accordingly registered a Botswana company and based themselves in Maun, south of the Okavango Delta.

In retrospect this approach was logical and today forms the cornerstone and central tenet of ecotourism the world over. But in the early 1980s it was a ground-breaking philosophy and set Wilderness Safaris apart.

From these humble beginnings in Botswana the business gradually expanded into the rest of southern Africa and Seychelles. Over time, the business has evolved into a specialist luxury safari operation with 52 different safari camps and lodges, comprising a total of 894 beds, in seven African countries and hosting in excess of 30 000 guests per annum.

## Overview of the business

Wilderness Holdings is a Botswana company, listed on the Botswana Stock Exchange and with a secondary inward listing on the JSE Limited. The Company acts as the investment holding vehicle for the business.

The product sold to our guests, through the travel trade, is vertically integrated and comprises packages incorporating some or all of the following elements:

- Safari camps, lodges and mobile explorations form the basis of the business. These are offered by a network of 43 camps, comprising 734 beds in total, in five southern African countries. (In addition to these 'owned' camps, we also manage a further nine camps, comprising 160 beds);
- Guests, staff and camp/lodge supplies are transported to and between the camps using air and ground transfers. In order to achieve this, our flying business owns a total of 31 aircraft and leases a further seven. We operate significant ground transfer businesses in Cape Town, Victoria Falls and Livingstone; and
- These integrated itineraries are developed and booked through a tour operating and reservations business operating out of six offices in four countries. This often incorporates third-party products into the itineraries, for a margin.

These operating elements are supported by a finance and asset management segment.

A total of 2 436 staff are employed in these businesses.

The business is currently supported by international and local markets, and has a value proposition of "selling original experiences in pure wilderness" to discerning international travellers. We sell these experiences to the consumers, our guests, largely through the travel trade, our clients. The channels through which these sales are made are complex and multifaceted but can be simplified as per the Figure C in the online appendices.

The Group has a stable of trading brands. Wilderness Safaris is the original trading brand of the Group and offers safaris based out of both fixed and mobile camps (the latter under Wilderness Explorations) in three tiers of camps: Premier, Classic and Adventures. These are supported by the travel trade and travel agents specialising in the booking and arranging of African travel. These lodge and camp operations are supported by Wilderness Air, our flying business. The other trading brand is the Wilderness Collection. This is a stable of unique sustainable tourism operations in locations at a distance from our original areas of operation.

Growth in the Wilderness Group has been achieved over the years by moving the same business model into those regions that enjoyed significant support from our channels to market. Our move into the various different biomes (i.e. major regional biotic communities characterised by specific climate, vegetation and fauna, of which Wilderness presently operates in eight of the 11 in southern Africa) was an effort to ensure that complementary experiences are offered by the tourism business.

## Wilderness revenue drivers and their determinants

The three most important drivers of revenue in the Wilderness business are bednight sales (occupancy rates), rates (selling prices) achieved in source currency and the rate of exchange prevailing at the time. These drivers are in turn determined and influenced by a number of factors as shown in the diagram.

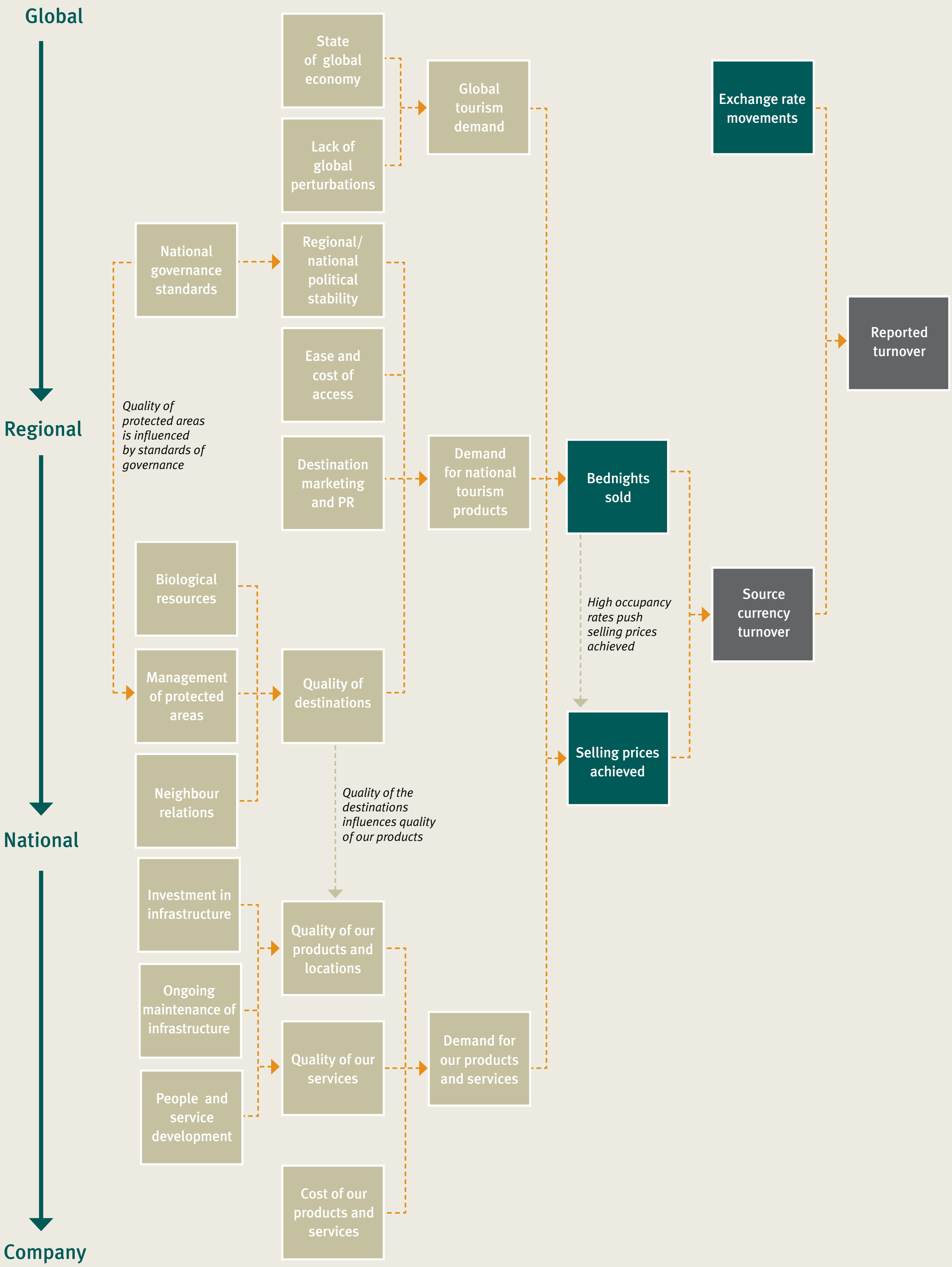



**Figure 4: Wilderness revenue drivers and their determinants**

## Value and supply chains

The value and supply chains of the business are illustrated in Figure 5 alongside.

The diagram shows how prospective guests are converted into guests by our trade partners and introduced into the business. This process is facilitated by our network of offices and travel shops but the main product is delivered through our network of safari camps, largely through the use of our own flying (and other transfer) businesses. The main output of the process is hopefully satisfied customers, both the agent network and the guests themselves.

Our supply chain is two dimensional in that it comprises:

- The supply of guests, through the agent network, and their flow through the business; and
- Other inputs, mainly the efforts of our people (which is why we state that our people are the heart of our business). We also buy in various goods and services needed to operate our camps and flying businesses to the necessary standard.

Finally, we also outsource elements of the value chain by using third-party accommodations and flying to complete the itineraries of our guests.

This process results in some by-products, mainly waste of three forms: waste water, carbon emissions and solid and organic waste. These wastes are the focus of the Environmental Management Systems under the Conservation dimension of the 4Cs, detailed in the chapter from page 44.

## Risks

The performance of the business during the year under review is discussed in detail in the Commerce chapter. In the years immediately following our listing in 2010, the performance and growth of the business was constrained by two main and related groups of factors:

- Low levels of demand for our products due to the depressed state of the world economy – particularly that of Europe; and
- The strength of the South African Rand and Botswana Pula against our main trading currencies, which are the United States Dollar and the Euro.

Both of these groups of factors have moved in our favour over the last few years but fluctuations in demand for our products, and in the relative strengths of our trading and operating currencies, remain risks to the business. These are discussed below, as are five other prominent potential risks to the business, namely quality maintenance, tenure, safety and security and country political risk, as well as the changing structure of channels to the market.

### Fluctuations in levels of demand for our products

Our products are luxury and discretionary purchases. Demand for them is sometimes depressed by factors beyond our control, especially when economic shocks are experienced in our source markets. This was a particular problem for the business in the years following the onset of the global economic crisis late in 2008. A slow but steady recovery — particularly out of the United States, our main source market — commenced in 2010 and demand out of this market has returned to pre-crisis levels. However, demand out of Europe, our next most important market, was slower to recover and remains subject to occasional shocks.

Other global factors, especially those that suppress levels of travel by international tourists, occasionally depress demand for our products. Examples of such factors include global sporting events, which result in people staying at home to watch them, and major conflicts (even those remote from our operations). During the year under review, the Ebola outbreak in West Africa had a noticeable effect on demand for our products, despite the fact that this was geographically far removed from any of our operations.

### Currency fluctuations

Our products are largely priced in the currencies of our source markets and most of our revenues are therefore generated and received in those currencies. The United States Dollar is our most important trading currency. Conversely, most of our costs are incurred in local currencies, of which the Botswana Pula, South African Rand (or the linked Namibian Dollar) and the United States Dollar are the most important. Revenues and costs are of course converted into Botswana Pula for reporting purposes. Fluctuations in the respective strengths of our source, operating and reporting currencies therefore impact on our business in a number of respects:

- Through the impact on our margins where revenues are derived in source currencies but expenses are incurred in operating currencies;
- Through their impact on price and demand where some source currencies are weak when compared against operating currencies. Our business model is predicated on the assumption that local currencies will devalue against source currencies in reflection of the inflation and interest rate differentials between our operating countries and source markets. Where this does not occur, as in the strengthening of the Rand against the Dollar in the years following the global financial crisis, the business is placed under pressure. Currencies have largely moved in our favour during the reporting period (there have been confounding movements); and
- Translation impacts from operating currencies in the various countries in which we operate, to the reporting currencies.

## Value and supply chains

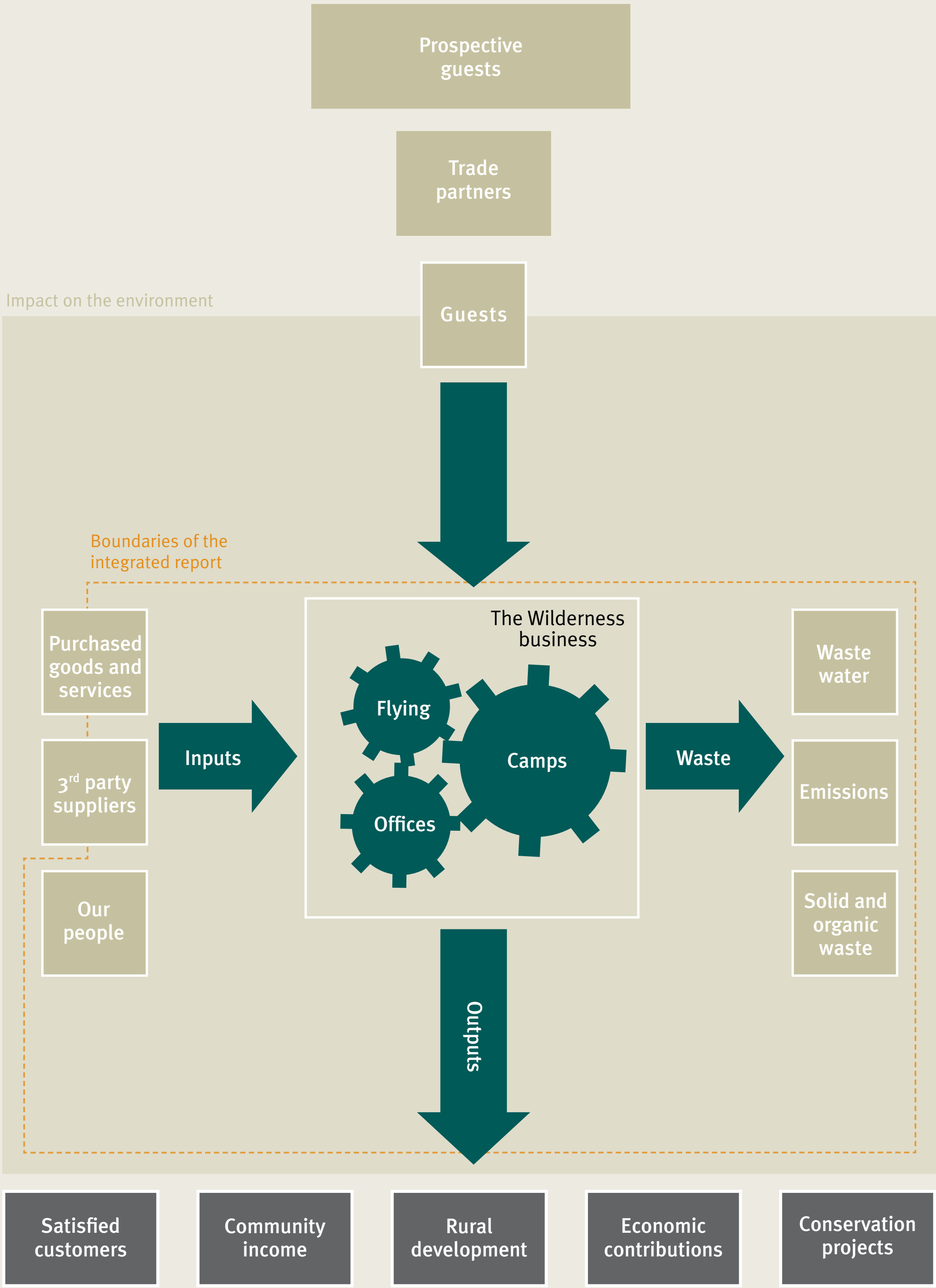



**Figure 5: Value and supply chains**

These currency risks are managed through a variety of mechanisms including:

- The business employs a 'natural' or 'internal' hedge by borrowing, in the main, in the same currency (the United States Dollar) in which the bulk of our revenues are earned; and
- Use of a variety of forward foreign exchange contracts (FECs) to limit our exposure on US Dollar revenues being converted into operating and reporting currencies.

Over the last few years, as the economic fundamentals of the Rand have deteriorated and it has devalued against the Dollar, we have placed less reliance on these mechanisms: we have taken on local currency debt and we have also reduced the levels of forward exposure that are hedged through FECs.

### Quality maintenance and customer satisfaction

Satisfied customers, whether guests or their agents, are the most important output of our business. We also rely heavily on repeat business and word-of-mouth referrals to generate new business. For these reasons, it is critical that we maintain the quality of our products and ensure that all customers are delighted by their engagements with us. This is a continual focus of the business across many facets:

- Agent satisfaction resulting from their engagements with our travel shops, on behalf of their customers;
- Guest satisfaction resulting from their enjoyment of their visits to our camps and the experiences offered therein; and
- Ancillary aspects of our offering, including transfer services and the third-party products and services.

This is one of our main strategic imperatives and is further expanded on below.

### Tenure

Almost all of our camps are located on land leased under a variety of long-term lease and concession agreements with either state or community landlords and partners. This means that the long-term sustainability of the business is dependent upon the goodwill of these landlords. We use a variety of mechanisms to ensure this goodwill persists, including paying market-related rentals or profit shares, regular dialogue and responsible business practices. See the discussion under External Community

*Above: Linkwasha Camp, Zimbabwe.*

for a more detailed explanation of these relationships and how they are managed.

### Safety and security

Our operations occur in remote, wild places across seven southern African countries. Guests and our staff move about these areas on foot and in vehicles, boats and aircraft, often in close proximity to wildlife. As a result, a number of potential safety and security risks exist for both guests and staff.

These risks are recognised and managed by our Safety Review Board (SRB) which is appointed by the Risk Committee of the Board. The SRB is responsible for overall Group systems to prevent accidents or incidents and to respond to emergencies. A comprehensive safety programme has been developed and implemented in conjunction with our insurers and underwriters. Disaster and emergency response plans have been developed and are practised. All guests are given safety briefings on arrival in camp and when boarding vehicles, boats and aircraft. Comprehensive insurance cover is maintained.

### Country political risk

Until the late 1990s, Zimbabwe was one of the most politically and economically stable countries in Africa. Within four to five years, the international **perception** of the country had deteriorated to the point where it was considered one of the most unstable countries in the world. Whether this perception was accurate or not, it had the effect of collapsing demand for tourism to Zimbabwe. This country had, not much longer before, been one of the major contributors to the Group's bottom line and this collapse illustrates one of the risks to the business: that posed by political developments which might impact on demand for travel to regions **perceived** to be unstable (whether this perception is accurate or not: Zimbabwe's poor reputation during this period was not justified in terms of any threats to tourists), or for travel in general (the onset of both Iraq wars depressed travel globally).

This risk is managed through two strategies:

- Spreading risk through operating in a wide range of countries; and
- Restricting operations and investments to stable countries.

Our largest footprint is presently in Botswana and Namibia which are amongst the most stable countries in Africa.

### Changing structure of channels to the market

Historically, the tourism industry has been clearly (if somewhat confusingly, to outsiders) structured into inbound and outbound, wholesale and retail segments. The Wilderness Group has built its trade relationships in accordance with these structures and our channel to the market can, in simplified terms, be illustrated in Figure C in the online appendices.

As previously mentioned, the bulk of the Group's business has been derived from a number of foreign outbound tour operators known loosely as 'African specialists'. A certain amount of business is derived from retail travel agents and there is also a small direct channel to the market for products which have not in the past been supported by the travel trade. African inbound tour operators are a growing channel and remain a significant supplier to our product. These traditional structures have begun evolving in response to three main sets of circumstances, all linked to the growth and penetration of the internet:

- Firstly, depressed demand following the global financial crisis forced players in the industry to seek new sources of business to maintain throughput. Wholesalers have increasingly operated in the retail space (and *vice versa*) and some inbounds have tended to act as outbounds (and, again, *vice versa*);
- Increasing use of the internet to research and book holidays, or parts thereof, has resulted in increasing transparency in regard to price structures. This has resulted in pressure on margins at all levels of the channel; and
- The emergence of internet tour operators (operating in both inbound and outbound and retail spaces) has further challenged the *status quo* and resulted in changes in the structure of the industry.

These changes have resulted in a blurring of historical lines with associated uncertainty. This poses risk to operators who do not recognise these changes or respond appropriately to them. The Group has recognised these changes and views them as an opportunity, rather than a risk. We remain committed to the trade strategy pursued in the past and the relationships with trade partners that have been established over many years. Our reactions to these changing circumstances have included:

- Upgrading of booking and pricing systems to facilitate transparency and flexibility and to make the business more accessible to the travel trade;
- Increased transparency in rate and price structures;
- Review and revision of rate structures;
- Decoupling of rates between differing products, thus allowing further flexibility in development of itineraries; and
- Engaging in a more meaningful dialogue with our guests to drive demand through the trade to our products.

Most importantly, we have affirmed our commitment to the continued development of a level playing field. We will be watching these developments with interest as they evolve: we expect this process to continue.

## Opportunities

The business is presented with four main groups of opportunities:

- Increasing utilisation of existing capacity;
- Expansion of our footprint;
- Productivity improvements; and
- Gaining market share as growth accelerates.

These opportunities are discussed below.

### Increasing utilisation of existing capacity

One of the more obvious opportunities for the Group is to increase utilisation of existing capacity. The bednight sales in the current year represent overall bed capacity utilisation of 65% for the properties that we own. Although this is an improvement on the 62% equivalent for 2014, it is evident that there is potential for improvement. The main areas where potential exists are:

- Outside of the busy season in Botswana (our capacity utilisation in Botswana is very high during the busy season);
- Other countries (mainly Namibia, Zambia and Zimbabwe) where capacity utilisation remains lower. We are particularly excited about the expansion potential in Zimbabwe, as that country's market perception improves; and
- Increasing load factors on our aircraft.

It is important to note that any growth in sales we can achieve through these areas is highly financially efficient:

- It does not entail new capital expenditure: the capacity is already in place; and
- It also would not entail significant additional overheads.

### Expansion of our footprint

The Group is well represented in the major safari destinations of southern Africa. However, it presently has effectively no representation at all in the major safari destinations in east Africa (Kenya, Tanzania, Rwanda and Uganda) and our exposure in that region is limited to our marketing contract under the Wilderness Collection for Segera Retreat in Kenya.

Given the enormous size of the industry in those countries, and the iconic status of a number of their destinations, there is real potential for Wilderness to make an entry and investigations and discussions are presently underway.

### Productivity improvements

We have identified situations where there is potential for improvements in productivity which would either:

- Allow us to generate additional sales off the same resource and cost base;
- Reduce the cost of producing and maintaining the same level/s of income; or
- Allow us to reduce operating costs without impacting on service delivery or product quality.

These productivity improvements can potentially derive from changing the way we do business and a number of specific examples have already been identified and are discussed in the narratives below.

### Gaining market share

Over the distressed trading years following the global financial crisis, and in countries where demand was soft for whatever reasons, we steadfastly maintained our camps and lodges in the condition needed to maintain the highest levels of product quality. This was done in spite of sometimes weaker financial results and the impact of the maintenance expenditure on our bottom line. This has meant that we have maintained, if not enhanced, our reputation for quality and prevented any brand damage from poor products. It also meant that, as growth in the industry accelerated again, or a destination has started to recover, we have been well placed to take advantage of this growth, perhaps more so than some of our competitors. We believe that this has resulted in our gaining market share.

## Strategy

In view of the risks and opportunities outlined above, the business has been pursuing a number of strategic imperatives:

- Expansion of our footprint;
- Increasing the quality and the relevance of the offering to both clients and guests;
- Improving low season performance;
- Reducing the cost of acquisition;
- Productivity improvement and cost reduction;
- Building the balance sheet and cash reserves; and
- Sustainability.

### Expansion of our footprint

As discussed elsewhere in this report, levels of capacity utilisation in our Botswana products are now extremely high, other than in the low season. We also believe that price levels in that market are approaching a ceiling beyond which resistance may be felt, at least in segments of the market. This means that the prospects for further growth out of that market are limited.

During the year under review we added the new Hoanib Skeleton Coast camp to our Namibian portfolio and we also recently opened the new Linkwasha camp in Hwange National Park, Zimbabwe. Both have been well received by the market, with the former winning a number of awards, and represent important turning points for the respective businesses:

- In the case of Hoanib Skeleton Coast, this was our first new development in Namibia following the down-sizing of that business in the years following the global financial crisis. Excitement in the market created by that camp has played a major role in transforming our Namibian business during the current year; and
- Our Linkwasha development is the first major new development in that country in many years and is timed to coincide with the improving market perceptions of Zimbabwe. The opening of this camp is expected to result in a turnaround of our Zimbabwe business, as happened with Hoanib Skeleton Coast.

Notwithstanding the improvements in the latter two businesses discussed above, we will proceed cautiously in the short term in regard to further expansion in Zimbabwe and Namibia, because of the recent history in those countries. This, combined with the fact that potential for further growth in Botswana is slowing, means that we need to look elsewhere for additional growth opportunities. As noted above under Opportunities, the Group is presently not represented in the major safari tourism destinations of east Africa and this is an obvious area for further expansion. For some while we have been investigating prospects for investment into that region, in the form of either greenfield developments or acquisition of existing businesses. Because of the maturity of the business in Kenya in particular, the range of opportunities for the former is limited.

**Increasing the quality and the relevance of the offering to both clients and guests**

As discussed under Risks above, it is critical that we maintain the quality of our products and services sold to clients and guests, in order to secure the repeat business and word-of-mouth referrals that are so important to our growth and profitability. This is even more important if we wish to gain market share. We have adopted a number of strategies to achieve this, falling broadly into the following categories:

- Development of the staff who are responsible for delivering the product and for communicating with our clients and guests before, during and after they visit;
- Investments in the physical infrastructure so that product quality is maintained; and
- Initiatives to improve the systems and processes by which the product is delivered to clients and guests. These initiatives include a number of important technological innovations.

Finally, in order to measure our performance as a result of these strategies, we have reinforced our efforts to ascertain the extent to which we have matched our guests' expectations and what must be done to improve this performance.

**Improving low season performance**

Our business is distinctly seasonal with the bulk of profits being generated during the busy season from June to October. The wet season months from November to March experience lower levels of demand. We have therefore adopted a number of strategies to improve low season performance, mainly increased and focused efforts to sell beds during these months, including a low season special offer and a further offer to SADC residents making bookings at short notice. We have in the past also temporarily closed some camps during the low season in order to consolidate occupancies in the remaining camps and also in the aircraft.

*Above: Flying over the Okavango Delta, Botswana.*

*Left: Hoanib Skeleton Coast Camp, Namibia.*

### Reducing the cost of acquisition

The business incurs a number of costs in the process of making sales and booking itineraries. These costs include those related to our staff and processes involved in making sales, as well as margins granted to trade partners, and combined they result in a sometimes significant difference between the price paid by our guest and the revenue eventually derived by our business. We term this difference our 'cost of acquisition'. Significant gains will trickle down to the bottom line if we can reduce this cost of acquisition and we have implemented a number of initiatives to achieve this, including:

- Efforts to improve our own productivity, through improved systems and processes (including a new online booking and reservations platform), used in making sales;
- Increased incentives to high yielding trade partners and reduced incentives to lower yielding partners; and
- Strict control to ensure that price concessions given are warranted and reasonable.

### Productivity improvement and cost reduction

In the trying times following the global financial crisis, cost reduction was a real focus. Much was achieved without impacting negatively on product quality or guest experience. As mentioned above, all of our guest facilities are fully maintained. Further opportunities for cost reduction continue to be pursued, where they still exist. However, we recognise that risks exist in excess cost reduction measures because of the potential to undermine product quality. For this reason, our focus has switched to the search for productivity improvements either from reorganising the business and its processes, or from economies of scale. Important examples of these measures include:

- Our flying business has been reorganised and now operates as circuits which are designed to increase load factors on aircraft; and
- Significant investments have been made in solar energy systems in our camps. These investments have reduced our carbon footprint and the risks associated with transporting and handling diesel fuel in the Okavango Delta. More importantly, they have had the effect of significantly reducing diesel consumption in these camps and the effects of this are being felt in the income statement.

The possibility of adding further revenue to the existing cost base is an obvious additional strategy and expansion opportunities are being investigated.

### Building the balance sheet and cash reserves

In order to capitalise on opportunities and minimise the risks, we need a strong balance sheet. We also need the resources to explore consolidation and/or expansion opportunities, as well as to weather any difficult times that might arise in the years ahead. These dual goals are a strategic priority of the business and, as will be seen from the results, we have made much progress. Our balance sheet is sound and, more importantly, we also have significant cash reserves which make us well placed to capitalise on any opportunities that do arise.

### Sustainability

Sustainability is a strategic imperative in a number of respects. In the first instance, sustainability is critical to our conservation vertical. Secondly, a number of sustainability initiatives have important financial or commercial benefits through cost savings. Finally, and most importantly, we see this as an opportunity to differentiate the organisation and its products from our competitors. For these reasons, we are aggressively pursuing the sustainability imperative.

## The 4Cs

The 4Cs is the platform upon which our sustainability initiatives are based. This concept is adopted from The Long Run Initiative (www.thelongrun.com) and is predicated on the belief that a business will not be truly sustainable unless it specifically addresses issues arising under the dimensions of Commerce, Conservation, Community and Culture (the 4Cs). We believe that this framework is the most appropriate sustainability model for our industry and accordingly our Vision and Values are all aligned to these Cs. Our strategic plan is based upon this platform and a set of outcomes have been developed for each C. These outcomes have then been extended into the actions that are required to ensure their achievement.

### Managing and implementing the 4Cs

Our structure for managing and implementing the 4Cs is given in the diagram alongside. The Group's sustainability policies and strategies are directed and overseen by the Sustainability Committee of the Board of Directors. The Chief Sustainability Officer (CSO) is responsible to the CEO for development and execution of these policies and strategies. The CSO is a member of the Board. The CSO is assisted in the development and implementation of strategy by a Sustainability Executive Committee.

Day-to-day implementation of the Group's sustainability strategies is the responsibility of the country Managing Directors and is carried out by the operational staff in the camps and other operational units. These staff are responsible for the ongoing monitoring and measurement of the various sustainability indicators. Their activities are overseen, directed and coordinated by a sustainability officer in each country. At the same time, 'thematic' oversight is given by a 'C Coordinator' at Group level. These coordinators provide advice to the operational level structures and consolidate the activities at Group level.

## Our sustainability objectives

The Wilderness Group is committed to ensuring the sustainability of our operations. This commitment is part of our DNA and reflects a number of aims and objectives, the most important of which are:

C Commerce | C Conservation | C Community | C Culture

### ECOSYSTEMS

Firstly, this is enlightened self-interest. Our business depends on the health of the ecosystems and species that are the attractions for our guests. Any negative impacts on the environment resulting from our operations would reduce their attractiveness and thus the competitiveness of our business. Conversely, improvements to biodiversity and species will increase the attractiveness of our tourism operations and thus the success of the business.

### COMMUNITIES

The health of ecosystems in modern Africa is to a large extent dependent on the goodwill of surrounding rural communities and to this end our fair and equitable engagement of these partners is a critical component of the sustainability of both protected areas and our business.

### GUESTS

In this day of discerning and responsible travellers, it is important to demonstrate the sincerity of our sustainability commitments, and the actions arising therefrom. If this can be achieved, we will differentiate ourselves from our competitors and enhance our reputation and this will result in us gaining market share.

### ENERGY

Many of our sustainability initiatives have important efficiency by-products and thus result in improved business performance. For example and as further discussed in this report, our investments in renewable energy supplies result in significant reductions in diesel consumption and therefore in our operating costs.

### COMMITMENT

As a responsible corporate citizen, it is our duty to ensure that any negative impacts resulting from our operations are minimised, and any positive impacts are maximised.

### STAFF

Many of our staff are themselves personally committed to biodiversity and responsible living and our equivalent value systems enable us to attract and retain the brightest and the best people.

We endeavour to create and maintain a culture within our organisation that values and promotes sustainability, not only within our business but in all other aspects of day-to-day life.

**Figure 6: Our sustainability objectives**

## Sustainability (4Cs) management structure

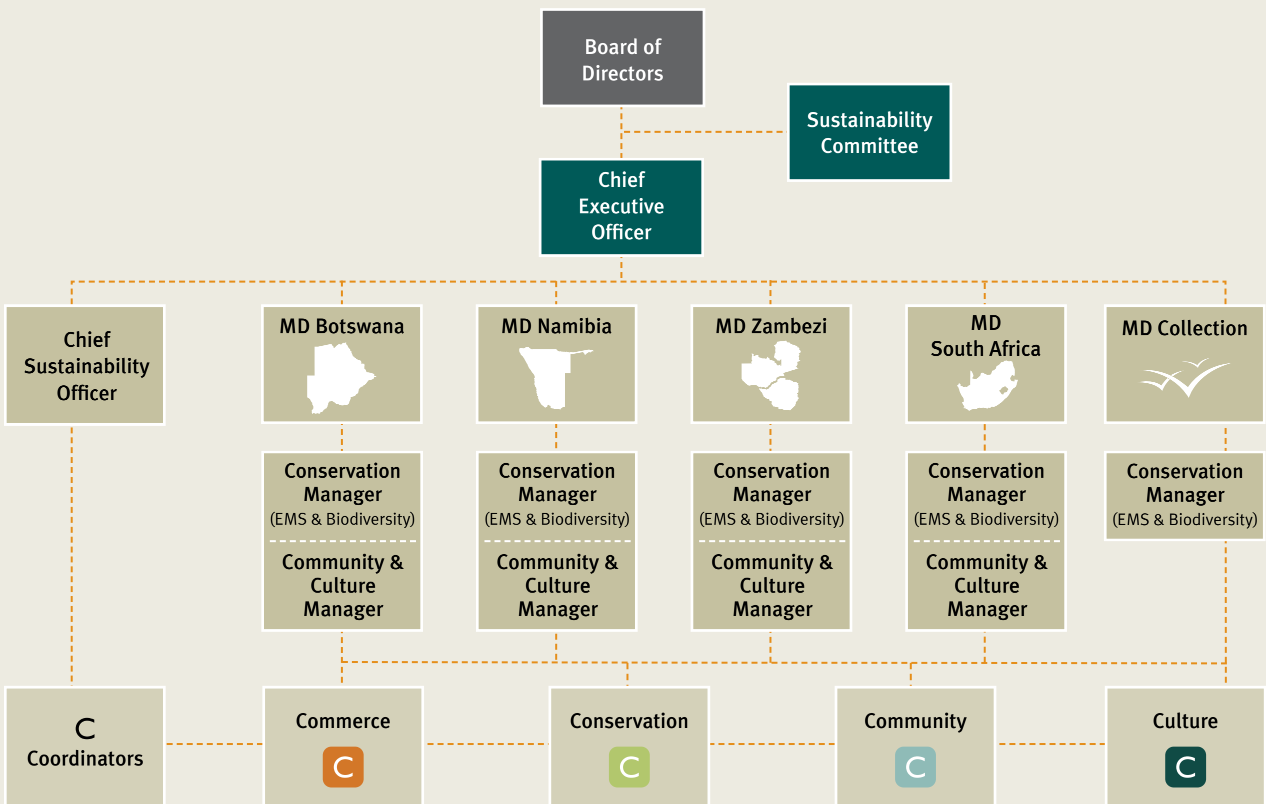



**Figure 7: Sustainability (4Cs) management structure**

## Stakeholders

The Wilderness Group engages with a complex 'universe' of stakeholders. Engagement with these stakeholders varies according to the nature of the stakeholders and their expectations and concerns. Some parties fall into more than one stakeholder group: for example, members of local communities can be (at the same time) employees, landlords and neighbours. Wilderness is committed to providing timely, accurate, transparent and full disclosure to all relevant stakeholders on both financial and non-financial matters. Stakeholders are identified as those groups that have a significant influence on our business or those on which our business has a significant impact. These influences can be considered internal or external to Wilderness. Figure 8 alongside illustrates the rather complex network of stakeholders with whom we engage and the nature of the engagement.

Some of the more material stakeholder engagements that have occurred during the year are outlined in the table below:

**Table 1: Important stakeholder engagements during the year**

| Issue | Stakeholder/s | Discussion |
|---|---|---|
| **Zimbabwe indigenisation** | Zimbabwe Government, local shareholders | Our camp operating business in Zimbabwe has for some time been 50% owned by indigenous partners. In 2011, the Group reached agreement with the Government of Zimbabwe to indigenise 30% of the whole business in accordance with the regulations. Our partners to achieve this, over and above those already involved, have been identified and agreement on the parameters reached. This agreement will be effective in the 2016 financial year. |
| **Botswana concessions** | Botswana Government, Okavango Community Trust | A number of our concessions in Botswana have expired. Most notably, these concern Mombo, Xigera, Vumbura Plains and Little Vumbura camps. These concessions have not yet been renewed as the Botswana Government is changing the systems for allocation and administration of tourism concessions. We have been given authority to continue operating these concessions in the interim and are confident that they will be re-allocated to us in due course. |
| **Aircraft fleet upgrade** | Financiers, suppliers, guests and customers | During the year, the Board approved proposals to upgrade our aircraft fleet. This entails purchase of up to 10 aircraft, at a cost of US$12.6 million (offset to a small degree by proceeds on sale of older aircraft), over a three-year period. This is intended to improve the quality, reliability and efficiency of our aircraft fleet. During the year we engaged with potential suppliers and financiers in order to settle on the initial phases of this plan which entail purchase of the first seven new aircraft, and to secure the necessary financing. |
| **Share plan** | Staff, Botswana and Johannesburg Stock Exchanges | The first performance share allocations under the Wilderness Group Share Plan 2011 vested during the year. The mechanisms by which these obligations were settled were discussed and agreed with the relevant stock exchanges, as well as with the staff concerned. |
| **Sale of Pafuri camp** | Makuleke Communal Property Association, insurers, potential buyers | Our Pafuri camp in the Makuleke region of Kruger National Park was largely destroyed by flooding early in January 2013. During this financial year we engaged with the community to discuss options for the future and eventually agreed to withdraw from the concession. We then engaged with a number of potential buyers for our assets on site and exited from the concession effective 1 September 2014, although we did continue operating walking trails in the concession until the end of the financial year. |
| **Sale of Malawi business** | Fellow shareholders | During the year we sold our 50% share in the Malawi business, Central African Wilderness Safaris Limited. This process entailed negotiations and the reaching of agreement with our fellow shareholders who acquired our equity stake from us. |
| **East Africa expansion** | East African governments, potential sellers and/or partners, trade partners | As noted above, we have been investigating options for investment in the broader East African region. This has entailed ascertaining demand for products in that region, understanding the investment and operating climates in each country, and identifying and investigating options for making such investment. |
| **Ebola** | Trade partners, guests, travel and other media | As noted above, the outbreak of Ebola that occurred in West Africa in August 2014 had the effect of depressing demand for travel to Africa as a whole. This impacted our business in spite of the fact that the outbreak was far remote from any of our operations. In response to this, we have engaged in lengthy discussions with our trade partners in an effort to mitigate the impacts on our business and, *inter alia*, we changed our cancellation terms in order to reassure the market. We also engaged, along with other members of the industry, in efforts to educate the media and consumers in regard to the realities of the disease and the very low risks posed by travel to the countries in which we operate. |

## Wilderness' stakeholder universe

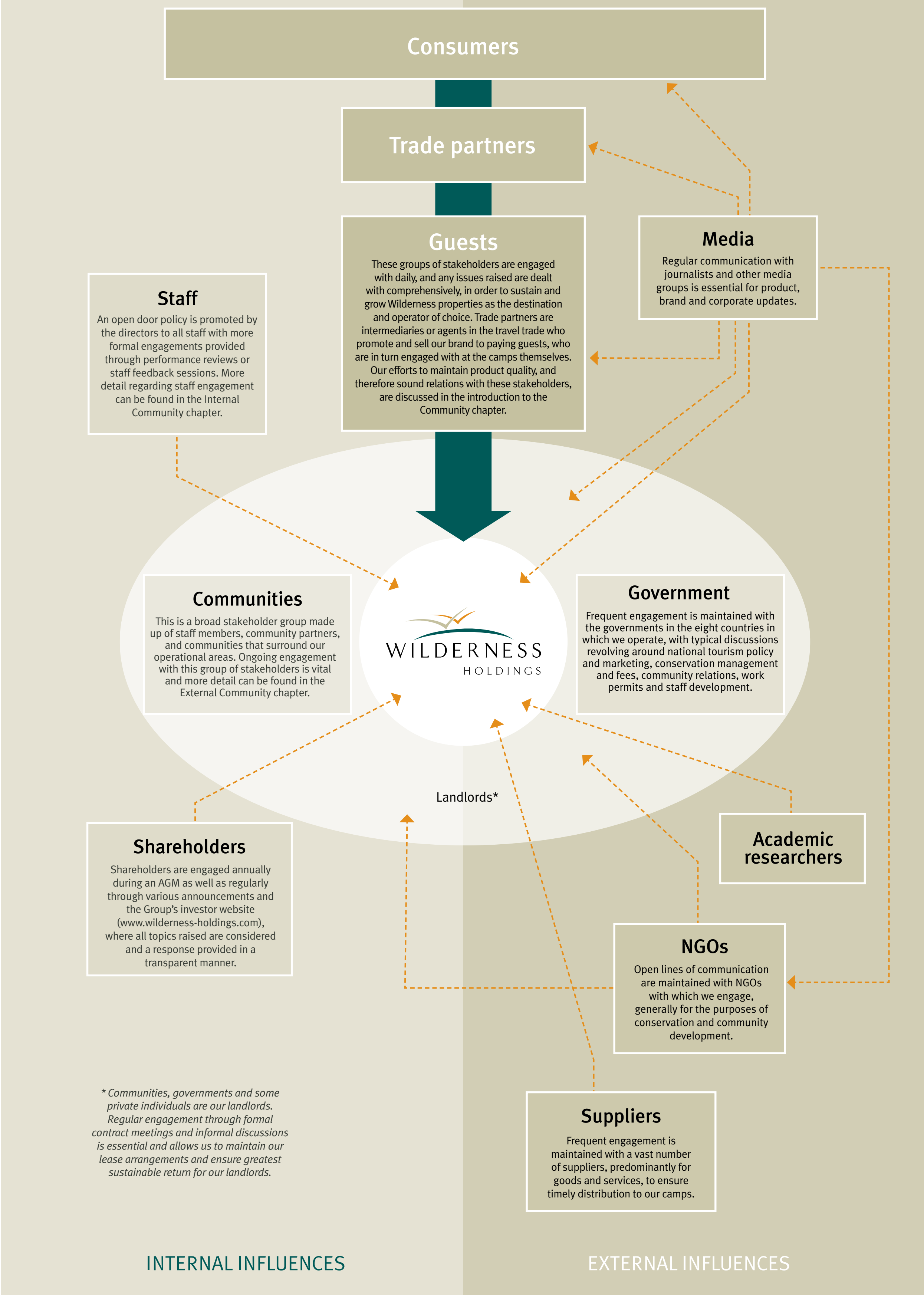



**Figure 8: Wilderness' stakeholder universe**

# Board of Directors

## Parks Tafa (48)

**Non-executive Director**

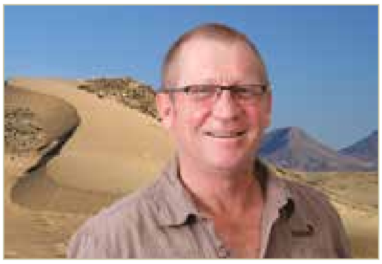
Chairman of the Board

**Appointed:** 8 April 2010

**Qualifications:** LLB, University of Botswana

**Directorships**: Wilderness Holdings Limited, Collins Newman & Co (Partner)

Parks is currently the Managing Partner of Collins Newman Co Law Firm and the former non-executive Chairman of Stanbic Bank Limited and University of Botswana. He is an Attorney, Conveyancer and Notary Public of the High Court of Botswana since November 1991.



## Keith Vincent (52)

**Executive Director**

Chief Executive Officer and a member of the Risk Committee

**Appointed:** 18 August 2005

**Directorships**: Wilderness Holdings Limited, Wilderness Holdings subsidiaries

Keith was educated in Zimbabwe, where he developed a love for the outdoors and natural history of the country. He became a professional guide, working throughout the country for various safari companies, before settling in Victoria Falls in 1984. Keith has been in the safari industry since 1980, working throughout southern Africa. Keith has been involved with the Wilderness Group since 1993.

## Ami Azoulay (41)

**Executive Director**

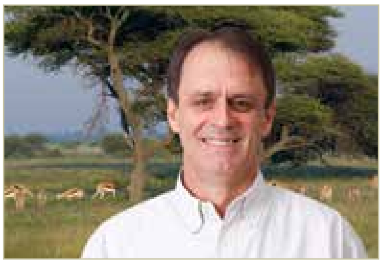
Chief Financial Officer

**Appointed:** 24 January 2014

**Qualifications:** Chartered Accountant (South Africa), Higher Diploma in Taxation (UJ)

**Directorships**: Cullinan Holdings Limited, Wilderness Holdings Limited, Wilderness Holdings subsidiaries

Ami qualified as a Chartered Accountant in 2001 and subsequently completed his Higher Diploma in Advanced Taxation, he was previously a partner at an audit firm and joined the Group in 2008 and he brings both technical and tourism related experience to the Board.



## Derek de la Harpe (55)

**Executive Director**

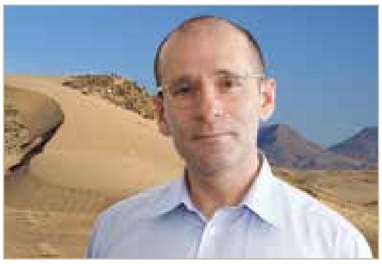
Commercial Director and Chief Sustainability Officer

**Appointed:** 8 April 2010

**Qualifications:** Bachelor of Accounting Science (UNISA), Chartered Accountant (Zimbabwe)

**Directorships**: Wilderness Holdings Limited, Wilderness Holdings subsidiaries

Derek is a Chartered Accountant (Zimbabwe) with 33 years' experience in southern and eastern Africa. He spent 18 years with the then Price Waterhouse, the last eight as the partner in charge of the firm's practice specialising in tourism and environmental consulting. He then spent eight years as the CEO of The Malilangwe Trust, a Zimbabwean NGO working in wildlife conservation and rural development, and with a high profile tourism operation. He spent four years working as a freelance management consultant in southern and eastern Africa, south-east Asia and central America, specialising in the tourism development and wildlife conservation interface. He joined Wilderness as CFO early in 2010 and is now Commercial Director and Chief Sustainability Officer.



## Gavin Tollman (51)

**Non-executive Director**

Member of the Investment Committee

**Appointed:** 8 April 2010

**Qualifications:** BSc Finance, The American University, Washington DC

**Directorships**: Wilderness Holdings Limited, Insight Travel Group Limited, Busabout Operations Limited, Contiki Tours International Limited, Grand European Operations Limited, Trafalgar Tours International Limited, Wine Investments Limited, Tracon Real Estate Limited, TravCorp Investments Limited, TTC Travel Group Limited, AAT Kings Tours International Limited, Uniworld International Holdings Limited, Nevis: Brendan International Holdings Limited, Cullinan Holdings Limited, and various subsidiaries of the above.

Gavin has had a far-reaching executive career in the travel industry. This has included managing both hotel companies and tour operators, which have received various industry awards and recognition. He currently is the CEO of Trafalgar Tours, the world's largest escorted tours operator, with product on six continents.

At the company he has developed industry leading marketing, e-strategy and product delivery initiatives. He is also a Senior Executive of the Travel Corporation responsible for the company's southern Africa assets as well as the Managing Director of World's Leading Travel Companies Limited where he oversees their United Kingdom direct sell division.

## Malcolm McCulloch (61)

**Independent non-executive Director**

Chairman of the Risk Committee

Appointed Chairman of the Audit Committee on 20 May 2015

**Appointed:** 18 August 2005

**Qualifications:** BCom (Hons), Chartered Accountant (South Africa)

**Directorships**: Wilderness Holdings Limited, Wilderness Holdings subsidiaries and Children in the Wilderness

Malcolm is a Chartered Accountant who studied at the University of Cape Town, and subsequently completed an Advanced Management Programme at Wharton, the University of Pennsylvania, USA. He has been involved with the Wilderness Group since 1992.

## Rolf Hartmann (41)

**Independent non-executive Director**

Chairman of the Audit Committee, Chairman of the Remuneration and Nomination Committee and member of the Risk Committee

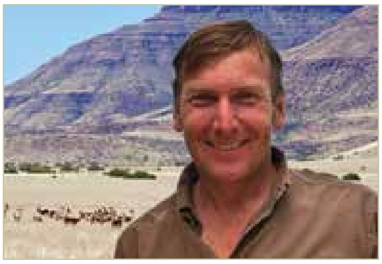
**Appointed:** 8 April 2010

**Resigned:** 20 May 2015

**Qualifications:** BCom (Hons), University of the Witwatersrand, Chartered Accountant (South Africa)

**Directorships**: Brait South Africa Limited, Wilderness Holdings Limited, Nature's Choice Holdings Proprietary Limited, Premier Group Proprietary Limited and Premier Swazi Bakeries Proprietary Limited

Rolf joined the Group in 2007 as a director of Wilderness Safaris Investment and Finance Proprietary Limited. Rolf joined Brait in 2003 and his responsibilities include executive responsibility for several of its investments, among other matters. He is a Non-executive Director of a number of privately held companies and was previously a Non-executive Director of Kelly Group Limited, a company listed on the JSE Limited. Rolf is a Chartered Accountant, and previously worked in corporate finance in London, after qualifying at Deloitte.



## Jochen Zeitz (52)

**Independent non-executive Director**

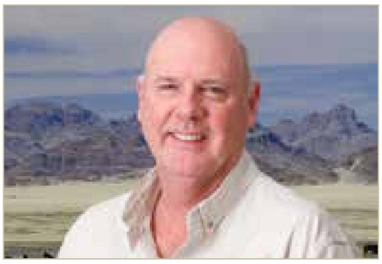
Chairman of the Sustainability Committee

**Appointed:** 8 April 2010

**Qualifications:** Degree in Business Administration

**Directorships:** Wilderness Holdings Limited France: Kering USA: Harley-Davidson

Jochen Zeitz is currently Director of Kering and Chairman of the board's sustainable development committee and Co-Founder and Co-Chair of The B Team after having been the CEO of the Sport & Lifestyle division and Chief Sustainability Officer of Kering since 2010. Prior to this, Zeitz served 18 years as Chairman and CEO at PUMA. Upon becoming PUMA's CEO in 1993, Zeitz turned it from an undesired brand nearing bankruptcy into one of the top three brands in the sporting good industry. He believes in contributing to a new paradigm of corporate social and environmental sustainability. In 2008, he founded the Zeitz Foundation for Intercultural Ecosphere Safety to support sustainable solutions that balance conservation, community development, culture, and commerce. Zeitz has been a member of the Board of Directors of Harley-Davidson since 2007 and has also served as the Chair of Harley-Davidson's sustainability committee since its inception in 2011.



## John Hunt (60)

**Independent non-executive Director**

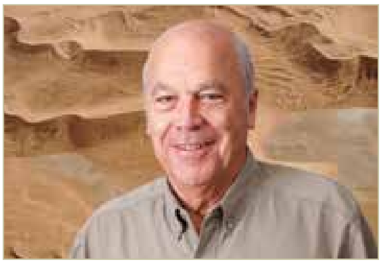
Member of the Sustainability Committee

Appointed a member of the Remuneration and Nomination Committee with effect from 20 May 2015

**Appointed:** 8 April 2010

**Directorships:** Wilderness Holdings Limited

John co-founded the advertising group Hunt Lascaris in 1983. In 1996 a majority share was sold to TBWA and he became Co-Chairman. In 2003, John moved to New York to assume the role of Worldwide Creative Director for TBWA. In 2006 he returned to South Africa where he continues in the same capacity. John is an Executive Committee member of TBWA Worldwide.



## Roux Marnitz (70)

**Independent non-executive Director**

Lead Independent Director and a member of the Risk and Remuneration and Nomination Committees. Chairman of the Safety Review Board

**Appointed:** 8 April 2010

**Qualifications:** BSc (Eng), MBA, BProc

**Directorships:** Wilderness Holdings Limited. Namibia: Southern Energy Company Proprietary Limited, SEC Aviation Products Proprietary Limited, Aviation Centre Proprietary Limited

Roux studied engineering at the University of Pretoria where he graduated in 1967. In 1970 he was awarded an MBA by the same university and obtained the BProc degree from UNISA in 1976. He also holds an Airline Transport Pilot's Licence. Roux is the former chairman of the JSE-listed IT group, Comparex Holdings Limited, former chairman of the Execujet Aviation Group, former Member of the Council of the University of Pretoria and is presently a director of private investment companies in Botswana and Namibia.

## Charles de Fleurieu (41)

**Non-executive Director**

Chairman of the Investment Committee

**Appointed:** 1 November 2012

**Qualifications:** LLB from King's College London, Masters in Law from the Université Panthéon-Sorbonne in Paris, qualified Solicitor in England and Wales

**Directorships:** Wilderness Holdings Limited

Charles started his career as a lawyer with the American law firms Coudert Brothers and Kilpatrick Stockton, from 1996 to 2005 in France, China, the United States and England where he worked on cross-border transactions and projects. He then switched to corporate and finance and mergers and acquisitions at France Telecom/Orange Group and Kering Group, where he was Head of Mergers & Acquisition. He is now based in Tokyo, where he is starting up Kering Group's new eyewear business. He has more than 19 years of experience in business development, with an expertise in law, finance, and now operations.

## Michael Tollman (53)

**Independent non-executive Director**

Deputy Chairman and a member of the Audit and Risk Committees. Appointed Chairman of the Remuneration and Nomination Committee with effect 20 May 2015

**Appointed:** 8 April 2010

**Qualifications:** BCom (Hons), Chartered Accountant (South Africa)

**Directorships:** Wilderness Holdings Limited, Cullinan Holdings, Red Carnations, The Travel Corporation Limited, Contiki Holidays Limited, Trafalgar Tours Limited, Cullinan Holdings Limited and various subsidiaries of the above

Michael was appointed to the Board of Wilderness Safaris Investment and Finance Proprietary Limited in 2005, of Wilderness Holdings Limited on its listing on the Botswana Stock Exchange and appointed Deputy Chairman of Wilderness Holdings in April 2013. He has extensive experience in the travel and leisure industry, in the areas of finance, the travel and leisure sector, mergers and acquisitions. He has served as Executive Chairman and acting Chief Executive Officer of Cullinan Holdings Limited, the leading travel and leisure company since March 2009.

## Marcus ter Haar (37)

**Independent non-executive Director**

Member of the Audit and Investment Committees

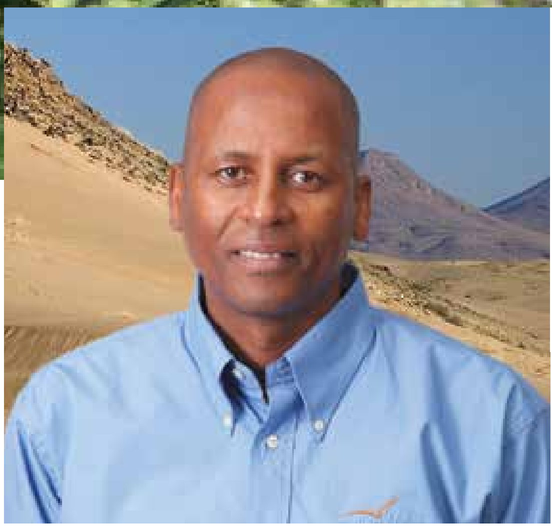
**Appointed:** 8 April 2010

**Qualifications:** BA (Hons) Development Studies, University of East Anglia, MA (Reading) International Relations, Diploma Finance

**Directorships:** Wilderness Holdings Limited

Marcus received a BA (Hons) in Economic Development from the University of East Anglia in the UK, and a Masters degree in International Relations from the University of Reading, UK. Marcus then went on to join De Beers on a graduate development programme. In 2005 he was appointed the Executive Assistant to the CEO of the De Beers Group. After a short secondment with NM Rothschild in 2007, Marcus then moved to Botswana where he worked for Debswana as the Group Manager for Business Development. He has recently been appointed as the Head of Sales for the Diamond Trading Company Botswana, a 50:50 joint venture between De Beers and the Botswana Government. Marcus currently also serves on the Board of Trustees of the Lady Khama Charitable Trust.

# *Aitse go tsamaya ke go bôna*
# To travel is to see and understand



Parks Tafa, Chairman

"It is our vision and the underlying blueprint and values that keep us progressing. It is also this environment of purpose that ... perhaps most impressively ... also ensured that in the midst of the so-called Ebola hangover we managed to help facilitate the largest ever cross-boundary move of Critically Endangered black rhino from South Africa and Zimbabwe into Botswana's Okavango Delta, in so doing making a major contribution to the long-term conservation of this species so under siege currently from poaching and wildlife crime."

## Awards

**March 2014:**
Desert Rhino Camp – AFAR Media Experiential Travel Award for Best Walking Trip: Namibia.

CRRA CRReportingAwards '13

**June 2014:**
Wilderness Holdings Integrated Report – 6th best in the world in the Corporate Register Reporting Awards (CRRA).

# Chairman's letter

This traditional Setswana proverb, still in common usage in Botswana today, is one that talks to the culturally common notion of needing to travel and see new places before really understanding them, and in fact applying these new understandings and perspectives to one's own set of circumstances with new eyes. It is a proverb that has equivalents in other languages of the subregion such as Shona in Zimbabwe *(chitsva chirimurutsoka)* and isiZulu in South Africa *(ukuhamba ukubona)*.

It is a pity that in the throes of the tragic and unprecedented Ebola outbreak isolated in upper West Africa during the course of 2014, potential travellers in our key source markets in the northern hemisphere chose not to travel and to see. It is an even greater pity that those who had the benefit of having travelled to our continent and having some understanding of its size, extent and geography had softer voices than the sensationalist mainstream media. The resulting hype caused a great disservice to ecotourism – and thus conservation and community empowerment – in east and southern Africa; regions at considerable distances from the Ebola epicentre and with not even suspected instances of Ebola transmission.

Nonetheless, if there is a positive to last year's epidemic it is that the world's consciousness and understanding of the continent has grown dramatically. Even if our results – that promised so much before Ebola dominated the news headlines from September last year – were impacted, and even if some of the stereotypes of Africa were propagated further afield, there is no doubt that potential travellers to the continent now know where Africa is, that it is comprised of more than 50 countries and that it is vast, diverse and varied!

There is so much to Africa – more than 1 000 mammal species, 2 000 language groups, ancient cultures and, despite growing populations, still a sense of space, wilderness, intact ecosystems and extant communities of mega-fauna that the rest of the world simply doesn't have. These are our competitive advantages and we cannot miss the opportunity that Ebola has given us to continue to educate the world about who we are, what we have and why it is relevant to them and the planet at large.

It is our vision and the underlying blueprint and values that keep us progressing. It is also this environment of purpose that has allowed Keith and his team to respond to the challenges of Ebola and other impediments and to ensure that the business continued to perform. More importantly it has provided a framework which has enabled us to announce expansions into Rwanda and to adapt some of the key aspects of our business to changing economic environments. Perhaps most impressively, it also ensured that in the midst of the so-called Ebola hangover we managed to help facilitate the largest ever cross-boundary move of Critically Endangered black rhino from South Africa and Zimbabwe into Botswana's Okavango Delta, in so doing making a major contribution to the long-term conservation of this species so under siege currently from poaching and wildlife crime.

Our vision is to be Africa's leading ecotourism organisation, creating life-changing journeys in order to build sustainable conservation economies and inspire positive action. There is no doubt that we do create life-changing journeys, build sustainable conservation economies and inspire positive action, and in my bolder moments I believe that we are indeed Africa's leading ecotourism organisation. This is no time to sit on our laurels though. As of 2016 we will be operating lodges and safari circuits in eight African countries. The other nearly 50 countries on the continent all have their own unique attractions – whether in the form of specific species or wildlife phenomena, landscapes or cultures. More pertinently these attractions are often in desperate and urgent need of sustainable support, the kind of support that viable ecotourism businesses can help to provide.

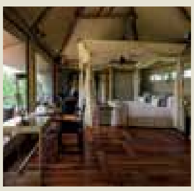
Of course not every country provides the right set of circumstances for viable ecotourism businesses, and not every situation is appropriate for our own particular brand of ecotourism. We can't do everything, and certainly can never risk our own sustainability by doing so. Nonetheless, we remain committed (and excited) about expansion on the continent and are continually seeking new opportunities to expose the world to exceptional wilderness and wildlife areas.

The Rwanda expansion is a case in point. No less than six years in the making, we really believe that our venture into this inspirational country is going to revolutionise ecotourism, and the positive impact it can have on conservation and community, across the region. We are not interested in building lodges and camps just to create businesses. We have to strive to achieve more than this. In Rwanda this is about reforestation and the expansion of habitats for the range restricted endemic species of the Albertine Rift. It is also about the continent's highest rural population density and sustainable land utilisation. This is no short-term commitment but one which we will take great satisfaction in monitoring the progress of.

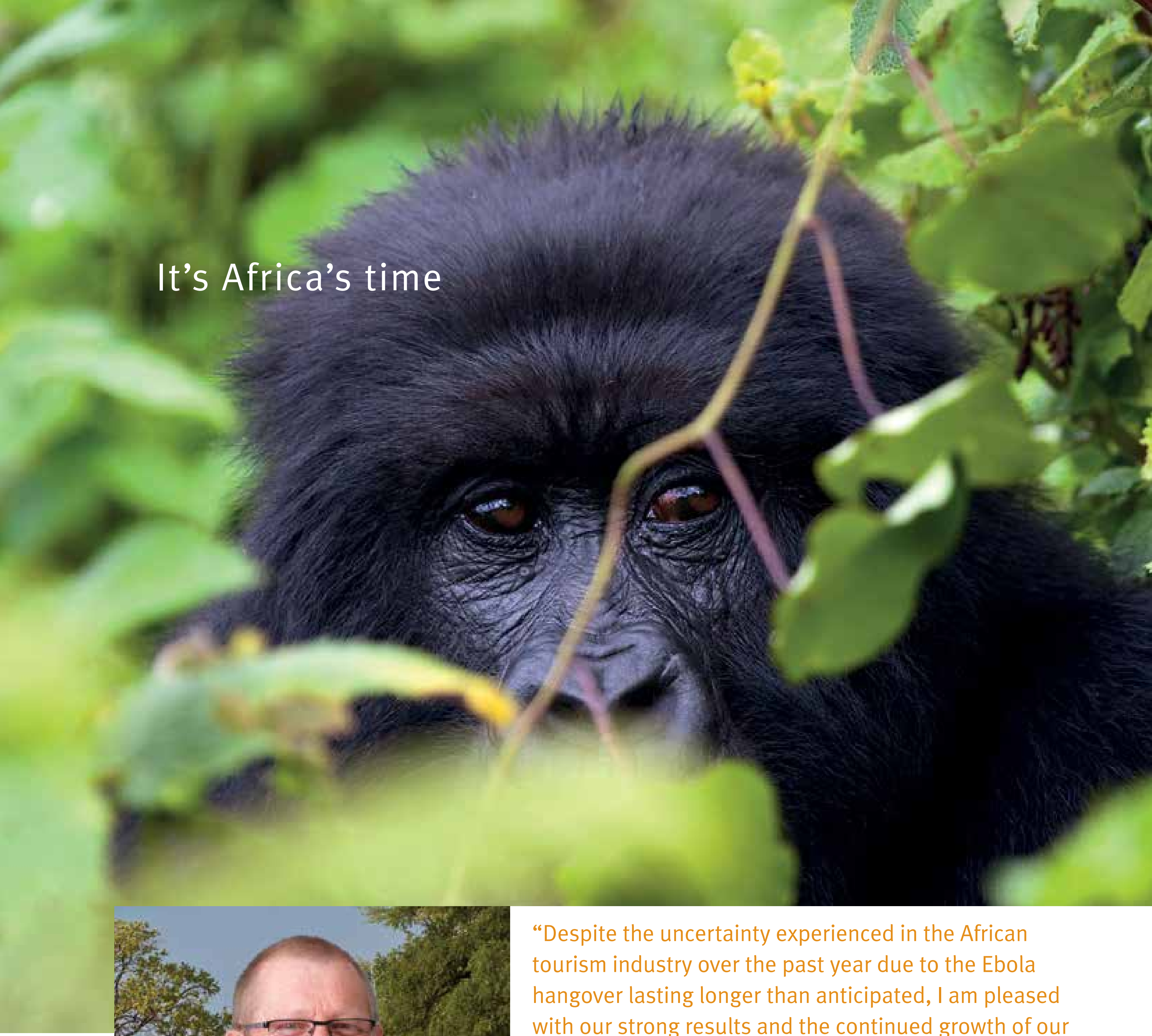
I am proud of the results for this financial year and excited about the future – both immediate and medium term. Thank you as always to my Board for their support and wisdom, and to the entire Wilderness staff across all countries and regions – your commitment to our cause and your endless enthusiasm for our organisation are both humbling and inspiring.

Finally, a specific thanks to Rolf Hartmann who leaves our Board after nearly a decade of committed and selfless service. Thank you Rolf, you made a huge difference to our discipline and decision-making.

**July 2014:**
Wilderness Safaris – 4th best Safari Operator in the World in the US Travel + Leisure World's Best Awards.



**September 2014:**
Mombo Camp – World Travel Award for Botswana's Leading Tented Safari Camp.



# It's Africa's time

Keith Vincent, CEO

"Despite the uncertainty experienced in the African tourism industry over the past year due to the Ebola hangover lasting longer than anticipated, I am pleased with our strong results and the continued growth of our pioneering ecotourism initiatives. I am extremely proud of my team and our collaborative efforts to reorganise the business over the past two years, providing the Wilderness Group with a solid foundation from which to expand our ecotourism footprint into other African regions. We are thrilled to announce our plans to build two new camps in Rwanda in 2016 and look forward to pursuing other exciting ventures in line with our 4Cs ethos (Commerce, Conservation, Community and Culture). We are well placed for the next chapter – it's now Africa's time."

## Awards

**September 2014:**
North Island – World Travel Award for the Indian Ocean's Leading Green resort.

**September 2014:**
North Island – 3rd best in the 2014 Condé Nast Traveller Readers' Awards.

# Chief Executive Officer's letter

## Performance overview

With the outbreak of Ebola in West Africa in March 2014, Wilderness Safaris embarked on a range of joint campaigns with our trade partners to dispel the myths around the virus and to educate our guests and potential travellers about the vast distances involved between the affected countries and those in which we operate.

Although we experienced few cancellations of existing bookings at the onset of the outbreak, the impact of Ebola was seen in our fourth quarter results and we have therefore increased our marketing and sales efforts in this regard. We remain positive, however, that the industry is recovering from the Ebola hangover and hope to see an increase in bookings from our major source markets, including the USA, UK and Europe, in the coming months. The potential for business from emerging markets is still on the rise, and we are now working with a PR and sales representation company in Brazil to drive future business from Latin America.

The first three quarters showed positive growth and all geographical segments (namely Botswana, Namibia, South Africa and the Zambezi region from a financial reporting perspective) reported an improved operational performance. Due to the closure of loss-making camps and improved service levels, we were pleased that Namibia contributed 11% of segmental profit compared to 2% last year. Our new Hoanib Skeleton Coast Camp opened in Namibia's remote Kaokoveld in August 2014 and has already received international recognition, including being listed in both the UK and USA *Condé Nast Traveller's* 2015 Hot Lists of the world's best new hotels. It is significant that a small, 100% solar-powered camp in the middle of the Namib Desert can reap such prestigious accolades, and is a testament to our 4Cs model that this is a sustainable way to do business.

With the imminent opening of the new Victoria Falls International Airport and the resurgence of international interest in the country, our Zimbabwean business is positioned for great potential growth. We were delighted to launch the new Linkwasha Camp in Hwange in May 2015, offering the highest level of luxury now available in the Park. We have also continued to extensively refurbish our Botswana camps and to make a significant investment in solar energy.

Throughout the year, we focused on consolidating our core business to ensure a solid foundation for future growth opportunities. In this regard, we ended our operating and marketing agreement for Odzala Wilderness Camps in the Republic of Congo, disposed of our investment in the Malawian business, and sold Pafuri Camp. I am proud of my team for facilitating smooth handovers and offering ongoing support to ensure continued conservation engagement in these regions, most vitally through Children in the Wilderness in the latter two cases.

Without the Commerce C and a successful business, we are unable to stimulate change, but it is the Conservation, Community and Culture Cs that I am most proud of this year as we continued to pioneer various projects in partnership with the Wilderness Wildlife Trust and Children in the Wilderness. Most notably, our ongoing Botswana Rhino Conservation Project reached new heights with yet another relocation of both black and white rhino to a safe haven in Botswana, in collaboration with the Botswana, South African and Zimbabwean Governments. Nearly 1% of the continent's black rhino population has now been resettled in Botswana in this remarkable joint conservation effort.

## Future prospects

In line with our vision to be Africa's leading ecotourism organisation, creating life-changing journeys in order to build sustainable conservation economies and inspire positive action, the Wilderness Group is well placed to expand into new regions that offer authentic ecotourism opportunities.

We are genuinely proud to launch our Rwandan business and to begin construction of two new lodges due to open in 2016. The opportunity to use our tried and tested model of responsible ecotourism to contribute to positive conservation and community empowerment in such a unique and exciting environment is exactly why we do what we do. We will also continue to negotiate with various other potential partners to further increase our conservation footprint on the continent.

In addition to growth and expansion plans into new regions, we will continue to maintain and refurbish existing camps and other assets in our portfolio to ensure we remain Africa's leading ecotourism organisation. Plans are underway to develop two new camps in Botswana and one in Zimbabwe, as well as to embark on a three-year aircraft replacement programme to guarantee that we provide our guests with the safest and most comfortable flying experience through Wilderness Air.

We will also remain committed to our 4Cs ethos and to reducing our dependence on fossil fuels through further investments in solar energy in our camps, aiming to eventually achieve carbon neutrality in our operational business.

I would like to thank our staff for their ongoing commitment and extraordinary efforts during this time of reorganisation, as well as to all our partners, shareholders and local governments for their continued support and enthusiasm to support the Wilderness philosophy.

We have a strong team on board and the Group is in the best of hands to drive our conservation agenda for Africa forward.

**October 2014:** Mombo & Little Mombo, King's Pool and Little Vumbura – Listed in the Condé Nast Traveller Readers' Choice Awards.

**November 2014:** Children in the Wilderness won the PURE Award for Community Engagement.

**November 2014:** Hoanib Skeleton Coast Camp – Won the Out of this World category in the Tatler Travel Awards.

*Main: Tree climbing lion, Kafue, Zambia.*

*Right: Food, North Island, Seychelles.*

*Above: View from Vumbura Plains villa, Botswana.*

*Top right: Solar installation, DumaTau Camp, Botswana.*

# Sustainability report

COMMERCE

The Commerce C gives us the resources to make the interventions under the other three Cs. Without a viable business model, we cannot justify investing in the areas in which we operate. By the same token, even if there is a viable business model we cannot justify an investment that does not address the other three Cs.

*Linkwasha Camp, Zimbabwe.*

# Commerce

**Table 2: Value added statement (for the year ended 28 February 2015)**

| | 2015 P'000 | % | 2014 P'000 | % |
|---|---|---|---|---|
| Revenue | 944 586 | | 843 288 | |
| Cost of goods and services | (442 838) | | (420 057) | |
| Wealth created by trading operations | 501 748 | | 423 231 | |
| Finance income | 2 501 | | 1 279 | |
| Profit on disposal of assets | 7 056 | | 17 200 | |
| **Total wealth created** | 511 305 | 100.0 | 441 710 | 100.0 |
| **Distributed as follows:** | | | | |
| Employees | | | | |
| Benefits and remuneration | 309 952 | 60.6 | 289 509 | 65.5 |
| Governments | | | | |
| Current taxation | 32 463 | 6.3 | 29 031 | 6.6 |
| Providers of capital | 30 208 | 5.9 | 18 028 | 4.1 |
| Finance charges | 7 108 | 1.4 | 8 788 | 2.0 |
| Dividends to shareholders | 23 100 | 4.5 | 9 240 | 2.1 |
| Retained for growth | 138 682 | 27.2 | 105 142 | 23.8 |
| Depreciation and amortisation | 55 896 | 10.9 | 50 093 | 11.3 |
| Impairments | 10 175 | 2.0 | 8 902 | 2.0 |
| Profit for the year attributable to shareholders of the Company | 72 611 | 14.3 | 46 147 | 10.5 |
| | 511 305 | 100.0 | 441 710 | 100.0 |

## Key performance indicators (KPIs)

Up **12%**

**Revenue:** Increased to P945 million from P843 million in prior year

Up **20%**

**EBITDA:** Increased to P182 million from P151 million in prior year

Up **57%**

**Profit after tax:** Increased to P76 million from P48 million in prior year

Up **65%**

**Occupancy:** Increased to 65% from 62% in prior year

Down **29%**

**Cash generated by operations:** Declined to P131 million from P184 million

UP **102%**

**HEPS:** Increased to 32 thebe per share from 16 thebe per share in prior year

## Financial performance

The Group has elected to early adopt IFRS 15 Revenue from Contracts with Customers, we believe this provides a more meaningful representation of our business as it takes into account only revenue that is generated by businesses owned by the Group.

Further information is included under "Changes in accounting policies" on page 115. The adoption of IFRS 15 resulted in a reduction in revenue and cost of sales of P561 million in 2015 against P558 million in the prior year. There was no impact on profit.

On a restated basis revenue grew by 12% to P945 million. Bednights sold increased by 11% driven mainly by Namibia and a greater contribution from our lower-end products. Available bednights have increased by 6% from 210 880 to 224 228.

The average exchange rate for the year was 6% weaker against the US Dollar from P8.56 to P9.08, whilst the Rand depreciated against the Botswana Pula by 3% from R1.17 to R1.21. The combination of the net currency movement contributed approximately 5% of the revenue growth.

Gross margin has decreased by 1% to 68% as a result of greater contribution by the lower-margin Namibian business.

EBITDA margin has improved from 17.9% to 19.2% with operating costs well contained at 5% increase despite growth in available bednights, continued investment in information technology and an increase of 35% to P8.3 million in share-based payments charges. The weakening by 3% of the South African Rand and the Namibian Dollar against the Botswana Pula resulted in a benefit on conversion to our Pula reported results.

All geographical segments reported an improved operational performance, with Namibia now contributing 11% of segmental profit compared to 2% in the prior year. The closure of loss-making camps, improved service levels and a depreciation of the Namibian Dollar

*Right: Picnic brunch, Kalahari Plains Camp, Botswana.*

*Below: Game drive, Okavango Delta, Botswana.*

against the US Dollar resulted in high demand for our Namibian offering with bednight sales increasing by 25% over the prior year.

Other gains amounting to P7 million include P10.7 million insurance claim for damage to an aircraft, profit from the disposal of subsidiaries amounting to P1.1 million and a loss from disposal of associates of P5 million.

In line with the Group's hedging strategy, during the latter half of the year the forward cover taken was reduced to 30% of the unhedged position expected over the next four months. Subsequent to the year-end the level of forward cover taken was reduced to zero and will remain at this level until in the opinion of the Board the Rand fundamentals make cover necessary. Foreign exchange gains amounted to P8.1 million.

Impairment losses amounted to P10.2 million, this mainly arose from damage to an aircraft that was impaired for P4.3 million and P4.9 million impairment of our Zambian assets until the leases are renewed. The remaining balance is attributed to impairments of intangible assets, loans and property, plant and equipment.

**Figure 9: Capital spend** (P millions)

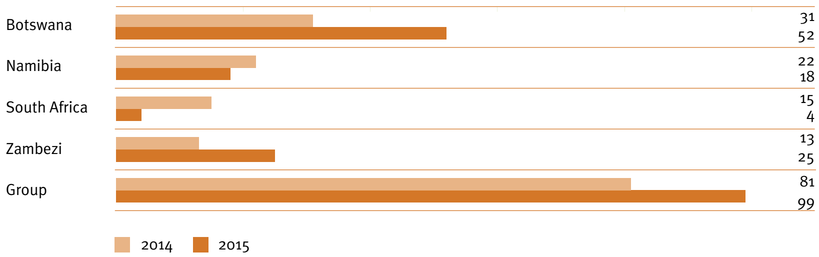



**Figure 10: Segment profit** (P millions)

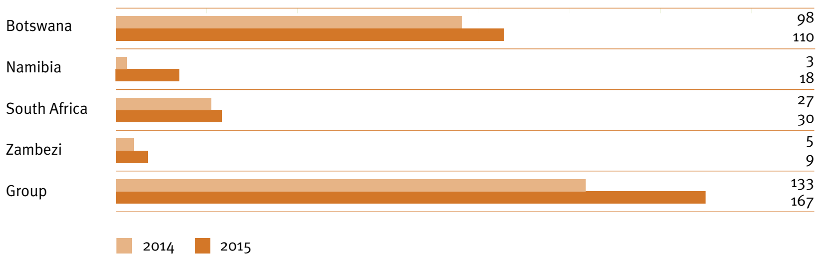
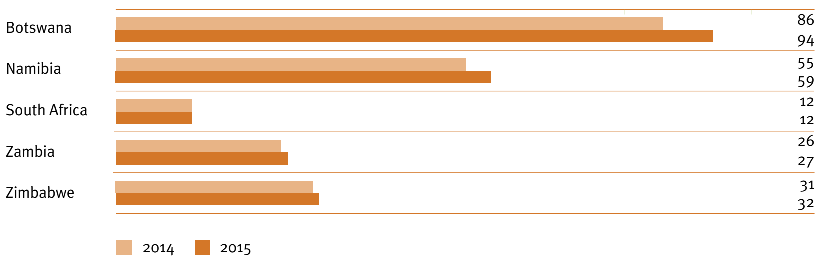



**Figure 11: Available bednights** (thousands)




Net finance costs decreased from P7.5 million to P4.6 million reflecting the lower level of interest-bearing debt.

The Group's effective tax rate decreased from 37% in the prior year to 30% in the current year. The effective tax rate is higher than the Group's nominal rate of 22% largely due to the higher tax rate in other jurisdictions and expenses that are not deductible for tax purposes.

## Returns to shareholders

The dividend for the year has increased by 50% to 15 thebe per share compared with 10 thebe in the previous year. The growth in dividend is in line with our dividend policy and is a reflection of the earnings growth, significant cash reserves and capital investment plans.

## Outlook

The impact of the Ebola virus together with the new visa requirements that the South African authorities have announced are expected to have a negative effect on the coming financial year. However, we remain hopeful that the impact on high season will be subdued.

We have announced our investment in two new camps in Rwanda, a country with a unique tourism offering which we believe will provide an experience that complements our existing business.

The Group's strategic intent is to invest in African tourism markets which offer authentic wildlife and safari experiences.

**Figure 12: Occupancy** (%)

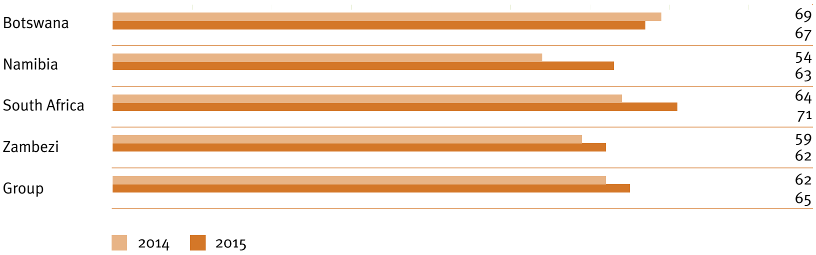
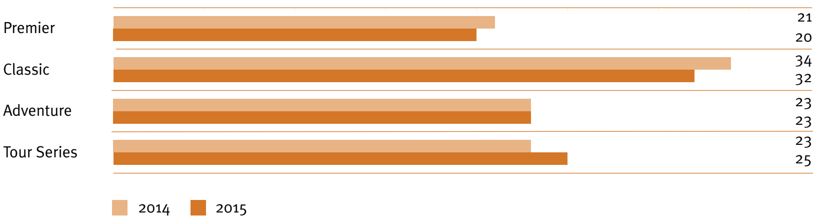



**Figure 13: Brand share of bednight sales** (%)




*Above: Shumba Camp, Zambia.*

The Conservation C is centred on one reality: without the wilderness, there is no Wilderness. This inspires our business to make investments in maximising the positive impacts arising from our activities while at the same time implementing measures to reduce any negative impacts. This respect and care for the wilderness makes for a better business and ultimately a better world.

Translocated black rhinos released, Botswana.

# Conservation

In order to manage the Conservation C more effectively, we have divided it into two subsections, giving each the special attention they require. The Biodiversity aspect involves our initiatives to maintain and improve the biodiversity and the ecosystems upon which our operations are based. The Environmental Management Systems (EMS) portion, on the other hand, focuses on our endeavours to ensure that any negative impacts on the environment from our operations are minimised.

## Biodiversity

The Wilderness Group operates in areas of exceptional wilderness or biodiversity quality that enjoy varying degrees of formal protection (including national parks, community conservancies and private land). We believe that, in almost all cases, our presence has enhanced the conservation status of these areas and specific species within them. We do not believe that there are any situations where our operations have, in a direct sense, impacted negatively on biodiversity. Rather, the opposite is the case in that the nature of our business is such that a positive impact on biodiversity (in the sense of more secure ecosystems and wildlife populations) is both an intended outcome and a by-product of our day-to-day operations. The latter rely on intact ecosystems in order to satisfy guest expectations around game viewing and other experiences.

Broadly, we view our role in biodiversity conservation as:

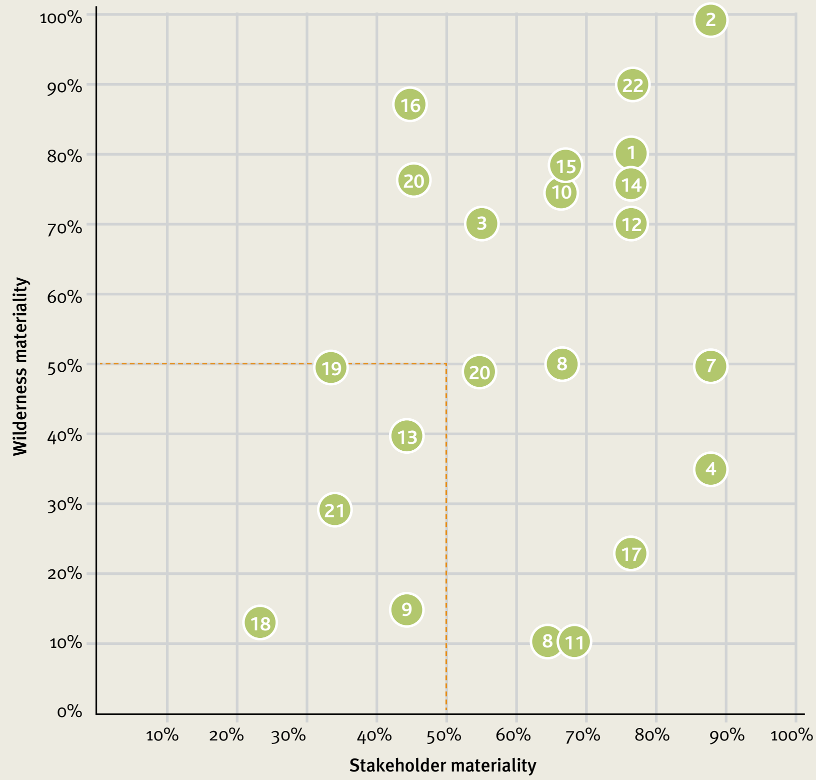
- Ensuring the sustainable conservation of wilderness areas and their biodiversity through the creation of viable ecotourism businesses, either within formally protected areas or on community or privately owned land without formal (i.e. state or legislated) protection;
- Ensuring that, in appropriate circumstances, ecotourism remains the preferred economic alternative to less sustainable industries such as mining, agriculture, hydroelectric schemes and others that irrevocably damage biodiversity, wilderness and ecosystem processes;
- Creating a profitable, ethical and responsible business, based on conservation, that others imitate and implement in regions where we are not active; and
- Measuring and understanding our biodiversity footprint and its management and, where relevant, enhancing indigenous species richness through reintroductions.

## Environmental management systems (EMS)

The intention of our environmental management systems (EMS) is to minimise any negative impacts that our operations might have on the environment. Our camps are situated in pristine wilderness areas and, failing such intentions, could undermine the very attractions upon which our operations are based.

EMS comprises mostly our systems to manage our camps' energy usage and related carbon emissions, water use, waste production and disposal, and the usage of materials and products. Minimising any negative impacts on the environment by our camps creates a competitive advantage by enhancing guests' experiences. There are also commercial spin-offs in that our camps operate more efficiently and save on various operational supply and equipment costs.

# Conservation materiality assessment




**Biodiversity**

1. Extent of biodiversity footprint
2. Biodiversity conservation support
3 Biodiversity within our operational area
4. Species reintroductions
5. Biodiversity research supported
6. Anti-poaching support
7. Water provisioning for wildlife
8. Reforestation programmes
9. Vegetation rehabilitation programmes
10. Conserving IUCN Red List species
11. Ecotourism expansion strategy into new biomes
12. Anthropogenic impacts on biodiversity
13. Human-wildlife conflict

**Environmental Management Systems**

14. Environmental standards of our operations
15. Carbon emissions
16. Waste management and recycling
17. Travel related carbon emissions
18. Other greenhouse emissions
19. Operational supply chain
20. Water consumption
21. Materials consumed
22. Energy efficiency

**Figure 14: Conservation materiality assessment**

*Below: Seychelles white eye, Seychelles.*
*Right: African wild dog, Botswana.*
*Left: Hartmann's mountain zebra, Namibia.*

**BIODIVERSITY** is the basis of life on Earth as people are dependent on naturally functioning ecosystems for their survival in ways not always apparent or obvious. Biodiversity boosts ecosystem productivity; the richer the biodiversity on the planet, the greater the opportunity for medical discoveries, diversifying economic development and enabling adaptive responses to global challenges such as climate change. Most cultures have, in some way or form, their origin in biological diversity and biodiversity decline is thus a concern for many reasons.

## Management approach

The aspects discussed in this chapter are considered material either due to the impacts they have on our operations, directly and indirectly, or alternatively due to the reputation risks they may pose for the business. All the material aspects covered are managed by country-level management in the seven countries in which we operate, with support from Group resources when needed.

In order to roll out the Group's conservation and research strategy and ensure that our conservation and biodiversity targets are achieved, country-level environmental management and Group personnel meet regularly through country visits and workshops. At least one annual conservation workshop is held where the conservation strategy is discussed and biodiversity and conservation targets assessed. Research priorities are agreed upon for the coming year, after consultation with government and conservation stakeholders.

## Our biodiversity footprint

The biodiversity footprint of the Wilderness Group is the area of land on which we operate. We believe that our presence in these areas makes a contribution towards the conservation of the habitats and wildlife therein. Our commercial strategy has, by and large, been built around selecting areas of operation which ensure that our portfolio of camps and experiences is complementary. In other words, each camp and its associated experiences should not compete with another in the Group, and in fact should complement others with which it might be combined in an itinerary or safari. In this way, we have diversified our product to the extent that we encourage repeat business. This has meant that, as Wilderness has grown and spread geographically, we have sought out areas with complementary (and non-competing) biodiversity.

Our current ecotourism model supports the conservation of a total of 2.6 million hectares (6.4 million acres). Of this, 2.5% is privately owned while 41.7% is communal land and the remaining 55.8% state land within national parks, game reserves and other formally protected areas. Wilderness supports the conservation of these land units in one or more of the following ways:

- By contributing *de facto* protection through presence and monitoring;
- By contributing lease or traversing fees which aid the financial viability of the area and prevent changes in land-use; and
- Through active conservation activities such as anti-poaching, vegetation rehabilitation, reintroduction of indigenous species or research.

This expansion of conservation activities across multiple land ownership types, both within and outside of state-protected areas, indicates the potential of this model to contribute to conservation, particularly on community-owned land. It also underscores the important responsibility we have to continue

## Key performance indicators (KPIs)

The following have been identified as the key performance indicators (KPIs) for the Biodiversity section of the Conservation C.

| | | |
|---|---|---|
| Increased 33% | Decreased 7% | Reduced to 8 |
| **Conservation contribution:** Increased by 33% from P6.6 million in 2014 to P8.7 million in 2015 | **Biodiversity footprint:** Decreased 7% from 2.8 million hectares in 2014 to 2.6 million hectares in 2015 | **Biomes:** Reduced from nine in 2014 to eight in 2015 |
| Decreased by 1% | Increased 16% | Decreased to 37 |
| **Number of research projects supported:** Decreased by 1% from 87 in 2014 to 86 in 2015 | **Number of collaborations with institutions and stakeholders:** Increased 16% from 70 in 2014 to 81 in 2015 | **IUCN Red List Species conserved:** Decreased from 40 to 37 species |

* *All of the reductions in impact noted above are due to the sale of our investment in the Malawi business.*

*Above: Western lowland gorilla, Congo.*
*Left: Turtle monitoring, Seychelles.*

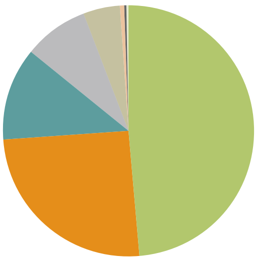
assisting in the conservation of these areas.

A better understanding of our footprint and potential impacts allows us to focus on areas with differing, perhaps less formally conserved biodiversity. In addition, we can use this information to create conservation 'bridges' or 'corridors' to ensure genetic sustainability of sub-populations. This latter initiative has been an important factor behind the Group's historical expansion into already well-represented ecosystems, while the former has led to us extending our operation into new areas.

## Biomes and extent of presence

We operate in eight different biomes across the African continent as illustrated by Figure 15 below. More detail can be found in the online appendices: *Figure A – Biomes of the African continent*, indicating the presence of Wilderness camps.

**Figure 15: Composition of the Wilderness operational area by biome** (%)



| | |
|---|---|
| Semi-desert | 48.74% |
| Dry woodland | 25.37% |
| Desert | 11.91% |
| Tropical rainforest | 8.36% |
| Moist woodland | 4.75% |
| Arid savannah | 0.48% |
| East African coastal forest | 0.31% |
| Indian Ocean island | 0.08% |

Centres of endemism are areas that contain a high incidence of endemic species or the ranges of species that have restricted distribution. Centres of endemism can overlap with biodiversity hotspots (areas containing a significant reservoir of biodiversity, threatened with destruction) and are generally considered high priorities for conservation. We have sought new biomes and centres of endemism that host differing arrays of charismatic fauna and flora and are of interest to our guests. As we have grown, this has resulted in us extending our contribution to biodiversity conservation to more and varying ecosystems.

Wilderness camps are located in five out of the eight African centres of endemism: Guineo-Congolese Region, Zambezian Region, Karoo-Namib Region, Cape Region and Seychelles. A map showing African centres of endemism and the presence of Wilderness camps can be viewed online (*Online appendices: Figure B – African centres of endemism*, indicating the presence of Wilderness camps).

## Biodiversity inventory

The number of species of vertebrates occurring on land over which we have influence (through concessions, leases, traversing and other engagements) is presented as a minimum estimate in Table 3. This figure has reduced from the previous year due to us no longer operating in Malawi.

**Table 3: Biodiversity inventory of Wilderness operations***

| | Total | Botswana | Congo | Namibia | Seychelles | South Africa | Zambia | Zimbabwe |
|---|---|---|---|---|---|---|---|---|
| Birds | **1 036** | 417 | 440 | 352 | 50 | 254 | 545 | 458 |
| Mammals | **260** | 111 | 114 | 104 | 1 | 120 | 136 | 104 |
| Reptiles | **190** | 83 | ** | 77 | 12 | 85 | 92 | 75 |
| Amphibians | **50** | 48 | ** | 22 | 5 | 30 | 28 | 35 |

* *Excludes urban areas such as the offices in Johannesburg, Cape Town, Windhoek, Victoria Falls, Livingstone, Brazzaville and Mahé.*
** *Data not available.*

Inventories of species, as summarised here, are important for a number of reasons:

- As a means of measuring ecosystem health;
- They can be used to assess the conservation importance of specific areas; and
- They can (and must) be used to focus conservation actions.

For the last two reasons, our biodiversity inventory is cross-referenced with the IUCN Red List (*see online appendices: Table D)*, particularly the three most threatened categories of extant species. It is vital that our tourism operations do not compromise the conservation status of any species and that, wherever possible, we contribute to improving it – this is evident for example in our efforts with regard to black rhino conservation in Botswana (see top achievements on page 4).

We therefore measure our conservation achievements (some of which form part of our Biodiversity KPIs) through considering the following:

- How many species featured on the IUCN Red List are present in our areas of operation;
- What are the trends in populations of these species in our areas, compared to elsewhere; and
- Does the Group implement or support any actions designed to improve or monitor their conservation status?

No fewer than 36 species that occur in our operational areas fall into the three most threatened categories of the IUCN Red List. Of these, eight are reptiles or amphibians (e.g. Seychelles black mud turtle, loggerhead turtle), 12 are mammals (e.g. western lowland gorilla, central chimpanzee, Hartmann's mountain zebra) and 16 are birds (e.g. hooded vulture, wattled crane). Five of these species are classed as Critically Endangered, eight as Endangered and 23 as Vulnerable.

Although only three of these species' global populations are regarded by IUCN as increasing (the overwhelming majority, 26 species, are regarded as decreasing), most of the populations occurring on land over which Wilderness has influence are either increasing or stable. Naturally, Wilderness cannot alone claim credit for this, as it is due to the work of many different agencies. What is encouraging, however, is that wherever possible or practical, we engage in research, monitoring or active management of those species that are regarded as either Critically Endangered, Endangered or Vulnerable. A map indicating the IUCN Red List Species per country can be seen in Figure 16 on page 41.

All five species regarded as Critically Endangered are monitored wherever they occur across Wilderness concessions. In some cases, this monitoring extends to specific research either conducted or supported by the Wilderness Group, while in other cases active conservation actions are implemented (black rhino translocations; Seychelles black mud terrapin introductions; relocation of hawksbill turtle nests when exposed by spring tides or beach erosion). Our commitment extends to four of the eight Endangered species recorded in our areas (one of the eight species is vagrant and active monitoring or research is very difficult). Monitoring is the main activity conducted by the Group but, for some species, work extends to active conservation interventions and research (Seychelles white-eye mist-netting and ringing; wild dog home range and movement research; green turtle and hawksbill turtle nest monitoring). Insofar as Vulnerable species are concerned, active monitoring, research or conservation interventions were conducted on 13 species during the reporting period.

During the reporting period, conservation work has also been conducted on Near-Threatened species such as white rhino, Locally Threatened species such as roan antelope and on Endangered and Vulnerable species.

## Water is life

Freshwater ecosystems occupy only 0.8% of Earth's surface, but harbour nearly 6% of all known species, and yet these species and the habitats they rely on are among the most endangered on Earth. Most of the water on Earth is too salty (93%), frozen in polar ice caps, or too deep underground, resulting in less than 1% of all water on Earth being usable by humans.

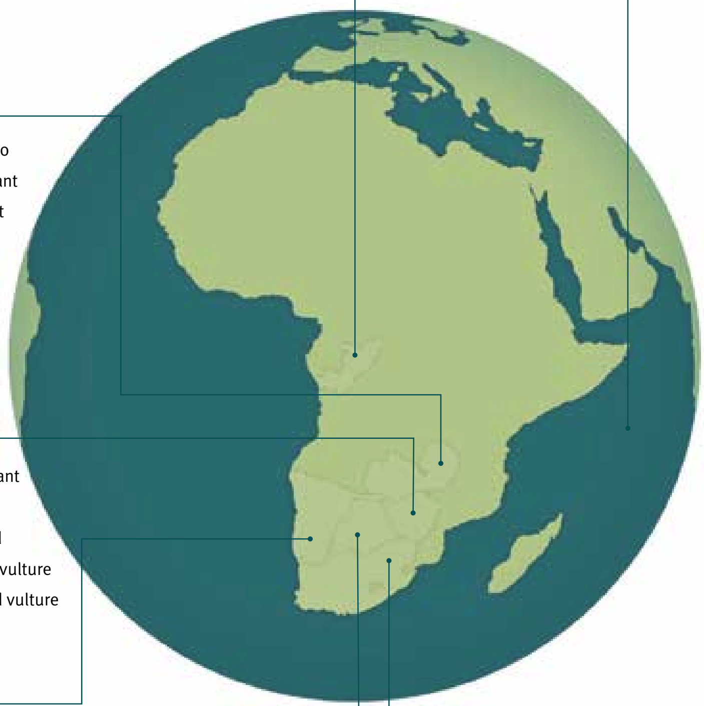
Many of our camps are within UNESCO World Heritage Sites. Botswana's Okavango Delta became the 1 000th site inscribed on the UNESCO World Heritage List in June 2014. This illustrates the global importance placed on this unique wetland. Ruckomechi Camp is also located within Mana Pools National Park World Heritage Site and Toka Leya Camp is located in the Mosi-oa-Tunya/Victoria Falls World Heritage Site.

While conventional wisdom might suggest negative impacts on natural water bodies from commercial endeavours, none of our operations have significantly altered any hydrological system. Instead, we believe that our operations have either positively impacted on these systems, or at least helped maintain their integrity.

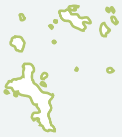
Negative impacts that could result from safari camp operations like ours are related to either: excessive abstraction relative to the sustainability of the source; accidental discharges of either waste water or fuel; or the use of environmentally harmful chemicals in cleaning or other functions.

Given the small size of our camps (in terms of guest and staff numbers), the volume of water abstracted is far below normal "industrial" levels. Notwithstanding this, abstraction via borehole or river is always relative to the local rainfall and water table and tailored accordingly. In arid locations, such as the majority of our Namibian camps, efforts are implemented to mitigate wastage in areas such as showers, laundries and swimming pools. Where water is more abundant, measurement and monitoring is not as comprehensive and usually takes the form of borehole depth monitoring and similar efforts.

## IUCN Red List species occurring within our areas of operation

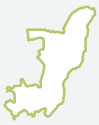


### Seychelles



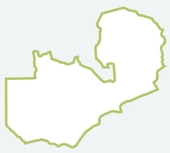
- CR Hawksbill turtle
- CR Seychelles black mud turtle
- EN Seychelles white-eye
- EN Green turtle
- VU Seychelles swiftlet
- VU Aldabra giant tortoise
- VU Seychelles kestrel

### Congo



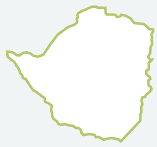
- CR Western lowland gorilla
- EN Central chimpanzee
- VU Common hippo
- VU Forest elephant
- VU African dwarf crocodile

### Zambia



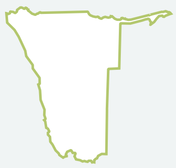
- EN African wild dog
- EN Hooded vulture
- VU White-headed vulture
- VU Grey crowned crane
- VU Wattled crane
- VU Lappet-faced vulture
- VU Southern ground hornbill
- VU Common hippo
- VU African elephant
- VU Zambia barbet
- VU Lion
- VU Secretary bird
- VU Cheetah
- VU Slaty egret

### Zimbabwe



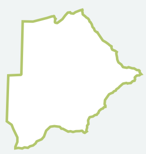
- EN African wild dog
- EN Hooded vulture
- VU Cheetah
- VU Grey crowned crane
- VU Common hippo
- VU Southern ground hornbill
- VU African elephant
- VU Lion
- VU Secretary bird
- VU Lappet-faced vulture
- VU White-headed vulture

### Namibia



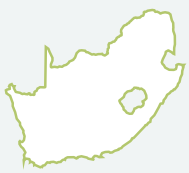
- CR Black rhino
- EN Bank cormorant
- EN Ludwig's bustard
- VU Cheetah
- VU Lion
- VU Black-footed cat
- VU African elephant
- VU Cape gannet
- VU Secretary bird
- VU Lappet-faced vulture
- VU Hartmann's mountain zebra
- VU Common hippo

### Botswana



- CR Black rhino
- EN African wild dog
- EN Hooded vulture
- VU Cheetah
- VU Slaty egret
- VU Wattled crane
- VU Common hippo
- VU African elephant
- VU Lion
- VU Black-footed cat
- VU White-headed vulture
- VU Secretary bird
- VU Lappet-faced vulture

### South Africa



- CR Leatherback turtle
- EN Loggerhead turtle
- VU Samango monkey
- VU Cape gannet
- VU Common hippo
- VU Olive ridley turtle

**The above IUCN Red List species only contain species listed in the Critically Endangered (CE) and Endangered (E) and some of the Vulnerable (V) category for the Group areas of operation by country. For more information refer to the full Table D in the Online Appendices.**

**IUCN Red List status:** CR Critically Endangered EN Endangered VU Vulnerable

**Figure 16: IUCN Red List species per country.**

A number of measures are in place as a minimum standard across the Group in terms of waste water, fuel storage and transport, and cleaning chemicals (see the section on Environmental Management Systems for details).

Our operations tend to have positive impacts on water bodies in two main respects. Firstly, the presence of an authentic ecotourism operation that is dependent on the existence of a pristine ecosystem ensures that the integrity of that system is monitored and, where necessary or possible, maintained. Secondly, the existence of such an operation results in higher profile and public exposure for the site, as well as any potential threats to it.

**Biodiversity footprint, conservation and impact mitigation objectives for the next year:**

- Attempt to increase the biodiversity footprint of our areas of operation;
- Where commercially viable, expand our ecotourism operations to fragmented and endangered biomes and ecosystems;
- Increase the biodiversity inventories in our existing areas and extend these to enable us to better understand and conserve these areas. This includes continued efforts to catalogue cryptic small mammals, amphibians and reptiles across our entire operating area;
- Expand our monitoring and research initiatives to a greater proportion of IUCN Red List species including specific focus on large birds (e.g. vultures, cranes, Ludwig's bustard, ground hornbill, secretary bird);
- Extend biodiversity inventories to freshwater fish and other species groups;
- Continue monitoring and, wherever feasible, conserving threatened species and ecosystems;
- Re-establish or reintroduce locally extinct populations into their former ranges where possible (for example continuing to reintroduce native fauna and flora on North Island in Seychelles);
- Introduce a larger founder population of black rhino to the Okavango Delta;
- Maintain bed and vehicle densities at current levels;
- Carry out additional studies on the impacts of roads or footprints of infrastructure and how to mitigate these impacts; and
- Mitigate anthropogenic impacts on biodiversity – a specific target for this is to install additional turtle-friendly lighting at North Island.

**Table 4: Important hydrological systems in which Wilderness operations are located**

| Country | Ramsar site | Major rivers | Other |
|---|---|---|---|
| Botswana | Okavango Delta | Okavango; Linyanti; Chobe; Savuti | – |
| Congo | Odzala Kokoua | Lekoli; Mambili | – |
| Namibia | – | Kunene | – |
| Seychelles | – | – | Indian Ocean |
| South Africa | Lake Sibaya; Tongaland turtle beaches | – | – |
| Zambia | Busanga Swamps | Lufupa; Kafue; Zambezi | – |
| Zimbabwe | – | Zambezi | – |

With Malawi no longer forming part of the Group, there has been a reduction in biodiversity footprint as well as the number of IUCN Red List species being monitored and our strategy to reverse this trend is to look for new areas to expand our business model. Conversely, objectives have been achieved in the past year in terms of re-establishing locally extinct populations (Seychelles white-eye) and introducing a larger founder population of black rhino to the Okavango Delta – which formed a large portion of our increased conservation contribution.

## Enhancing our biodiversity footprint

We continually attempt to enhance our biodiversity footprint through reintroduction of species and other direct conservation actions such as anti-poaching, fence patrols, snare sweeps, judicious water provisioning and collaboration and logistical support for a wide range of stakeholders. Our day-to-day operations contribute in a meaningful way to conservation of a wide array of African ecosystems. Beyond this, we also commit substantial funds and resources to a number of conservation and research projects on specific species and conservation challenges or processes. This contribution is made either through the operating companies themselves, the independent Wilderness Wildlife Trust, Rhino Conservation Botswana, through third parties where we manage or oversee the operation, or through generous donations by our guests and other partners.

Such contributions are regarded both as an opportunity to foster conservation of Africa's biodiversity and also as an obligation arising from operating in important conservation areas. We aim to entrench and improve biodiversity conservation across all the areas where we operate. As a result, during the reporting period we participated in no fewer than 86 active research and conservation projects across the seven countries of operation. This entailed collaboration with more than 81 independent institutions ranging from state protected area agencies to NGOs and academic institutions from a wide range of countries, inside and outside of southern Africa.

During the 2015 financial year, a minimum of P8.7 million was spent directly on biodiversity conservation. Not all contributions during the reporting period were reported in financial terms as much of the support is in-kind, logistical or expert guidance. This figure is thus potentially only three quarters of the total sum and must be recognised as a voluntary investment in biodiversity that does not take into account contractual obligations or day-to-day operational expenses related to tourism (and even biodiversity in the case of sustainability staff salaries, for example).

Whilst the Malawi operation is no longer part of the operational footprint, we still support projects there through the Wilderness Wildlife Trust so these calculations were included in the conservation contribution. Conservation contributions from the Wilderness Wildlife Trust (largely dependent on Wilderness Safaris for most of its funding) are listed in a separate column in online appendix Table E. All other contributions are listed in the "Wilderness" column, however where part of the contribution did not come directly from Wilderness Holdings' bottom line, these amounts are listed separately and marked with an asterisk; for example, projects managed and administered by the Wilderness Group, but where the funds were raised externally through external donors or Wilderness' guests.

Although often difficult to quantify in the short term, it is important to appreciate the conservation outcomes of this work and investment. The longer-running projects *(see online appendices: Table E)* have directly and indirectly resulted in:

- The reintroduction of threatened species in areas of their former range (e.g. black rhino in Botswana);
- Growth in the populations of threatened species that in some cases have resulted in favourable changes in their IUCN Red Listing status (e.g. loggerhead turtle and green turtle in South Africa and Seychelles);
- Enhanced understanding of the conservation ecology of threatened species that has resulted in improved management of the species either *in situ* or in external areas where they are of more pressing conservation concern (e.g. lion in Botswana and Zambia);
- The confirmation of extant conservation corridors linking sub-populations (e.g. elephant, zebra, wildebeest and wild dog movement studies in Botswana);
- Efforts to mitigate human-wildlife conflict (e.g. Human-Carnivore Conflict study in Botswana);
- Establishment of biodiversity (e.g. vegetation surveys in Botswana) and population baselines (e.g. wildlife monitoring indices in all regions);
- Removal of artificial and anthropogenic causes of wildlife mortality and ecosystem rehabilitation (e.g. Victoria Falls Anti-Poaching Unit in Zimbabwe and North Island vegetation rehabilitation in Seychelles); and
- An understanding of the potential impacts of ecotourism-related activities.

All projects initiated or supported by the Group are based on producing relevant conservation outcomes for current challenges in biodiversity conservation, not only within the Group's operational area but also beyond it in related ecosystems.

In terms of mitigating and managing our impact, the Group's footprint of camp or office infrastructure is minimised through very low bed and vehicle densities relative to other forms of tourism. (The Group operates over a total area of 25 472 $km^2$ with only 1.7 $km^2$ covered by operational infrastructure, representing only 0.007%.) This helps to reduce any potentially negative impact on biodiversity from activities and infrastructure. Any such negative impacts are negligible when compared to the positive impacts of these activities, as detailed above. See Table B in the online appendices for more detail on the operational footprint of the Wilderness Group.

A large part of the *raison d'être* of the Wilderness Group is the use of our responsible ecotourism model to maximise the conservation (and thus tourism) value of the areas in which we operate; without the wilderness there is no Wilderness. Wherever necessary, we engage in habitat conservation, rehabilitation and restoration in tandem with the relevant land owners or land managers (often state-protected area agencies), NGOs or indeed under our own auspices.

During the reporting period, rehabilitation work continued in a number of locations:

- Alien plant clearing and indigenous plant propagation at North Island in Seychelles; and
- Continued rehabilitation of the vegetation at the camp site and surrounding area at Toka Leya in Zambia.

When the site of a camp is shifted or a camp operation is decommissioned, the site is fully rehabilitated. Wherever roads need to be closed due to increasing flood levels in certain areas (e.g. Okavango Delta) these roads are closed off and allowed to rehabilitate unless they are part of a wet season/dry season road network that is not in a sensitive area. If necessary, active rehabilitation is carried out by ploughing up any compacted surfaces, such as discontinued airstrips, in order to speed up the rehabilitation process.

Many camps are constructed with unpaved paths on the ground or raised wooden walkways and many of the rooms are also on raised platforms. This allows free movement of animals throughout camp areas and reduces the footprint of the camp and soil compaction.

The intention of our environmental management systems **(EMS)** is to minimise any negative impacts that our operations might have on the environment. Our camps are situated in pristine wilderness areas and, failing such intentions, could undermine the very attractions upon which our operations are based.

## EMS management and implementation

The environmental aspects discussed in this chapter were determined through a materiality matrix (see page 37). The various topics are managed by regional leadership in the seven countries in which we operate, with technical support provided and oversight exercised by Group resources. In order to maintain a high standard of environmental performance, regional environmental management and Group resources meet regularly through on-site visits, performance assessments and Group workshops. The updated Group Environmental Minimum Standards (GEMS) were implemented during the 2015 financial year, following approval by the Executive Committee.

## Setting a Group environmental standard for our camps (GEMS)

We established GEMS for our camps in order to maintain the high environmental standards that enable us to stand out from our competitors. The GEMS provide a structured framework by which our camps are developed, operated and, if required, ultimately decommissioned. Regional management, as well as contractors employed during new builds and refurbishments, are required to use the GEMS as an operating guide and as their minimum standard.

### Measuring our camps' environmental performance

In order to maintain the environmental integrity of our camps, we regularly evaluate their performance against the GEMS. Biannual assessments allow us to measure our camps according to the same standards and help us direct our efforts in instances where regions or camps are not performing as they should. New EMS assessment criteria proposed in 2014 were implemented in 2015 and include more details on staff accommodation and other common back-of-house structures. In addition, some performance indicators were reviewed and updated to better reflect their potential environmental impact.

In 2015, in aggregate the Group was 79% (up from 75% in 2014) compliant with our GEMS. Figures 17 and 18 illustrate the results of the assessments in more detail, indicating which countries and aspects require the most attention. Overall, Namibia improved in terms of compliance, however the Ongava camps and Serra Cafema continue to underperform in terms of energy and waste management. North Island, in the Seychelles, made further improvements, mostly as a result of better fuel and water management, as well as the reduced use of bottled water. As a result of the more detailed assessments of our staff villages,

## Key performance indicators (KPIs)

The following have been identified as the key performance indicators (KPIs) for the EMS section of the Conservation C.

| Down 16% | Down to 1.24ℓ | Up to 79% |
| --- | --- | --- |
| **Carbon emissions:** Down by 16% from 0.097 to 0.081 tonnes $CO_2e$ per bednight since 2012 | **Bottled water per bednight:** Down to 1.24 litres from 2.06 litres in 2012 | **Group Environmental Management Systems (GEMS) performance:** Up to 79% compliance from 75% in 2014 |

**Figure 17: Average GEMS compliance scores** (%)

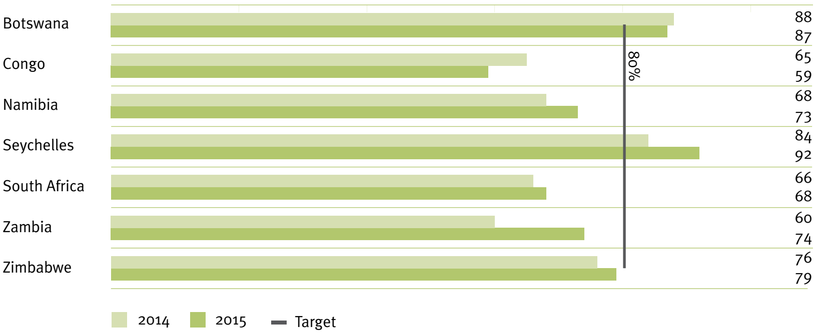
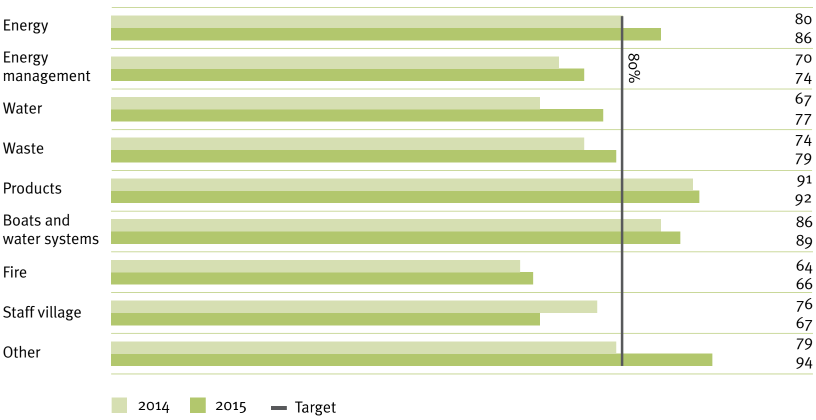



**Figure 18: Average GEMS compliance scores by environmental performance indicator** (%)




the performance of our Botswana operation dropped slightly in 2015. Notwithstanding this, Botswana remains our best performing region from a GEMS perspective. Zambia showed significant progress as a result of the back-of-house improvement plans (BOHIP) that were implemented at our camps in the Kafue National Park.

### Back-of-house improvement plans (BOHIP)

To address their lower levels of GEMS compliance, Zimbabwe, Zambia and Namibia, with support from regional and Group resources, developed back-of-house improvement plans. This process illustrated the materials required to develop structures that would improve GEMS performance and has been successful in improving the regions' performance. Nonetheless, some areas still require further attention in the coming year.

*Below: Red lechwe in front of solar installation, Botswana.*

## GEMS goals

Our goal is for all of our regions' environmental performance to exceed 80% compliance with our GEMS by 2016 and believe that this is achievable with additional focus on improving management of energy, water and fire.

## Energy and our carbon footprint

The vast bulk of energy consumed in our business is as a result of diesel fuel use in generators and vehicles in camps, as well as from aviation gas and jet fuel used in our aircraft (Figures 19 and 20).

In 2015, we continued with our commitment to reduce our dependence on fossil fuels, through further investments in solar energy in our camps, aiming to eventually achieve carbon neutrality of our operational business. (Our vehicles and aircraft are excluded from this, since presently there are no viable alternatives.) Our camps are located in remote and pristine wilderness areas and delivering diesel to them is a logistical challenge, a significant cost, and an environmental risk. Converting to alternate energies, such as solar power, is therefore an obvious way in which we can make a positive impact on both the Conservation and Commerce Cs.

### Our performance in 2015

In the 2015 financial year, our solar power investment grew to the point where we can generate 517 kW from plants in 16 camps, of which nine are 100% solar-powered and four have hybrid systems which use a combination of solar power and generators. A further 12 camps operate off smaller solar systems that power each guest unit independently, leaving the generator to power only the main area. Finally, 22 camps make use of inverter-battery systems that enable them to reduce generator running times from 24 hours to an average of just nine hours daily. We have also invested significantly in solar geysers, with 72% of our camps using solar geysers (663 currently installed).

In 2015, we consumed 214 239 GJ of energy (186 976 GJ directly and 27 263 GJ indirectly), a 12% decrease from the 244 614 GJ consumed in 2012. As a result, over the same period our carbon emissions have reduced by 13% from 17 412 tonnes $CO_2e$ to 15 135 tonnes $CO_2e$. Carbon emissions associated with our camp operations alone reduced by 17%, the above-mentioned continued solar conversions having played a significant role in this reduction. (If we correct for new camps as well as camp closures, camp carbon emissions have in fact reduced by 23%.) (Figure 21).

As a result of the reduction in generator fuel use from an increase in solar power, our camps' energy efficiency further improved, reducing the carbon footprint per bednight sold by 16% from 0.097 (in 2012) to 0.081 tonnes $CO_2e$ per

**Figure 19: Energy consumption by operational type** (%)

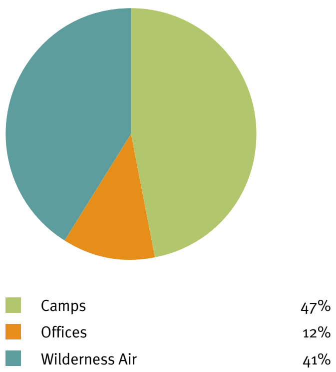



**Figure 20: Camp energy consumption by type** (%)

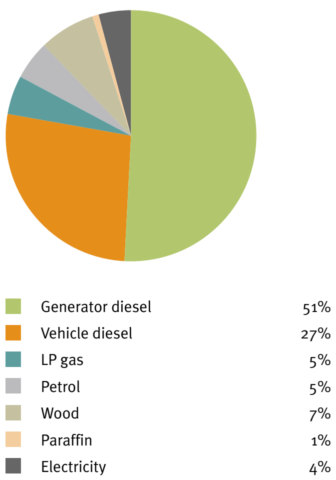



**Figure 21: Group carbon emissions** (tonnes $CO_2e$)

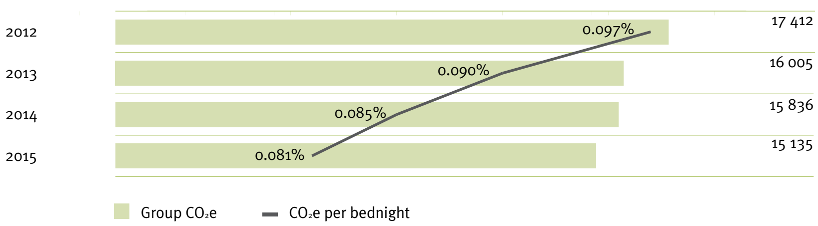
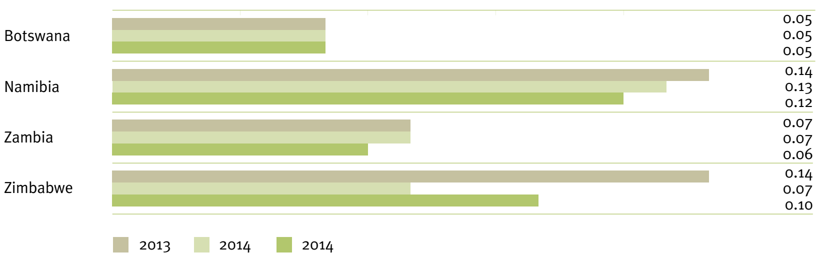



**Figure 22: Wilderness Air $CO_2e$ per passenger** (tonnes)



bednight in 2015. Our Wilderness Air operation achieved a 10% decrease in reported carbon emissions in 2015 and maintained aircraft efficiency (fuel burn per passenger), at an average of 0.08 tonnes per passenger in 2015, down from 0.10 tonnes per passenger in 2013. The improvement in aircraft efficiency has been a result of the implementation of flight circuits in Namibia in 2014 and Botswana during 2015. The fuel burn per passenger in Namibia will continue to remain higher than all other countries because of the significantly longer distances flown in that country. Zimbabwe has shown a slight increase in emissions per passenger and this is the result of a large group series now accessing our camps by road, as opposed to by air in the previous year. This had a negative effect on the emissions per passenger due to the higher load factors associated with the group series. (Figure 22).

### Our emissions targets

Vumbura Plains Camp, which during 2015 was responsible for 13% of the Group's generator carbon emissions, has been approved for solar conversion. This will make a further significant impact on achieving the targeted 10% reduction in carbon emissions in our camps, by 2016. Our target for our air operation, to achieve a further 4% reduction by 2016 as a result of improved flight schedules and greater aircraft load factors in Botswana and Namibia, appears realistic, with a 2% reduction achieved in 2015. We therefore still expect our Group carbon emissions to be below 14 986 tonnes $CO_2e$ by 2016. We also anticipate our carbon emissions per bednight to continue to improve, reaching 0.08 tonnes $CO_2e$ per bednight sold, by 2016.

## Water consumption

We operate in a wide variety of landscapes where water availability and quality differ greatly. In many cases, while the water may be suitable for drinking, it contains high levels of calcium which destroys water meters and makes accurate measurement of consumption difficult. For this reason, not all of our camps are able to accurately measure water usage and we have therefore not reported on all regions' direct water consumption. In the event that water meters become viable to measure water in very saline or calcium rich environments, we will

*Above: Wilderness Air flying over Okavango Delta, Botswana.*
*Left: Nursery at Toka Leya Camp, Zambia.*

install them. However, we do carefully manage water consumption, and the majority of our camps operate on low pressure systems and therefore use water efficiently. The four camps using high pressure systems make use of a combination of water-saving shower heads and dual-flush toilets to minimise water use.

Figure 23 illustrates how camps located in areas with an abundance of water, such as Xigera Camp in the Okavango Delta in Botswana, generally use more water than camps in water-distressed areas such as Davison's Camp in Hwange National Park in Zimbabwe and Kalahari Plains Camp in the Central Kalahari in Botswana. Water consumption at Xigera is notable in that this camp recorded a substantial increase in 2015. This was due to a leak in the water reticulation system which resulted in unsoiled water being returned to the environment and water table. However, a negative impact was recorded in the diesel usage by the camp, which increased by 209% in December 2014, as the water pump was running excessively to replenish the camp water storage. In terms of Kalahari Plains Camp, the water usage per bednight went up in 2015 as the number of bednights for 2015 had decreased by 9% from 2014.

Use of bottled water is also a concern for us, creating environmental challenges with large amounts of plastic waste as well as the carbon emissions associated with the production of the bottles and their delivery from source to our camps. We have installed on-site water purification systems at our camps and this continues to result in significant reductions in the consumption of bottled water (40% reduction since 2012), with a Group average of 1.24 litres per bednight during 2015 (read more in the waste section). (Figure 24).

**Figure 23: Water consumption per bednight** ($m^3$)

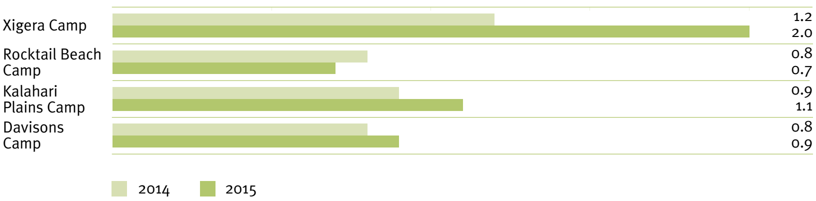
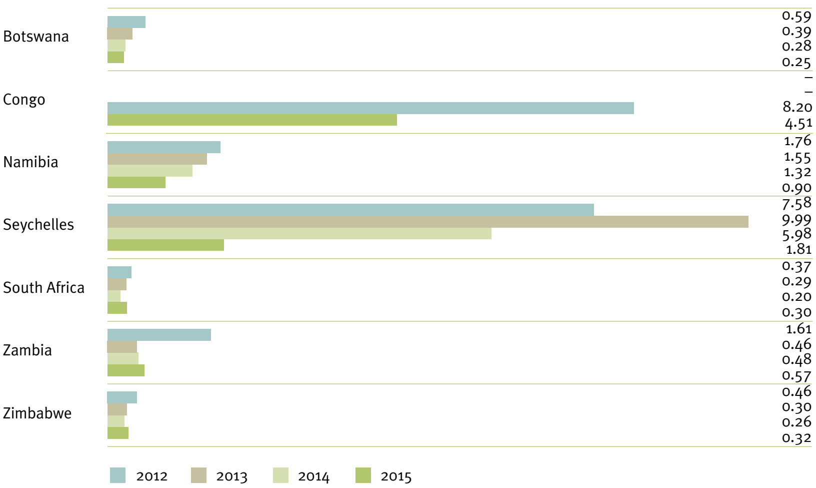



**Figure 24: Bottled water consumption per bednight** (ℓ)




### Water consumption goals

We expect our Namibian operation to further reduce bottled water usage per bednight from the current 0.9 litres (1.8 litres in 2012) to within our 0.5 litres per bednight benchmark. All other regions, aside from Seychelles and Congo, have already achieved this. North Island, while not yet achieving our targets, continued to show impressive reductions (79% reduction since 2012) as a result of further buy-in from staff and guests in regard to the on-site Vivreau® water system.

## Waste

The organic waste and waste water from our camps are the most sensitive categories to manage, since they are not taken off-site.

With respect to organic waste, the majority of our camps (69%) continue to use pits where waste is allowed to degrade and, once full, are covered with soil. These areas are carefully

managed and designed to make the pits inaccessible to wildlife, but some camps do continue to have problems in this regard. This local disposal reduces the need for additional trucks to come into our concessions to remove waste. A further 25% of camps have alternate arrangements, such as local pig farmers making use of the waste from some camps in Namibia and South Africa. Three camps use worm farms to manage organic waste.

Waste water requires careful management, and as a result of many of our camps being located in areas with high water tables or alongside rivers, 40% use above-ground sewage treatment plants (STPs). These systems ensure that there is no contamination of ground or surface water. The remaining 60% of our camps (73% in 2012) use simple septic tank systems combined with soakaways.

Inorganic waste is collected and sent off-site to the nearest town or city for dumping in landfill, or for recycling. Recycling opportunities are limited in most of the countries in which we operate, but the last two years have seen both our Botswana and Namibian operations begin recycling inorganic waste, increasing the number of camps recycling tin, plastic, paper and glass from just 7% in 2012 to 47% in 2015. Nonetheless, all of our camps already separate their waste, whether it is recycled or not, to generate a consciousness and an ingrained mindset that will allow an effortless transition to recycling when this is possible. Most of our camps incinerate paper waste on-site in order to reduce transport to landfill. As discussed above, bottled water consumption per bednight is now 40% (or 434 216 bottles) less than in 2012. As noted above, all regions except for Namibia, Congo, Seychelles and Zambia are now consuming less than one 500 ml bottle of water per bednight.

Waste oil from our Wilderness Air operation, and the many game drive vehicles in our camps, needs careful management and disposal. The oil from the camps is stored in drums in bunded areas (impermeable structures that contain any fuel spills) to ensure no leaks contaminate the environment. This is then removed from the concessions to the nearest city, from where it is usually taken to South Africa for recycling. Similarly, used oil from our aircraft is collected and returned for safe recycling.

### Our waste goals

Our goal is for 60% of our camps to be recycling their inorganic waste by 2016, but this is dependent upon suitable recycling opportunities maturing in Namibia. There is still presently no sign of recycling options in Zimbabwe or Zambia.

*Above: Vivreau water system, Seychelles.*
*Right: Kings Pool Camp, Botswana.*

C

COMMUNITY

The Community chapter discusses all the people related to and part of our business, including guests, staff, community partners, shareholders, NGOs, governments and academic researchers.

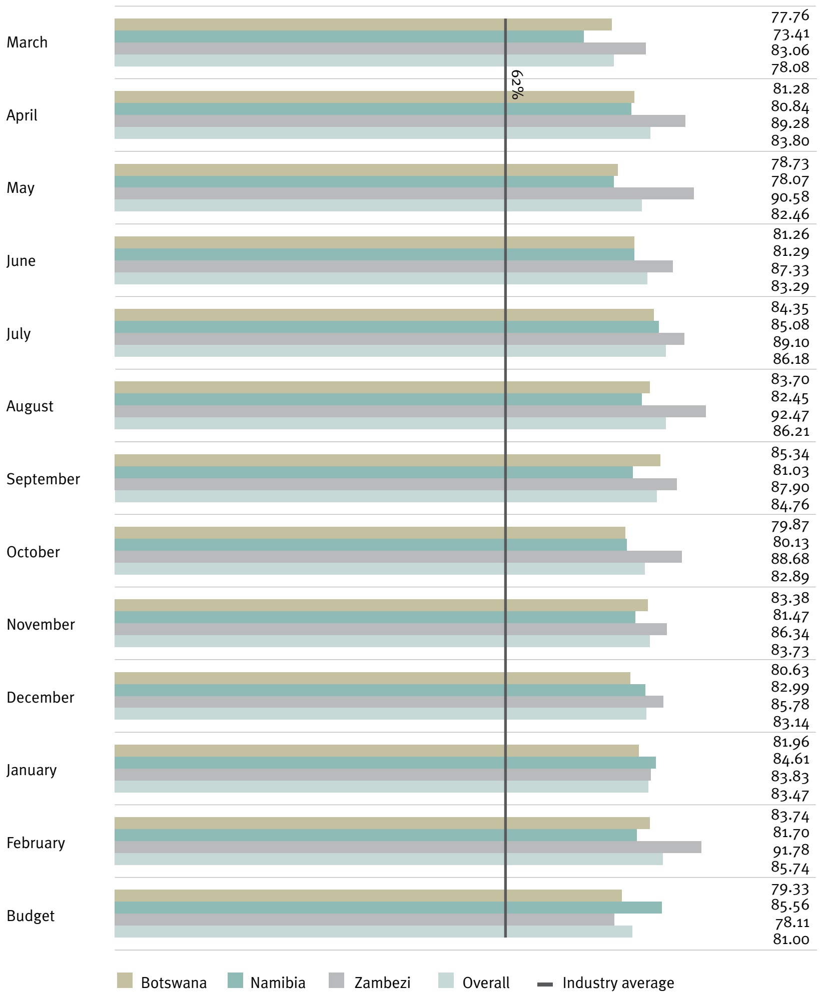

Staff at Linkwasha Camp, Zimbabwe.

# Community

Due to the dynamic range of stakeholders and for the purpose of managing the Community C more effectively, we have divided it into two 'sub-Cs':

- The **internal community** is our staff. They are the interface between our Company and our guests – as well as other stakeholders – and therefore fundamental to our operations. We strive to ensure that they are fulfilled, rewarded and act as valued ambassadors of the Company;
- The **external community** comprises our neighbours, the rural communities that either own the land on which we operate or live adjacent to these areas. (Many of our staff are drawn from these communities and thus form part of both internal and external communities.) We believe in honest, mutually beneficial and dignified relationships with our rural community partners in ways that deliver a meaningful and life-changing share of the proceeds of responsible ecotourism to all stakeholders. Our mechanisms include community-centric employment, joint ventures, education and training, social and health benefits, capacity-building and infrastructure development. External community also includes other stakeholders, including NGOs and governments.

**Figure 25: Guest feedback (Would you recommend this camp to others?)** (%)



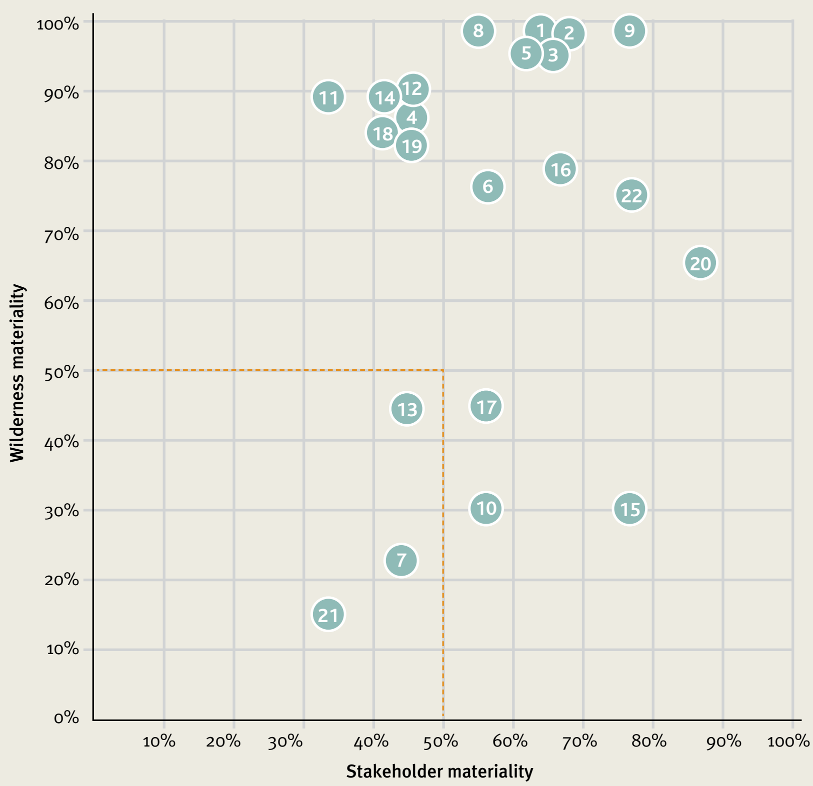

## Guests

Our guests who travel with us and stay in our camps are one of our most important groups of stakeholders. Departing guests who are satisfied and happy become brand ambassadors, result in referrals, and travel with us again in future. The same applies to the agents serving those guests. Conversely, unhappy guests will not travel with us again and, in extreme cases, might hurt our brand or demand refunds. This has a knock-on effect with their respective agents: those who have unhappy clients are unlikely to send us further business.

For these reasons, it is essential that we track and monitor the levels of guest satisfaction that we achieve. This is mostly achieved through a guest feedback system which relies on questionnaires that guests complete when departing from each camp that they visit. These questionnaires are captured into a web-based Wilderness guest database and any feedback or trends emerging from this is used to take any corrective actions that might be needed, to improve the skills levels of our staff, and thus to improve our levels of service.

We measure guest feedback, working with Fred Reichheld's formula in *The Ultimate Question*. This system takes a more sceptical view of feedback received and allows us to benchmark ourselves internationally with our competition. The feedback is based on the Ultimate Question being, "Would you recommend the product to friends/family?" If we examine this question in isolation, we are pleased that our overall net promoter score (NPS) for FY2015 was 83.89% – this compares favourably with the 62% average that is published in Reichheld's research of other high-end tourism products and an increase of nearly 6% from our own score in FY2014.

## Community materiality assessment




### Internal community

1. Employee turnover
2. Occupational absenteeism and lost days
3. Employee training
4. Performance management
5. Skills management
6. Gender equality
7. Occupational grievances
8. Discrimination in the workplace
9. Risk of forced labour
10. Corruption in the workplace
11. Fines and sanctions brought against Wilderness Holdings
12. Workforce nationalities
13. Employee equity and diversity
14. Notice periods in regard to operational changes

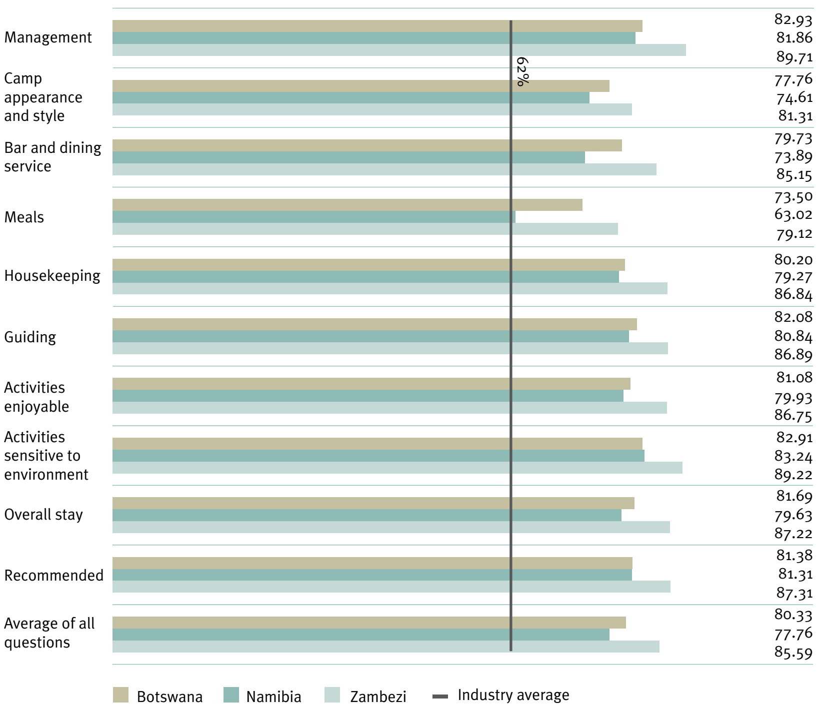
### External community

15. Formal community partnerships
16. Informal community relationships
17. Community development projects
18. Fundraising for associated non-profit organisations
19. Associated non-profit organisations
20. Programmes
21. Socio-economic research
22. Socio-economic impacts of tourism

**Figure 26: Community materiality assessment**

*Above: Game drive, Hwange, Zimbabwe.*

**Figure 27: Guest feedback – General** (%)



# INTERNAL COMMUNITY

Wilderness recognises that our competitive advantage lies in our people; they deliver on our strategy and build and maintain our reputation with stakeholders. Training and development are critical to ensure that staff remain engaged and feel valued. This year, a major drive was focused on skills development, with 2 558 staff members receiving training through various platforms.

Our management approach emphasises delivery through excellence, with a clear focus on continuous improvement, ethical interactions and compliance in all our internal and external dealings.

The aspects reported on in this Internal Community chapter are managed by the Human Resources (HR) department in each region, with support and guidance from Group HR. A Group HR workshop creates a learning and supportive platform for all HR departments, while regional visits from Group HR ensure that issues are handled consistently across all regions.

## People strategy

In order to remain competitive in an ever-changing global market, Wilderness requires leaders who are able to make sound decisions, have confidence and are resilient. The environment in which we operate is both volatile and ambiguous, which is why it is imperative to have leaders who are able to adapt to these conditions and who will take our people along on the journey.

The business strategy is delivered with and through our people. Our staff's passion and talent is vital. Not only does this determine the internal culture of the Company, but it enables our business to provide a world-class Wilderness experience to our guests.

We therefore recognise that our staff are central to our continued success.

## Talent management and succession planning

Our vision is to be Africa's leading ecotourism organisation, creating life-changing journeys in order to build sustainable conservation economies and inspire positive action. For us to realise this, we need to ensure that we not only bring the right new people into our business, but also that we invest in the development and retention of our existing people.

In the global business environment in which we operate, employees look to executives for motivation and inspiration to deliver positive outcomes. In order to be effective in this area, it is crucial for our leaders to have strong emotional self-awareness and insight, as this is equally as important as business acumen. Self-awareness allows leaders to identify the gaps in their management skills and recognise the areas in which they are most effective, as well as those that could be improved. These understandings aid them in making discerning decisions.

## Key performance indicators (KPIs)

### Focus on people strategy

Continued roll out of the Wilderness people strategy with the focus on talent management, people development and empowering HR managers in the regions. During the year a special effort was made to ensure that processes are standardised across the Group but yet tailored per each region's specific needs.

### Staff participation

Group HR focused to increase the participation of staff in the Employee Relationship Index (ERI) Survey across the business. This was successful and the sample size increased to 1 504 compared to 1 013 in 2013. This equates to an overall 61% participation rate. The level of engagement by staff increased slightly from 59.3% to 59.7%.

### Staff training

Year-on-year increase in numbers of staff trained. All our regions (except for Congo and Seychelles which are both management contracts and not under our complete control) increased the amount of training.

*Right: Guest experience, Vumbura Plains Camp, Botswana.*
*Below: Meet the Himba people, Serra Cafema Camp, Namibia.*

The Talent Management Programme is designed as a phased programme with the first phase to focus on the most critical roles within the business to achieve the Company's strategic objectives. All high potential individuals within the business, and throughout the hierarchy, were identified. The process therefore started with the Executive team from both a group and individual perspective. This involved the Executive team working together to create principles around teamwork and support, as well as individual assessments and critical engagement conversations with each member. Based on the outcome of the assessments, development plans have been drawn up and implemented for succession planning. As part of a continued assessment process, a total of 70 incumbents were assessed during the past financial year.

A Working Talent Dashboard has been created, based on the Talent Management Programme. This ensures that we deploy the right people in the right roles throughout the Group,

creating greater job satisfaction and value-add to the Company. This is an ongoing programme that is adapted along with the Company's strategic imperatives and it is envisaged that, going forward, employees will be well-prepared to take on new positions as required.

## Training and development

As our people are our most important asset, we believe that we have a responsibility to invest in their future, ensuring that they have the tools and knowledge they require to be successful in their roles. With this in mind, the Company continues to actively support all forms of training, both internal and external, not only to impart the necessary skills, but also to motivate our people and allow them to have a long and successful career with Wilderness.

Over the past year, 2 558 Wilderness employees were trained, of which 1 210 were female and 1 348 male. The internal training platforms within Wilderness are divided between our camps, sales and reservations, as well as our Air divisions. Additionally, we have invested in our service and hospitality courses on the Lobster Ink virtual training platform. Each region of operation has a training department that caters to the unique needs of its employees.

*Staff at Shumba Camp, Zambia.*

Table 5: Regional training highlights

| Botswana | | |
|---|---|---|
| **Government internships in Botswana**<br>For the first time, Wilderness Safaris collaborated with the Botswana Government to place tourism management graduates in various roles within the business, enabling them to gain exposure and experience in the workplace, while also potentially increasing the pool of citizen managers within the Company.<br>This resulted in 12 interns being placed within the Botswana company: six in the corporate environment, and the other six in our camps. The interns will exchange roles to vary their experience across the various divisions. During this time they will be assessed to determine their skills and development areas to ensure that they gain maximum growth and exposure. | **Mentorship**<br>A mentorship programme was introduced for junior employees to give them greater depth and scope. This programme was also aimed at identifying high potential employees and then ensuring that we motivate and develop them to take on senior positions within the Company. This ensures that we have more citizens involved in the tourism industry as a whole, as well as meeting legislative requirements. Currently there are 20 mentors and mentees on the programme. | **Service and hospitality**<br>In Botswana, service and hospitality training was focused on teaching staff about the Wilderness Way to ensure consistency across our camps. Follow-up coaching and assessments were done periodically to ensure that high standards were maintained. Over the past year, 168 employees from various camps and departments received training on our service and hospitality standards. |
| **Namibia** | | |
| **Leadership development**<br>The Emerging Guides and Managers Programme was run for the second consecutive year. Three guides and two managers completed the programme and have been permanently employed by Wilderness. The programmes were run over 12 to 18 months and the incumbents were put through the various aspects of training in different environments. This has proven to be successful due to the exposure that the trainees received from the various mentors they encountered throughout the programme. | **Environmental**<br>Namibian Academy for Tourism and Hospitality (NATH) presented a Desert Elephant course as well as an Elephant-Human Relationship Association workshop. Both were facilitated by experts and open to all interested trainees. Six Wilderness guides attended these workshops. A People and Elephant Amicably Co-existing workshop was also run by NATH with the goal of educating local staff and communities on strategies for peaceful co-existence with elephant in their environment. | **Service and hospitality**<br>• Chef training was a key focus area for Namibia, with new course material introduced throughout the camps. Assessments were completed after the training, including written comprehension tests and practical assessments. An improvement in results was noted.<br>• Training in service also took place at our Travel Shop to update all new consultants on our systems and processes. This was carried out by our Quality Assurance Officer.<br>• The service training team attended a four-day in-house workshop in Zambia to finalise the Namibian regional service goals in line with the Group service strategy |
| **Zambezi** | | |
| • Two employees (one from Zambia and another from Zimbabwe) attended a wine advisory course in Cape Town, hosted by our wine suppliers and trainers, Under the Influence. This course included visiting various wine farms, tastings and also learning about olive oil production.<br>• The Wilderness Way recording was rolled out to 250 employees in the Zambezi region and has been accepted positively and resulted in improved motivation levels.<br>• Ten Zimbabwean chefs attended in-house training presented by the Culinary Guild in Cape Town. | | |

### Lobster training courses

The Lobster Ink education platform is built around the creation and delivery of detailed courses on international skills, standards and product knowledge, using an online learning and assessment environment to ensure ease of access and focused, measurable training outcomes.

**Table 6: Lobster Ink training**

| | Botswana | Namibia | Seychelles | Zambia | Zimbabwe |
|---|---|---|---|---|---|
| Courses attended | 4 098 | 3 838 | 86 | 1 631 | 3 057 |
| Average percentage (%) | 73 | 63 | 70 | 74 | 74 |

**Table 7: Average training hours per employee**

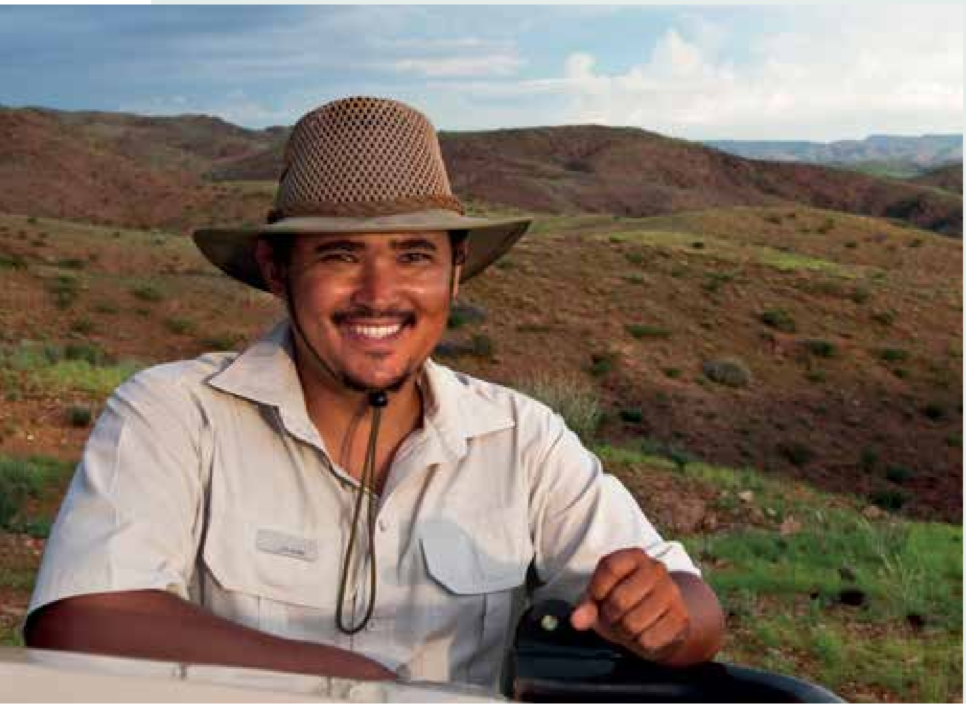
| | Botswana | Congo | Namibia | Seychelles | South Africa | Zambia | Zimbabwe |
|---|---|---|---|---|---|---|---|
| 2013 | 269 | 3 | 95 | 14 | 115 | 153 | 23 |
| 2014 | 326 | 12 | 55 | 30 | 54 | 14 | 18 |
| **2015** | **360** | **10** | **60** | **28** | **65** | **22** | **21** |

### Letter from Johann Cloete, guide training workshop

My journey with Wilderness Safaris officially started in 2007, but from 2006 I was already part of the Company's entry- and intermediate-level guiding programmes. Then, about a year later, I was recruited as one of three candidates selected out of a group of 20 that went for guide training. And so my bush life started. I worked at Kulala Wilderness Camp in Sossusvlei for about 13 months. Then I got transferred to Damaraland, Doro Nawas where I honed my tracking skills looking for the desert elephants of the north-west, and learned about rock art and cultural guiding. A year later I moved to Damaraland Camp where I then spent several years until the end of 2012. This is where I learned even more about community-based tourism and got involved in conservation. This interest in conservation then led me to ultimately join the Desert Rhino Camp (DRC) venture with Save the Rhino Trust in partnership with the surrounding local communities since end-2012 until present.

In 2014, I was promoted to Head Guide at DRC. Then I was invited to attend the Guide Mentor Workshop held in Zimbabwe, Kashawe, in February 2015. The training programme was attended by guides from the different countries where Wilderness Safaris operates.

I felt that this was the most significant training I have had to assist me in my new role as a guide and mentor. The training not only provided me with tools to improve my own guiding, but also with new methods that I can share with my fellow guides. The workshop also gave us an opportunity to learn first hand about our sister camps in different countries of operation. It allowed us to share our personal guiding techniques with fellow guides and practise our newly acquired skills through role-playing. For me personally, it was also a first travelling to Botswana, and Victoria Falls to Hwange in Zimbabwe. This has broadened my horizons and now I can relate to guests that have travelled to these parts on their safaris. The workshop not only inspired me to be better, but has provided me with new ways to provide a better experience to our guests and add value to my fellow guides' skillsets!



## Guide training

Knowledge sharing is vital to the ongoing success of our training programmes and, in turn, the business. To ensure that our guides remain motivated and have the opportunity to interact with each other, the first Group Guide Mentor Workshop was held in Zimbabwe. Guides were chosen from each area of operation and had the opportunity not only to enhance their knowledge, but also to meet one another and share knowledge. A range of topics were covered, including presentations on camps and group work, as well as scenario drives where their guiding techniques and ability to deal with guests were rated and from which tips, advice and information were gleaned to improve their skills. To ensure that the learning continues, all participant guides have been tasked to complete an assignment by the middle of the year.

## The Wilderness Business School

The third and final module of the leadership course of the Wilderness Business School was held in June 2014. This module, called "Shaping the Future with Renewed Energy", focused on various aspects of the Wilderness business such as hospitality and service, culture and performance, teamwork, as well as presentation skills. Before the start of the module, participants completed a series of four assignments addressing important issues and aspects within the business. Based on the feedback from these assignments, the participants were placed in teams during the final module and assigned a project to work on and then present to a panel of Executive Committee members on the last day of the module. All the participants were rewarded for their hard work and input, and graduated.

After a thorough analysis of the current system, and to align with the talent management strategy, the Wilderness Business School will be replaced by the Wilderness Leadership Academy. This will allow the Company to address the specific development needs and capabilities of its future leaders and successors, based on the talent management assessment and engagement feedback. This will ensure that the right people are placed in the right roles at the right time and hence make a greater contribution to the success of the business.

## Performance management

The focus of our performance management system has been to move away from individual to team contribution. This has been achieved by aligning individual objectives and goals with the contribution of the team, while also reinforcing the values of Wilderness.

Our overall goal with performance management is to ensure that Wilderness and all the subsystems (processes, teams and employees) work together in a way that efficiently contributes toward the achievement of the business goals. Bi-annual formal reviews are held with all employees. The focus of the discussion is to provide fair and honest feedback in order to acknowledge great performance and to assist employees in identifying development areas. The areas of development are then addressed by the employee attending various internal and sometimes external training courses. Senior managers have an annual 360-degree assessment and formal face-to-face feedback session. This process gives the senior leaders insight into their leadership ability as well as their own development needs.

*Above and left: Guide training workshop, Zimbabwe.*

## Remuneration and employee benefits

The Group's remuneration policies are detailed in the report of the Remuneration and Nomination Committee.

It is imperative that our remuneration policy is consistent across the Group and competitive in each of the countries where we operate. It ensures parity amongst our employees and that their packages are based on level of skill, competency, experience, qualifications and level of responsibility. An annual internal HR audit is conducted and the Company uses these results to rectify any imbalances that may exist within our people practices. No explicit imbalance is evident in the business.

Employee benefits have remained unchanged over the reporting period and all statutory requirements are adhered to in each country of operation. Although these requirements vary, the Company generally ensures that employees based in the bush (temporarily, seasonally or permanently) receive housing, transport to and from their place of work before and after their leave cycle, as well as rations and uniforms.

The Company has a medical aid fund in each country and all full-time and permanent employees are encouraged to join the fund with the Company covering 50% of the cost. In Namibia and South Africa, full-time permanent employees are required to join the Company pension/provident fund while in Zimbabwe and Zambia the Company subscribes to the legislative requirements of the state pension fund.

A performance-based reward system is in place with the aim of attracting and retaining the best people. As part of the Group HR strategy our remuneration construct will continue to be scrutinised and updated to complement our talent management process.

## Employment engagement survey

The third employee engagement survey (Wilderness Voice) was rolled out during the course of the year. The timeframe was extended to give employees more time to complete the survey, as well as not to affect operational requirements. HR personnel travelled to each lodge to roll out the survey and to answer any questions. The survey was well received, with a substantial increase in the number of employees participating (59.6% of staff). The results have given us greater insight into the trends within the various regions where we operate. HR will implement a programme to identify the barriers to engagement and, from this, action plans will be drawn up and implemented.

## Inclusion and diversity

Despite a push for gender diversity in senior positions, women still make up a relatively small percentage of leaders within Wilderness. The barriers currently faced include broad gender biases, a small pool of potential female leaders internally, a lack of geographic mobility and a lack of flexible policies for females. New recruitment is also challenging as there is a limited pool from which to source female leaders. This challenge will be used as an opportunity for HR to focus on going forward by launching a number of initiatives aimed at attracting and developing under-represented groups and future female leaders.

## Employment demographics and diversity

Wilderness employs 2 436 people. As a company we do not distinguish on race or gender, however we are committed to employ staff from our neighbouring communities. In South Africa and Namibia we are compelled by legislation to report on employment equity and the details are included on page 61.

From a citizenship perspective we report an improvement of almost 1% in the statistics which shows that numbers of non-citizens employed are down to 7.1% from 7.9% in the previous year. This is a reflection of our continuous efforts to upskill local community members into positions which were previously filled by expatriates.

*Staff at Hoanib Skeleton Coast Camp, Namibia.*

Table 8: Workforce nationalities

| | Citizens | | | Non-citizens | | | % Non-citizens | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2013 | 2014 | 2015 | 2013 | 2014 | 2015 |
| Botswana | 926 | 966 | **981** | 110 | 112 | **86** | 10.6 | 10.4 | **8.1** |
| Congo | 5 | 40 | **58** | 4 | 11 | **12** | 44.4 | 21.6 | **17.1** |
| Namibia | 510 | 536 | **522** | 10 | 15 | **8** | 1.9 | 2.7 | **1.5** |
| Seychelles | 84 | 80 | **92** | 41 | 40 | **54** | 32.8 | 33.3 | **37.0** |
| South Africa | 305 | 295 | **231** | 13 | 9 | **8** | 4.1 | 3.0 | **3.3** |
| Zambia | 140 | 121 | **121** | 8 | 4 | **2** | 5.4 | 3.2 | **1.6** |
| Zimbabwe | 224 | 226 | **257** | 4 | 4 | **4** | 1.8 | 1.7 | **1.5** |
| **Total** | 2 194 | 2 264 | **2 262** | 190 | 195 | **174** | 8.0 | 7.9 | **7.1** |

Table 9: Employment equity figures for South Africa and Namibia

| | Namibia | | | South Africa | | | | |
|---|---|---|---|---|---|---|---|---|
| | Black/ Coloured | White | Total | Black | Coloured | White | Indian | Total |
| **Male** | | | | | | | | |
| 18 – 30 years | 77 | 6 | 83 | 7 | 1 | 7 | – | 15 |
| 31 – 50 years | 161 | 10 | 171 | 11 | 1 | 29 | – | 41 |
| Over 50 years | 10 | 4 | 14 | – | 1 | 11 | – | 12 |
| **Female** | | | | | | | | |
| 18 – 30 years | 96 | 5 | 101 | 21 | 1 | 17 | 1 | 40 |
| 31 – 50 years | 140 | 10 | 150 | 14 | 9 | 91 | 7 | 121 |
| Over 50 years | 7 | 4 | 11 | – | – | 10 | – | 10 |
| **Total** | 491 | 39 | 530 | 53 | 13 | 165 | 8 | 239 |

Table 10: Gender and age breakdown of employees by country

| | Botswana | Congo | Namibia | Seychelles | South Africa | Zambia | Zimbabwe |
|---|---|---|---|---|---|---|---|
| **Male** | | | | | | | |
| 18 – 30 years | 175 | 16 | 83 | 50 | 40 | 28 | 52 |
| 31 – 50 years | 341 | 25 | 171 | 46 | 121 | 71 | 139 |
| Over 50 years | 40 | 2 | 14 | 11 | 10 | 5 | 27 |
| **Female** | | | | | | | |
| 18 – 30 years | 155 | 14 | 101 | 17 | 15 | 11 | 13 |
| 31 – 50 years | 349 | 13 | 150 | 16 | 41 | 7 | 27 |
| Over 50 years | 7 | – | 11 | 6 | 12 | 1 | 3 |
| **Total** | **1 067** | **70** | **530** | **146** | **239** | **123** | **261** |

Table 11: Turnover by category

| Male | |
|---|---|
| 18 – 30 years | 210 |
| 31 – 50 years | 173 |
| Over 50 years | 19 |
| **Female** | |
| 18 – 30 years | 146 |
| 31 – 50 years | 110 |
| Over 50 years | 7 |

| Reason | |
|---|---|
| Resignations | 356 |
| Dismissals | 84 |
| Death | 7 |
| Absconded | 35 |
| Retrenched | – |
| Contract not renewed | 151 |
| Retired/transferred | 32 |
| **Total** | **665** |

The staff turnover is at 27% for the year. The Company continues to monitor the turnover levels in each category to ensure that critical staff and talented individuals are retained within the business.

Table 12: Workforce turnover percentages per region (%)

| | Botswana | Congo | Namibia | Seychelles | South Africa | Zambia | Zimbabwe | Total |
|---|---|---|---|---|---|---|---|---|
| 2013 | 21 | n/a | 37 | 40 | 33 | 28 | 18 | 26 |
| 2014 | 30 | 30 | 28 | 78 | 25 | 21 | 13 | 20 |
| **2015** | **27** | **17** | **30** | **68** | **17** | **13** | **22** | **27** |

## Staff wellness

We believe that a healthy and safe work environment is directly related to a higher productivity rate. We strive to apply the ‘prevention is better than a cure’ approach and try our best to provide our staff, especially those in remote areas, with the necessary preventative healthcare. In Botswana, the Company has contracted the services of Okavango Air Rescue to provide a preventative healthcare service to our staff in camps. This programme includes two Botswana nurses who are available to our staff and travel throughout our camps educating and assisting with primary healthcare matters. This has reduced the absenteeism rate in the camps. In Namibia, a medical practitioner is contracted to the Company and visits the camps on a monthly basis doing health checks on all our employees and conducting HIV testing. All medical issues are treated confidentially. In Zimbabwe and Zambia, Wilderness has employed a registered nurse, who works closely with a NGO and clinics are held in camps and HIV testing and counselling is provided.

In South Africa an annual medical day is organised in the offices to promote health and wellness during which all employees have an opportunity to interact with various healthcare practitioners and have basic medical checks done.

Due to the enormous drive within Wilderness with regards to HIV/AIDS over the past few years, HIV fatigue was displayed in employees’ behaviour. In order to continue with the drive and understanding that this fatigue may impact on our message, an educational book was printed and sent to the camps illustrating the necessary information on HIV. This will allow employees to read the book at their own convenience.

Most of our staff members use the services of government clinics and hence often do not choose to use the Wilderness-offered HIV testing programme. During the past year, 512 (21%) of our staff members were tested for HIV.

Wilderness supports and assists affected employees with transportation and time away from camp, to ensure they can attend the necessary appointments and get the required medication. The Company also offers a pickup service for medication for all employees based in the camps. Wilderness offers a non-discriminatory environment where HIV is openly discussed and any person affected by this disease is supported, counselled and assisted as necessary.

We aim to ensure acceptable and safe working conditions as well as a work environment free from hazards.

In the past year there were 13 work-related injuries in Wilderness with two fatalities. Even though absenteeism has substantially decreased from the previous year it is still high in regions such as Botswana, however the Company has implemented various initiatives which should further decrease the absenteeism.

**Table 13: Health statistics**

| | Botswana | Congo | Namibia | Seychelles | South Africa | Zambia | Zimbabwe |
|---|---|---|---|---|---|---|---|
| Number of work-related Injuries | 8 | 13 | 2 | 1 | – | 2 | – |
| Number of days lost due to absenteeism related to work-related injuries | 167 | 128 | 64 | – | – | 19 | – |
| Number of chronic diseases recorded in workplace* | 106 | – | – | – | – | – | – |
| Number of employees booked off sick for chronic diseases | 106 | – | – | – | – | 32 | – |
| Number of days lost due to absenteeism related to chronic diseases | 252 | – | – | – | – | 211 | – |
| Number of work-related fatalities | – | – | 1 | – | 1 | – | – |
| Number of work days lost due to paid absenteeism (paid sick leave) | 3 050 | – | 65 | 427 | 358 | 298 | 34 |
| Number of work days lost due to unpaid absenteeism | 4 657 | 278 | 128 | – | 53 | – | |

** Chronic diseases: Malaria, high blood pressure, STD, low blood pressure and tuberculosis.*

## Fatalities

It is with great sadness that we report that there were two staff fatalities for the year. The first one occurred in South Africa when a driver, Daniel Maringa, was in an accident whilst on his way to make a delivery. He passed away in the ambulance on the way to hospital. The second incident happened in Namibia where sadly another driver, Karatu Rutavi, was involved in a collision and he passed away on the scene.

## Collective bargaining

International human rights are respected and upheld in Wilderness. Freedom of Association is one such right and 13% of our workforce belong to unions. Collective Bargaining Agreements are in place with these unions whereunder the Company negotiates on wage increases as well as other basic conditions of employment. We believe in protecting the rights of all our employees and continually ensure that fair and compliant employment practices are in place.

## Ethics

The Wilderness Group has an anonymous ethics hotline which provides a platform for employees, suppliers, or guests to report any incidents of ethical misconduct. This is monitored by an external company that notifies us of any risks. In the past year, five reports were submitted: all were investigated and resolved.

*Left: Health and wellness day, South Africa.*

# EXTERNAL COMMUNITY

Our external community includes all external stakeholders, such as community partners and neighbours, governments, NGOs, other private sector businesses and educational institutions

## What is external community?

Our external community is a wide stakeholder group that includes all communities with whom we engage, whether as neighbours, partners or landlords as well as our host governments, NGOs, academic researchers, etc.

The material aspects in this chapter focus specifically on the rural communities because of the positive and negative impacts that they will have on the future of our business, and because of the need to ensure that they benefit from their natural resources. The material aspects, determined through an analysis of internal and external stakeholders, included community partnerships, Children in the Wilderness, impacts of tourism and community development projects.

The profitability and sustainability of our business depends upon the health of the wilderness areas in which we operate and the ecosystems and species that they seek to conserve. These will be determined by the attitudes and behaviour of communities living in, or adjacent to, protected areas, and who frequently bear the costs of conservation through human-wildlife conflict (HWC) and the opportunity costs of not being able to use conserved areas for settlement or agriculture. As a result, there is a direct correlation between the success of our business and the goodwill and support of surrounding communities.

Our community engagements and development activities recognise these realities and broadly aim to ensure that neighbouring communities value conservation areas and will, therefore, ensure their long-term sustainability.

Our Children in the Wilderness (CITW) programme is our main means of external community engagement. Our overall External Community strategy, which includes CITW, aims to:

- Ensure that local communities derive an equitable share of benefits from conservation and tourism;
- Reduce poverty;
- Improve living conditions;
- Empower communities; and
- Enhance local education systems.

This is done through improving school infrastructure, introducing CITW Eco-Clubs, scholarship programmes, nutrition programmes and the promotion of small community businesses.

All material aspects reported on in this chapter are managed by country-level staff within five countries of operation, with support from a Group Coordinator, as well as Group resources which are available to all regions. In order to maintain ethical and equitable partnerships with our external communities, country community development staff and Group resources meet regularly through regional visits and annual workshops. In June 2014, a Group Community Development and Children in the Wilderness workshop bought together all country community development staff to

## Key performance indicators (KPIs)

### Education programmes

Supported Children in the Wilderness to ensure the operation of an effective, sustainable environmental education programme

### Community partnerships

Community partnership contributions amounting to more than P43 million

### Community projects

Raised, managed and administered funds amounting to P2.5 million for community development projects

### Community processes

Developed and standardised various community development processes

discuss our community development projects, the CITW programme, its sustainability and the way forward. At this workshop, a number of CITW programme materials, community development structures, etc. were standardised and there was a sharing of ideas, successes and challenges, which allows for further development of the various programmes and projects. In each region, community development staff meet on a regular basis with community partners, the schools we engage with, as well as other community, private sector and NGO partners.

## Our community engagement goals

We aim to establish and maintain sound, equitable partnerships with the communities with whom we work and engage. Partnerships and relationships are only entered into after discussions with communities and with their concomitant buy-in and support. This approach ensures that the projects are more sustainable, aligned with community needs, and that resultant benefits are maximised.

## Our community engagement methods

In order to achieve our goals we have implemented a wide range of engagements with local communities, including:

- Our Children in the Wilderness programme;
- Various formal partnerships;
- Preferred employment of locals;
- Development of various community and social welfare projects; and
- The use of local suppliers of goods and services.

*Above: Celebrating World Forest Day, Malawi.*
*Top left: CITW annual camp, Zambia.*
*Left: Shashe adult Eco-Club crafting project, Botswana.*

Being located in many remote and rural areas gives us the opportunity to assist in community development and to develop partnerships with communities living in and around conservation areas, as well as with various NGOs and other private partners. We have developed a Group Community and Culture Strategy for 2015-2019 which is based on socio-economic assessments with inputs from all regional community coordinators and experiences to date. The strategy includes appendices for each region, outlining their region-specific strategic objectives, short- and long-term goals and guidelines of how they engage with communities, how community development projects are selected and how participants for the various CITW projects are chosen.

Our relationships with communities and other stakeholders are either formal or informal and depend on the specific project and its requirements. The nature of the relationship will determine the degree of involvement of community members, the level of benefits they receive and the extent of capacity building, skills development and training.

- Formal relationships include any contractual agreements and take the following forms:
  - Employment and the associated payment of wages and salaries;
  - Joint business ventures of various kinds;
  - Formal contracts with local suppliers;
  - Contractual agreements with communities in regard to employment, supplies of goods and other services, etc.; and
  - Formal, as well as on-the-job, skills training and development.
- Informal relationships are not contractually binding but are no less important and have developed in all regions. These include:
  - The CITW programme, including annual camps and Eco-Clubs;
  - Other community projects, including libraries, scholarships, nutrition programmes, vegetable gardens, etc.;
  - Sale of locally-made curios to guests;
  - Provision of administrative, logistical and other support to NGOs, academic researchers and communities in our areas; and
  - Empowerment and upliftment resulting from joint business ventures, participation in local decision-making and improved social welfare.

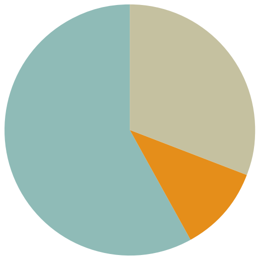
Some specific projects implemented to date have included:

- Building infrastructure, including libraries;
- Managing numerous school scholarships;
- Assisting with the development of livelihood diversification projects;
- Training and skills development;
- Various environmental projects; and
- Introducing vegetable gardens and vermiculture.

A reduction in poverty levels is also achieved through preferred employment of local people and the consequent increase in rural household incomes.

Although CITW is an independent NGO, it is supported by Wilderness through in-kind as well as monetary support. Office space for CITW staff, logistical and administrative support, etc. are all provided by Wilderness. Funds for CITW are raised largely through the annual Nedbank Tour de Tuli mountain bike ride, guest donations and support through various other grants. Community development projects are largely funded through grants, guest donations and, in Zimbabwe, through our partnership with the Grand Circle Foundation. Membership fees for the Wilderness Safaris Residents Programme are all also donated to CITW, contributing substantially.

**Figure 28: Wilderness' contribution to CITW and community development projects** (%)

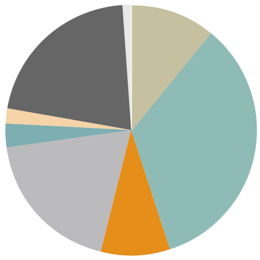



## Measuring our progress

To date, we have measured progress in community development and engagement by recording the monetary amounts paid to projects or communities in terms of joint ventures, as well as the number of people impacted or affected by these. Such projects have largely been introduced as and when funding has been allocated. Although tangible projects, such as infrastructure, are often more "popular" for donors, we attempt to direct donations towards intangible projects such as capacity building and scholarships, which are often more important for long-term sustainability and poverty reduction. A quarterly community development newsletter is distributed to all our regions, interested guests, agents and other stakeholders. The newsletter details community projects and engagements underway and further assists us in monitoring their progress (all newsletters can be found at http://www.wilderness-safaris.com/about/the-4cs/community). Our annual Regional Workshop also assists us to measure progress, assess learnings, identify ways to improve and to ensure that our community development and CITW projects are sustainable and having the maximum impact.

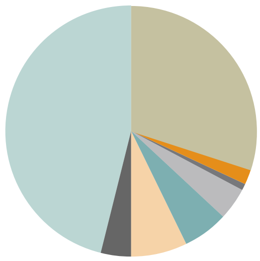
Towards the end of the reporting period, we compiled a consolidated report on the financials of CITW and all community development projects. There are challenges to developing such a report, as there are numerous channels of income, including in-kind contributions from numerous sources which are difficult to quantify, as well as a number of expenditure channels. Figure 29 provides an approximate summary of sources of income and Figure 30 provides a summary of where spending is taking place within the External Community department.

**Figure 29: Sources of funds** (%)



| | |
|---|---|
| CITW General's yearly approved funds | 11% |
| Raised funds | 34% |
| WS in-kind funding | 9% |
| WS salary payments, etc | 19% |
| WS Resident's programme | 3% |
| WA guests | 2% |
| Tour de Tuli | 21% |
| In-kind other | 1% |

**Figure 30: Use of funds, excluding salary cost** (%)



| | |
|---|---|
| Camps | 30% |
| Eco-Clubs | 2% |
| YES | 1% |
| Eco-Mentor training | 4% |
| Scholarships | 6% |
| Admin | 7% |
| Operating expenses | 4% |
| Other projects* | 46% |

** Other projects refers to community projects not related to CITW and largely includes projects administered in Zimbabwe on behalf of the Grand Circle Foundation.*

*Left: CITW Regional Workshop.*

*Below: Rocktail Camp staff member and her son in the newly refurbished library. in KwaMpukane, South Africa.*

## Promoting inclusive business in tourism

Wilderness promotes tourism which increases business linkages between the Company and our community neighbours for long-lasting mutual benefit. This includes working with a number of different partners. These include community trusts (e.g. Mpukane Trust at Rocktail Beach Camp, Okavango Community Trust at Vumbura Plains and Little Vumbura), community conservancies (Torra, Sesfontein, Anabeb, Doro !Nawas and Marienfluss in Namibia), as well as government agencies (e.g. National Parks in Zambia and Zimbabwe). A number of our projects also involve working with NGOs and other private sector partners. Our community and conservation projects also receive attention from academic researchers, a number of whom are presently working in our regions (see Wilderness Wildlife Trust: www.wildernesstrust.com). Other rural community partners include local suppliers of goods and services, community guides for village visits, local craft makers, formal business partners and our staff.

### Our strategy for achieving harmonious relationships with community partners

In order to achieve harmonious relationships we need to understand the communities with whom we are engaging: their socio-economic situation, demographics, attitudes towards ecotourism and conservation, their needs and how best to partner with them to improve their social welfare and encourage development.

From 2008 to 2010 we conducted socio-economic interviews with more than 1 800 community members in Botswana, Malawi, Namibia, South Africa, Zambia and Zimbabwe. The data collected was analysed, reported on and published in academic, peer-reviewed journals[1], as well as a Doctoral Dissertation in Resource Economics at the University of Cape Town. During the reporting period, research was conducted on a community development project in Botswana – this research is ongoing.

### Contractual and other community partnerships

Tourism operators in Africa have entered into a variety of equity/ownership partnerships with local communities. Benefits from these vary according to the nature of the agreements. The level of community involvement also depends on the specific conditions of the equity arrangement, with a large amount of involvement occurring in community-based tourism (CBT), and a more limited amount in public–private partnerships (PPPs). Research (Snyman, 2012[2]) has shown that, where communities have some form of vested interest in the business, they are generally more positive about ecotourism and conservation. We have therefore attempted to include local communities in our ecotourism operations, preferably formally, though some partnerships are more informal. Below is a list of some of the partnerships in which the Group is engaged:

- **Joint Ventures (JVs): The Wilderness Group and various community partners:** We have entered into a number of joint business ventures. These are formal, contractual agreements with communities or community trusts. In some situations, the community is involved in the ownership of the respective camp (e.g. Rocktail Beach Camp; Damaraland Camp; Doro Nawas Camp) or is paid lease fees (e.g. Vumbura Plains and Little Vumbura). In both cases they are sharing in the benefits of the business venture and there are benefits and costs for both parties. Ownership brings with it a sense of pride and responsibility, but also a level of risk;
- **A tripartite agreement between the Wilderness Group, government and the community** existed at Pafuri Camp, where we partnered with South African National Parks and the Makuleke community. We built the camp and operated, managed and marketed it, in partnership with the Makuleke community as landowners, and with SANParks responsible for conservation activities. This partnership helped raise the profile of the area. The partnership agreement was, however, terminated during the reporting period;
- **Community as landlords:** In Namibia, the Community Based Natural Resource Management (CBNRM) programme devolved power to local conservancies and gave them stewardship over their land. In these cases, the Conservancy is our landlord and (as noted above) for Damaraland Camp and Doro Nawas Camp we have also developed formal joint ventures. Alternatively, in the Marienfluss Conservancy, Serra Cafema Camp pays the

[1] For example:
Snyman, S. (2014). Assessment of the main factors impacting community attitudes towards tourism and protected areas in six southern African countries, *Koedoe* 56(2). DOI: 10.4102/koedoe.v56i2.1139
Snyman, S. (2014). The impact of ecotourism employment on rural household incomes and social welfare in six southern African countries. *Tourism and Hospitality Research*, 14 (1-2) 37-52 DOI: 10.1177/1467358414529435
Snyman, S. (2014). Partnerships between private sector ecotourism operators and local communities in the Okavango Delta, Botswana: A case study of the Okavango Community Trust and Wilderness Safaris partnership. *Journal of Ecotourism*, 13 (2-3), 110-127. DOI: 10.1080/14724049.2014.980744

[2] Snyman, S. (2012) Ecotourism joint ventures between the private sector and communities: An updated analysis of the Torra Conservancy and Damaraland Camp partnership, Namibia, *Tourism Management Perspectives*, 4, 127-135.
Snyman, S.L. (2012). The impact of land management systems on community attitudes towards tourism and conservation in six southern African countries, Parks, 18(2), 20-31.

conservancy lease fees and the community are our landlords, rather than formal joint venture partners;

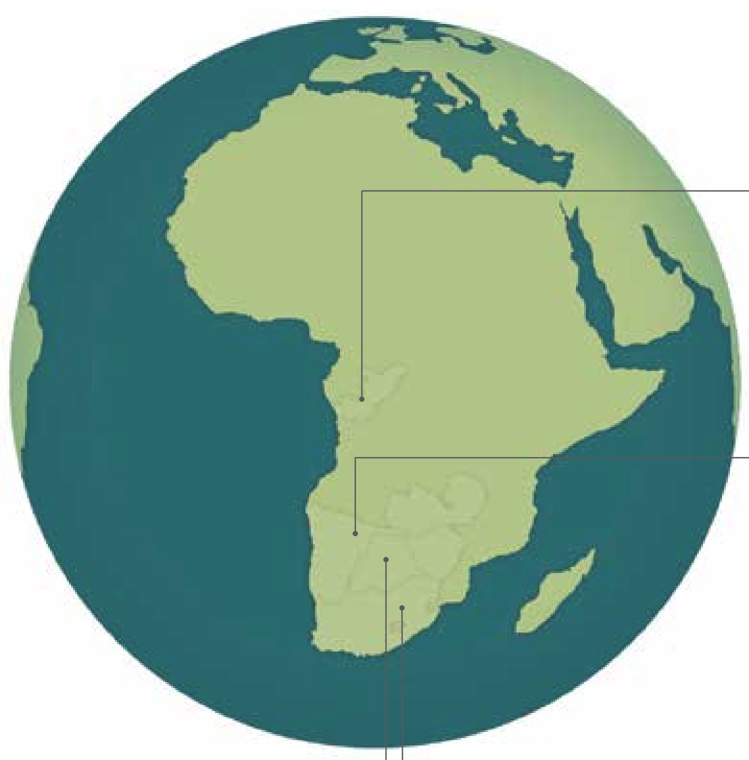
- **Public Private Partnerships (PPPs):** We are involved in a number of PPPs with National Park agencies in the regions where we operate. Our camps in Kafue National Park in Zambia and Hwange National Park in Zimbabwe bring together the expertise of the relevant National Parks agency in biodiversity conservation and ours in ecotourism and business. Our community development and engagement in these partnerships is largely informal and voluntary;
- **Non-Wilderness private landowners – management contracts:** Some of our engagements are with private sector partners who own the camps which we either manage and/or market, depending on the specific agreement;
- **Pure private sector, with philanthropy:** In cases such as Mombo and other camps in the Okavango Delta in Botswana, as well as in Hwange National Park in Zimbabwe, the camps are owned by Wilderness and any engagement with local communities is voluntary, through various philanthropic efforts. Engagement with communities in these cases also results from employing local staff and investing in their skills training and development; and
- **Partnerships with NGOs:** In the Republic of Congo we have partnered with the African Parks Network, who are responsible for conservation of Odzala-Kokoua National Park where our camps Lango and Ngaga, managed under the Wilderness Collection, are located.

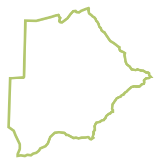
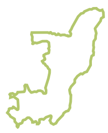
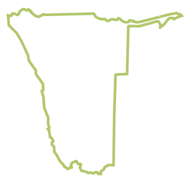

*Above: CITW annual camp, Zimbabwe.*

*Left: Dr Susan Snyman presenting at the Botswana Wildlife Research Symposium, Maun, Botswana.*

# Community continued

**Table 14: Joint venture and other payments to community partners**



| Country | Camp | |
|---|---|---|
| **Botswana**  | Vumbura Plains, Little Vumbura | |
| | Banoka Bush, Khwai Discover, Khwai Adventurer, Wilderness Tented | |
| | Moremi Tented, Santawani | |
| **Congo**  | Ngaga Lango | |
| **Namibia**  | Damaraland | |
| | Doro Nawas | |
| | Desert Rhino, Hoanib Skeleton Coast | |
| | Serra Cafema | |
| **South Africa**  | Pafuri Walking Trails** | |
| | Rocktail Beach | |

* *Staff costs include wages, bonuses, training, uniform, transport and food*
** *Pafuri Walking Trails was operational for six months*

| | Nature of engagement | Details | Annual value P | Staff costs* P | Total payments P |
|---|---|---|---|---|---|
| | Formal joint venture | A joint venture exists which pays lease fees to the Okavango Community Trust (OCT). | 2 215 767 | 14 441 929 | **16 657 696** |
| | Private sector-community partnership | Wilderness pays the Khwai Development Trust (KDT) an annual lease fee. | 2 821 154 | 4 410 716 | **7 231 870** |
| | Private sector-community partnership | Wilderness pays the Sankuyo Community Development Trust an annual lease fee. | 205 629 | 2 152 819 | **2 358 448** |
| | Private sector-NGO-community partnership | 5% of accommodation revenue is paid to the Odzala-Kokoua Foundation – a partnership between African Parks and the Congolese Government. African Parks Network is currently in consultation with the 70 local village associations to identify socio-economic development needs which will lead to the provision of education and health facilities in the villages surrounding the park. | 543 000 | 2 704 463 | **3 247 463** |
| | Formal joint venture | 20% of ownership was transferred to the community annually from years 10 to 15 of the partnership. Once they owned 100% of the camp, the community sold 60% back to Wilderness. The community currently has the remaining 40% equity stake. | 541 410 | 1 666 522 | **2 207 932** |
| | Formal joint venture | 55:45 partnership between Wilderness and the Doro !Nawas Conservancy. | 515 957 | 1 781 430 | **2 297 387** |
| | Public-private-community partnership | Wilderness operates Desert Rhino Camp and Hoanib Skeleton Coast Camp and pays a minimum fee per annum of N$1 200 000 (P1 025 641) to the Big 3 (Torra, Sesfontein and Anabeb) Conservancies. | 944 241 | 1 456 652 | **2 400 893** |
| | Private sector-community partnership | Wilderness pays the Marienfluss Conservancy 8% of turnover as well as a fixed annual fee. | 865 530 | 2 153 444 | **3 018 974** |
| | Public-private-community partnership | A tripartite agreement between Wilderness, SANParks and the Makuleke community, where Wilderness pays 8% of turnover to the community. | 267 971 | 519 845 | **787 816** |
| | Public-private-community partnership, including a joint venture with the community | A partnership between Wilderness and the KwaMpukane Community Trust. A BEE partner owns 10% and 17.5% is owned by KwaMpukane Community Trust. 8.5% of revenue, as well as annual turtle viewing fees, are paid to iSimangaliso Wetland Authority. | 827 978 | 2 365 541 | **3 193 519** |
| | | **Total** | 9 748 637 | 33 653 361 | **43 401 998** |

## Children in the Wilderness (CITW) – Sustainable conservation through leadership development

Children in the Wilderness (CITW) is a non-profit organisation supported by Wilderness to facilitate sustainable conservation through leadership development and to provide educational support to rural children in Africa.

Our CITW programme is an environmental and life skills education programme for children. It focuses on the next generation of decision-makers, inspiring them to care for their natural heritage and to become the custodians of these areas in the future.

Table 15: Children in the Wilderness statistics for the reporting period

| Country | Number of CITW camps | Number of children | Number of volunteers | Number of children attending Eco-Clubs | Total costs of programme (in BWP) |
|---|---|---|---|---|---|
| Botswana | 6 | 160 | 30 | 503 | 737 871 |
| GMTFCA* | 0 | – | – | 120 | 8 163 |
| Limpopo | 2 | 32 | 24 | – | 85 989** |
| Malawi | 2 | 60 | 28 | 850 | 526 643 |
| Namibia | 3 | 62 | 20 | 70 | 776 482 |
| South Africa | 3 | 40 | 24 | 320 | 340 806 |
| Zambia | 1 | 30 | 13 | 173 | 148 472 |
| Zimbabwe | 5 | 156 | 32 | 235 | 445 033 |
| **Total** | 22 | 540 | 171 | 2 271 | 3 069 459 |

* *Greater Mapungubwe Transfrontier Conservation Area.*
** *Does not include camp opportunity costs which were included in previous reports for Limpopo.*

### Eco-Clubs

The CITW ground team operates Eco-Clubs in the various communities with which we engage. The Eco-Clubs, which take place at rural schools, follow a structured curriculum and, depending on the region, take place either weekly or monthly. Eco-Clubs give all learners who are interested in the environment a chance to meet, learn, discuss and expand their knowledge of environmental issues. We are also able to reach more children in the communities and on a more regular basis. Children participating on the CITW camps are usually selected from Eco-Clubs.

### Annual camps

A Wilderness or partner camp is closed for a few days each year, and 12 to 24 children between 10 and 17 years old, pre-selected from the Eco-Clubs in neighbouring schools and communities, are hosted in the camp. The Camp Director, with a full complement of volunteers and mentors, runs an educational and fun-filled programme. A structured curriculum is followed in all regions in order to ensure sustainability, continuity and to allow for measurement and assessment. Since 2001, over 5 600 children have been hosted in our camps in seven southern African countries – Botswana, Namibia, Malawi, South Africa, Seychelles, Zambia and Zimbabwe.

### Eco-Mentor training

Our Eco-Mentor training aims to develop local community members and Wilderness Safaris camp staff by upgrading skills, increasing environmental understanding and enabling them to better implement school and village environmental projects and initiatives. This project assists in addressing the critical teaching skills shortage in environmental education in southern Africa. Once trained, mentors are able to host Eco-Clubs in the local village schools and assist Eco-Club members in implementing environmental projects in their villages.

### Youth Environmental Stewardship (YES) programme

The YES programme focuses on children who show commitment and potential and have been identified on annual camps as showing a particular interest in conservation. The programme curriculum is an extension of concepts introduced in Eco-Clubs and at camp, with a greater focus on career guidance and further environmental education. These camps are usually smaller, with fewer children attending, allowing for focused work groups and increased participation by all children. The YES programme also enables mentors to spend more time with the children and identify candidates for the scholarship and internship programme.

These programmes, previously called Environmental Stewardship Programmes (ESP), have been running in Botswana since 2008, where they have hosted 144 children to date, and they will now be introduced in other regions as well. This will allow the programme to grow with the children and continue to provide them with environmental education and support.

### Scholarship programme

In almost all the areas where we operate primary education is free, but secondary schooling usually has a fee attached to it. For this reason, a large majority of children will only ever complete their primary schooling. Through our Eco-Clubs and CITW Camp programme we are able to identify children who are doing well academically but whose parents are unable to send them on to secondary school. Our Scholarship programme aims to provide these children with an opportunity to complete their schooling and to give them hope and inspiration for their future. The programme provides funding for the necessary school fees and, as often as possible, we try to assist with uniform, stationery, and other schooling needs as well. Funding for this programme comes largely from our guests and

## Current CITW Programme

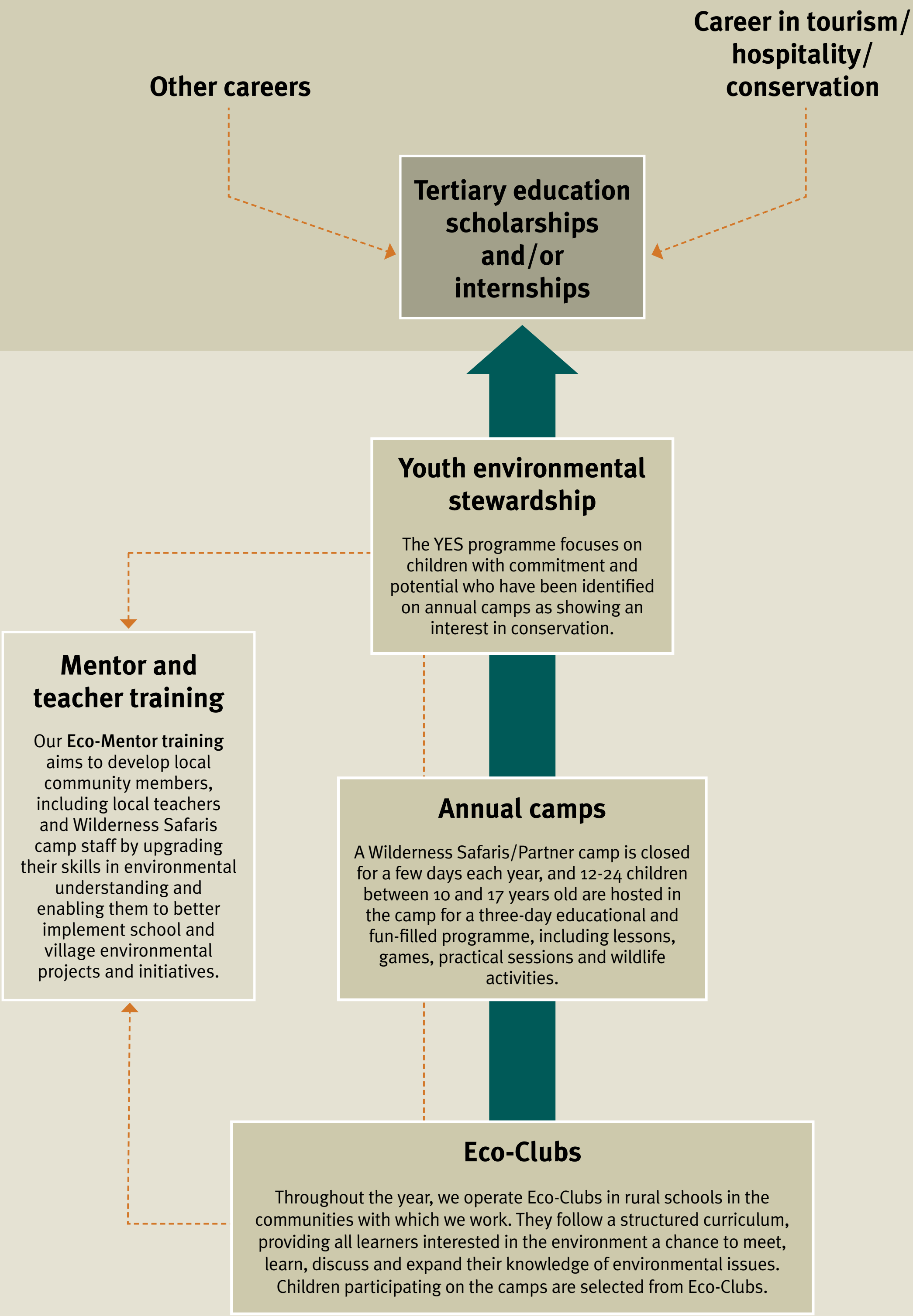



**Figure 31: Current CITW Programme**

agents, as well as other partner NGOs, corporates, etc.

Overall, the CITW programme and curriculum:

- Practises and teaches environmental education;
- Exposes the children to new experiences and new friends;
- Uses teambuilding and communication games and other educational tools to help build self-esteem and life skills, and strengthens the children's capacity to cope with challenges in life;
- Inspires the children to continue with their education;
- Teaches the children skills, crafts and sports;
- Increases awareness and knowledge of overall health and nutrition; and
- Develops future leaders.

### Community development projects

The majority of our community development projects are funded either by cash, in-kind or specific donations from guests, NGOs, Wilderness camps or offices, and various corporates. Wilderness administers and distributes these donations as specified, or as required. Staff and transport used in the management and implementation of these projects also form part of our in-kind donation.

Our donations to communities increased from P2.04 million in 2014 to P2.58 million in 2015. Fundraising is done largely by each of the individual countries, though funds are also raised through the Wilderness Wildlife Trust and for CITW through the annual Nedbank Tour de Tuli mountain bike event. A number of our community projects are partnerships with NGOs and other stakeholders, who assist with fundraising, logistics and management of some of the projects.

### Empowering Women Project

As one of our community development projects, CITW has, together with Wilderness Safaris, initiated an Empowering Women Project in Botswana, assisting a local community women's group with start-up capital and business guidance.

For the pilot project, Wilderness Safaris' Community Development Liaison in Botswana, Mary Hastag, together with Regional CITW Director, Dr Susan Snyman, are working together with the already established Shashe Women's Group at Shashe Primary School in Maun.

Through this project, we offer the support and guidance rural women require to lay the foundations of their own businesses, thereby creating sustainable economies in these communities. The programme consists of applications, discussions as to marketing and distribution of products, etc, as well as Wilderness providing financial guidance and training in business and marketing skills. Ongoing support is also provided to the Shashe Women's Group, with Mary meeting with the team every week to discuss their progress, as well as any challenges they are facing. She also assists them in buying the necessary supplies to get their businesses off the ground.

Towards the end of 2014, the women received their first big order from Wilderness Safaris Botswana, to supply placemats and various other goods for our camps. They have since received a number of other orders and the programme has been extended to three more villages in Botswana, with plans to introduce it into other regions as well.

## Sharing knowledge and building capacity

In 2014, Wilderness Safaris' Group Community Development Manager, Dr Susan Snyman was elected Vice Chair of the IUCN World Commission on Protected Areas (WCPA) Tourism and Protected Areas Specialist Group (TAPAS).

TAPAS and Wilderness Safaris share a belief in the principles of protecting the world's pristine wilderness areas through responsible tourism while sharing the benefits with communities. Through this role we are able to share knowledge with others working in tourism and conservation around the world. While continuing her day-to-day work for Wilderness Safaris, Sue also drives the TAPAS Community Working Group which aims to provide best practice guidelines for tourism stakeholders who engage with communities living in and around protected areas.

**Table 16: Summary of community development project donations**

| Country | Total donations (in P) |
|---|---|
| Botswana | 230 304 |
| Malawi* | 47 377 |
| Namibia | 124 855 |
| South Africa | 46 693 |
| Zambia | 161 088 |
| Zimbabwe** | 1 970 338 |
| **Total** | **2 580 655** |

* *Largely German Embassy funded, managed by CITW with logistical support from CAWS Mvuu Camp and H.E.L.P. Malawi.*

** *This figure includes amounts raised by Grand Circle Foundation (GCF), with CITW assisting with the selection, implementation and management of all projects initiated with these funds.*

## Going forward

The finalisation of the Community Development Strategy for 2015-2019 now requires effective implementation across all the regions. Continued consolidation of community development and Children in the Wilderness projects is also required, with ongoing improvements in measurement and reporting. Finalisation of various CITW curriculum materials, publications, etc. should be completed in the next reporting period, as well as growth in the CITW Eco-Mentor training and scholarship programmes. Focus will also be on increasing awareness of CITW and other community development initiatives amongst staff, guests, agents and other interested stakeholders.

*Above: Annual Nedbank Tour de Tuli mountain bike event.*

*Left: Mary Hastag conducting Wonderbag training, Botswana.*

C

CULTURE

Culture is a multifaceted dimension that governs respect for the culture of all our employees, as well as the remote rural communities surrounding the conservation areas in which we operate. To a large degree, Culture gives context to the other three Cs, as it impacts on and is affected by all the other Cs.


*Mukuni village, Zambia.*

# Culture

We respect and promote our unique Wilderness culture, as well as those of our employees and neighbouring rural communities. By meaningfully incorporating culture into our operations and guest activities, we hope to positively impact a global culture of respect and care for the environment.

The aspects discussed in the Culture chapter are considered material due to:

- The potential impact that they could have on our guest operations directly and the associated reputation opportunities and risks; and
- The possible direct and long-term impacts of tourism on host communities and their cultures.

All the aspects covered in this chapter are managed by country-level staff within the seven countries in which we operate, with support and advice from Group resources. In order to ensure ethical relationships with the external communities and staff with whom we engage, regional staff and Group resources meet regularly through visits and annual Regional Workshops.

We also have an Ethics Charter and Codes of Conduct for Cultural Tourism to ensure that all cultural or ethnic interactions increase knowledge, raise awareness and enrich all involved. In the middle of the reporting period, we hired an anthropologist to examine the socio-cultural impacts of cultural tourism on host communities, and to identify opportunities for improving guest experiences and our interactions with local communities. This new role entails direct engagement with host ethnic groups, to define best practices for incorporating culture into tourism and ensure that this is done in an ethical, meaningful, respectful and sustainable way.

In order to achieve this, we need an understanding of the different ethnic groups within our regions, and the host communities with whom we interact. Socio-cultural surveys are currently underway to achieve this. Encouraging our staff to be proud of their culture and to integrate this into guest activities allows our guests and other staff to learn about Africa's diversity.

We understand culture to be a celebration of the diverse histories and traditions, art, beliefs, languages, games, clothing, sport, singing and dancing of the various different ethnic groups. Cultural diversity gives character and uniqueness to our camps and our guest experiences.

We engage with more than 40 different ethnic groups, identified among our staff and host communities:

- **Botswana:** BaYei, haMbukushu, baSarwa, baKalanga, baKgalagadi, Xhanakwe, baTswana and European;
- **Congo:** BaBaka, baBayaka, baKongo, Europeans of French descent;
- **Namibia:** BaHerero, baHimba, Damara, Nama, Ovambo, Riemvasmaker and European;
- **Seychelles:** Seychellois and European;
- **South Africa:** Afrikaner, English/European, Indian, amaNdebele, baPedi, baSotho, emaSwati, baTswana, baTsonga, vaVenda, amaXhosa and amaZulu;

## Key performance indicators (KPIs)

### Anthropologist

The appointment of an anthropologist as Group Researcher and Cultural Coordinator

### Cultural maps

Rollout of a cultural map for Namibia, and the development of maps for Botswana, Zambia and Zimbabwe

### Heritage Day

Annual Wilderness Heritage Day celebrated in all countries, camps and offices

### Social media

Publishing various cultural blogs on Wilderness Safaris' website and social media

### Finalisation of Ethics Charter

Finalisation of the Wilderness Safaris Ethics Charter and Codes of Conduct for Cultural Tourism

*Above: Himba, Namibia.*

*Left: Annual Wilderness Heritage Day, Johannesburg office, South Africa.*

- **Zambia:** BaKaonde, maChewa, amaNgoni, baTonga, baBemba, baLozi, and European;
- **Zimbabwe:** AmaNdebele, baTonga, maShona, baTonga, baLozi, baKalanga and European.

At least 28 of these ethnic groups are represented in our staff body.

### Wilderness Safaris Ethics Charter and Codes of Conduct for Cultural Tourism

Cultural tourism is about immersion in, and enjoyment of, the lifestyle of local people, the local area, and what constitutes its identity and character. The increasing number of tourists, and their concomitant desire to engage with local communities and cultures in the countries that they visit, necessitated the development of an Ethics Charter and Codes of Conduct for Cultural Tourism. This document serves to detail the kind of community engagement and cultural interaction that Wilderness Safaris would like to promote, to ensure that there is no degrading or exploitation of people and their cultures.

*Above: Staff member weaving a basket, Botswana.*
*Top left: Village visit, Botswana.*
*Left: Socio-cultural research, Zimbabwe.*

Toward the end of the reporting period, a comprehensive version of the Ethics Charter and Codes of Conduct was finalised and prepared for distribution among staff and guests, highlighting pre-, during- and post-cultural tour procedures and activities in host communities, including business etiquette. It also includes information on what culture means to us, and why and how we incorporate culture into the business.

The community engagement projects and experiences entered into by Wilderness must all be sustainable: environmentally, ecologically, ethically and socially. This requires that we identify, effectively engage and consult with all the relevant stakeholders for any new project, destination, activity or business. It is vital that their support is obtained from the outset.

The main goals of the Wilderness Safaris Ethics Charter and Codes of Conduct for Cultural Tourism are to:

- Ensure a high-quality experience which brings satisfaction and enrichment to guests, as well as greater knowledge and appreciation of natural and cultural heritage. Cultural tourism must promote an understanding and appreciation of the local communities and their culture;
- Uphold a corporate identity which provides authentic experiences, while respecting the values and wishes of the people whose culture and history form part of the cultural tourism experience;
- Maintain, and continuously develop marketing and promotional strategies which contribute to both environmental and cultural awareness;
- Encourage tourism development that is compatible with local culture, values and lifestyles; and that is socially, economically and environmentally sustainable;
- Maintain and encourage an appreciation of, and respect for, all natural, cultural and aesthetic heritage among our guests, staff, stakeholders, and within the communities with whom we engage;
- Respect the values and aspirations of local host communities and strive to provide services and facilities in a way that contributes to community identity, pride, aesthetics and the quality of life of residents;
- Achieve tourism development in a way which harmonises economic objectives with the protection and enhancement of natural, cultural and aesthetic heritage;
- Acknowledge social and cultural traditions/practices of all people, and recognise their worth;
- Align all tourism activities with local customs, laws, practices and traditions;
- Respect the equality of men and women and promote human and cultural rights – both individual and collective;
- Strive to achieve positive outcomes and minimise adverse impacts on the heritage and lifestyles of host communities;
- Promote conservation of the natural environment from degradation for curios and artefacts while promoting local crafts over foreign imports;
- Contribute to the protection of sites which are of local, historical, cultural, spiritual or archaeological importance, located in the areas of operation;
- Work together with communities to help them to reflect on, and define their goals with respect to a tourism development vision; and
- Help communities to gain a better understanding of tourists and the tourism industry, and enable them to optimise the benefits that flow to them from tourism.

## Why do we incorporate culture?

Tourism has become an increasingly complex phenomenon, with political, economic, social, cultural, educational, biophysical, ecological and aesthetic dimensions. The sector can be one of the foremost drivers of cultural exchange providing a personal experience, including not only past traditions, but also insight into the contemporary life and society of others.

In order for tourism to be sustainable it should bring direct, as well as indirect, benefits to host communities and provide an important means and motivation for communities to care for and maintain their heritage and cultural practices. The cultural heritage of a country is the result of its historical evolution and, therefore, plays an important role in determining its identity.

At a time of increasing globalisation, the protection, maintenance, interpretation and presentation of the heritage and cultural diversity of any particular place or region is an important challenge for people everywhere.

## How do we incorporate culture?

Culture consists of a number of dimensions and there are many different ways to celebrate these through our business. First and foremost, employing staff from different ethnic groups in each country brings the Culture C directly into the camps and offices. From here, staff celebrate their culture through day-to-day interactions with colleagues and guests, singing, dancing and storytelling in the camps, allowing them to educate and inform about their traditions and customs.

Through cultural tourism activities, we aim to give our guests a high-quality experience which brings satisfaction and enrichment, as well as greater knowledge and appreciation of natural and cultural heritage, while at the same time promoting an understanding and appreciation of local communities. Our primary objective for cultural tourism is to communicate its significance and the need for its maintenance to the host community, to staff and to guests.

Below is a list of the main ways culture is integrated into our business:

- **Traditional nights:** The majority of Wilderness camps have traditional evenings where guests experience local culture through dance, singing, storytelling and local food. In many instances, dinner menus are announced in the local language;
- **Traditional design and décor:** Where possible and practical, we attempt to use traditional architecture, building methods and materials in camp design and construction. We also attempt to use local artefacts, such as traditional masks and woven basketry, in our camp décor;
- **Cultural visits:** Where the local community is accessible to the camp, local village visits and tours are encouraged and organised in line with the Wilderness Ethics Charter and Codes of Conduct for Cultural Tourism. Such visits occur in most countries and their nature varies by location;
- **San cultural walk:** At Kalahari Plains Camp in Botswana, guests are encouraged to go on a walk with a staff member who is also a local community member. Guests are educated on traditional hunting and subsistence methods; and
- **Social soccer:** CITW promotes soccer/football clinics to recognise the influence the game has in host communities. In Africa, soccer/football is played in almost every village, no matter how remote.

### Cultural maps

To highlight culture and provide our guests and staff with the opportunity to learn more about the diverse cultures and ethnic groups in Africa, we have been developing cultural maps for each country. These include a brief description of each of the main ethnic groups, as well as their history and traditions. The map also includes photographs of cultural aspects guests may encounter during visits to our camps, as well as a link to our Ethics Charter and Codes of Conduct for Cultural Tourism. We also started developing a Country Culture Booklet that will provide more detailed country-specific information relating to cultural activities, practices and diversity.

## Potential socio-cultural impacts

Ecotourism can have varied socio-cultural impacts, some of which may be ambiguous, with some people perceiving impacts as positive, and others as negative. Our aim is to promote positive impacts and mitigate negative ones. We cannot prevent cultural change or some form of commodification of culture, but feel it is important to aid sustainable rural development by promoting positive interactions. It is also important to educate our guests to respect the various cultural groups and to encourage our staff to celebrate their heritage, traditions and ethnic diversity.

Cultures are continuously changing and adapting. Some socio-cultural changes may, therefore, be a natural progression, whereas others may be caused by increased contact with other cultures and their associated different values. Changes resulting from cultural tourism are both negative and positive, and through research we can try to reduce or minimise the negative impacts.

Social impacts are largely the result of the immediate effects of cultural tourism on host communities, their livelihoods and the way they live, whereas cultural impacts occur in the long term and may include changes in social value/morals, behaviours and attitudes.

Below is a list of positive socio-cultural impacts that we believe our business can and does have on local communities:

- Enhance the cultural aspects of an area, through continued interest in local, cultural and historical lifestyles;
- Promote greater awareness and acceptance of other cultures;
- Build self-esteem, confidence and pride in one's community and oneself;
- Strengthen communities through uniting them in a common cause, especially through joint ventures;
- Internalise local fashions in art, clothing, jewellery, language and music;
- Revitalise unique cultural practices, arts, crafts and stories;
- Promote social and rural development through employment creation, income redistribution and poverty alleviation; and
- Lessen the migration of youth to urban areas, and thereby assist in keeping rural families closer together through education and employment.

Conversely, below are some of the negative socio-cultural impacts that may arise and are globally contested in any form:

- Western influence on cultures: language, clothes, behaviour, food, values and interests;
- Negative transitions away from traditional lifestyles, including alcohol abuse, child labour, littering, poaching;
- Negative transitions in values, moral conduct, community structural organisations and practices;

- 'Demonstration effect', where locals imbibe the behaviours of tourists and experience negative culture shock;
- Resultant impacts from the 'demonstration effect' on host communities that lead to petty crime and socially negative behaviours, for example envy or entitlement cultures;
- Economic and social competition between community members, which could lead to disharmony; and
- Commodification of cultures.

The Group constantly attempts to avoid and mitigate negative impacts on staff and guests.

## Forced child labour

Due to the remote location of most Wilderness operations, the majority of staff are recruited from communities living in and around the conservation areas where our camps are situated. All staff are above the legal working age limit in the countries of operation and no child labour is employed.

As part of the cultural tourism experience, a number of the camps offer traditional dancing and other activities, such as singing. These are also available on selected village visits.

The performers may sometimes include children and the dance groups are paid for the performances. However, since children are not employed by Wilderness and are not exploited during the traditional dancing (i.e. they are not missing school, do not dance late at night, and perform voluntarily), they do not fall into the category of child labour. There is therefore no need for measures to eliminate child or forced labour and no incidents to report in the period under consideration.

## Going forward

Looking ahead to the next reporting period we plan to:

- Increase cultural collateral for guests and staff, such as the Ethics Charter and Codes of Conduct for Cultural Tourism, Country Cultural Booklet and regional news;
- Seek the best mechanisms for integration of culture into guest and staff day-to-day activities;
- Conduct comprehensive data collection on cultural activities and ethnic groups in our geographic scope and engagement areas;
- Integrate the Ethics Charter and Codes of Conduct for Cultural Tourism into Wilderness practice;
- Continue data collection for the socio-cultural research project and Country Culture Booklet;
- Work closely with the 'Culture Champion' in each country where we operate to develop cultural objectives. This person will assist and work with the anthropologist in compiling all the necessary information on the various cultures. This person would also be responsible for ensuring that all the culture collateral is distributed in their country and that the cultural activities are offered in the camps; and
- Continue to find innovative ways to further integrate the Culture C into our business through art, sport, competitions, etc.

*Above: Above: Cultural evening at Vumbura Plains Camp, Botswana.*
*Left: Cultural experience at Kalahari Plains Camp, Botswana.*

*Main: Guided walk, Sossusvlei, Namibia.*

*Right: High tea, Kings Pool Camp, Botswana.*

*Above: Sunset walk, North Island, Seychelles.*

*Top right: Log pile hide, Little Makalolo Camp, Zimbabwe.*

# Corporate governance

# Corporate governance

The Board believes that excellent corporate governance is fundamental to ensuring a sustainable and successful business. The Company complies fully with the guidelines of the BSE Code of Corporate Governance. In addition, although listing on the BSE only requires compliance with King II, the Company has voluntarily adopted the principles of King III.

## Compliance with King III

The Company believes that compliance with recognised best practices will provide superior levels of performance in terms of sustainable returns to all stakeholders. The Company takes into consideration not only the interests of the Company and its shareholders but the wider environment such as guests, suppliers and employees, to name a few. A representative list of our stakeholders is included on page 18 of this report.

This report is prepared in compliance with the principles of King III. Where the directors have found it impractical to apply certain recommended practices, the rationale is explained under the relevant section.

## Leadership and oversight

The Company has a unitary board structure.

Keith Vincent, the former Chief Operating Officer, is the Chief Executive Officer. Amihai Azoulay is the Chief Financial Officer and Derek de la Harpe is the Commercial Director and Chief Sustainability Officer. Sidney Mganga remains in the position of Group Company Secretary.

Rolf Hartmann resigned from the Board on 20 May 2015 and the Board and the Company are most grateful for his long service to the Company and his hard work and wise counsel over the years.

The Board is chaired by Parks Tafa who is supported by Michael Tollman as Deputy Chairman. Post the year end, The Wilderness Holdings Limited Board and committees comprised:

| Board of Directors | | |
|---|---|---|
| **Non-executive directors**<br>Charles de Fleurieu<br>Parks Tafa<br>Gavin Tollman<br><br>**Independent non-executive directors**<br>Rolf Hartmann *(resigned 20 May 2015)*<br>John Hunt<br>Malcolm McCulloch<br>Marcus ter Haar<br>Michael Tollman<br>Jochen Zeitz | **Chairman**<br>Parks Tafa<br><br>**Deputy Chairman**<br>Michael Tollman<br><br>**Lead independent director**<br>Roux Marnitz | **Executive directors**<br>***Chief Executive Officer***<br>Keith Vincent<br><br>***Commercial Director and Chief Sustainability Officer***<br>Derek de la Harpe<br><br>***Chief Financial Officer***<br>Ami Azoulay |

| Board committees | | |
|---|---|---|
| **Audit Committee** | **Risk Committee** | **Remuneration and Nomination Committee** |
| Malcolm McCulloch (Chairman)<br>*(appointed 20 May 2015)*<br>Rolf Hartmann (Chairman)<br>*(resigned 20 May 2015)*<br>Marcus ter Haar<br>Michael Tollman<br><br>*By invitation*<br>Chairman of the Board<br>Corporate office management<br>External audit | Malcolm McCulloch (Chairman)<br>Rolf Hartmann *(resigned 20 May 2015)*<br>Roux Marnitz<br>Michael Tollman<br>Keith Vincent<br><br>*By invitation*<br>Corporate office management | Michael Tollman (Chairman)<br>*(appointed 20 May 2015)*<br>Rolf Hartmann (Chairman)<br>*(resigned 20 May 2015)*<br>John Hunt<br>*(appointed 20 May 2015)*<br>Roux Marnitz<br><br>*By invitation*<br>Chairman of the Board<br>Corporate office management<br>Group Human Resources Manager |
| **Investment Committee** | **Safety Review Board** | **Social, Ethics and Sustainability Committee** |
| Charles de Fleurieu (Chairman)<br>Derek de la Harpe<br>Marcus ter Haar<br>Gavin Tollman<br><br>*By invitation*<br>Ami Azoulay<br>Keith Vincent | Roux Marnitz (Chairman)<br>Derek de la Harpe<br>Russel Friedman<br>Richard van der Wel<br><br>*By invitation*<br>Brian Cartwright<br>Ian du Rand<br>Ron Goatley<br>Keith Vincent<br>Mike Wassung<br>Grant Woodrow | Jochen Zeitz (Chairman)<br>Dr Holly Dublin<br>Derek de la Harpe<br>John Hunt<br>Chris Roche<br><br>*By invitation*<br>Corporate office management |

The Board retains full and effective control over the Group and monitors the executive management and decisions in the subsidiary companies. The Board assumes overall responsibility for the Group and its activities, including risk management and governance. The Board is also responsible for setting the direction of the Group through the establishment of strategic objectives and key policies. Finally, the Board is guided by a Board charter and is supported in its role by the Board committees detailed above.

The Board charter regulates how its business is to be conducted. The charter sets out the responsibilities of the Board members collectively. More specifically, the charter confirms the Board's responsibility for the adoption of strategic plans, monitoring of operational performance and management, determination of policies and processes to ensure the integrity of the Group's risk management and internal controls, as well as the nomination, orientation and evaluation of directors.

The non-executive directors draw on their experience, skills and business acumen to ensure impartial and objective viewpoints in decision-making processes and standards of conduct. The Board considers the mix of technical, environmental, social, entrepreneurial, financial and business skills of the directors to be balanced, thus enhancing the effectiveness of the Board.

Keith Vincent is the Chief Executive Officer (CEO). The separation of this role of CEO from that of the Chairman ensures a balance of authority and precludes any one director from exercising unfettered powers of decision-making.

The Chairman of the Board, Parks Tafa, although non-executive, is not independent in terms of King III recommendations because he acts as a legal adviser to the Group. Although the Chairman cannot be classified as independent in terms of the governance criteria, the Board is of the view that he brings valuable expertise, experience and skills to the Company and will exercise independent judgement. Furthermore, in accordance with the recommendations of King III, Roux Marnitz is a non-executive lead independent director (LID) whose main function is to provide leadership and advice to the Board, without detracting from the authority of the Chairman, when the Chairman has a conflict of interest. The LID also leads those discussions which deal with the succession of the Chairman and the Chairman's performance appraisal.

To fulfil their responsibilities adequately, directors have unrestricted access to timely financial and other information, records and documents relating to the Group.

## Board meetings

A minimum of four Board meetings are scheduled each financial year to consider strategic and key issues, financial matters, operational performance and any specific proposals for capital expenditure and investment. Additional meetings are convened on an *ad hoc* basis to consider extraordinary items of importance which may require urgent attention.

For ease of reference, the attendance, independence, classification and length of service of directors has been consolidated in the table below:

| | Years' service (rounded to the nearest year) | Board meeting attendance | Audit Committee | | Investment Committee | |
|---|---|---|---|---|---|---|
| | | | Member | Attendance | Member | Attendance |
| **Non-executive directors** | | | | | | |
| *Independent* | | | | | | |
| R Hartmann (resigned 20 May 2015) | 5 | 4/4 | ✔ | 4/4 | | |
| J Hunt | 5 | 4/4 | | | | |
| R Marnitz | 5 | 4/4 | | | | |
| M McCulloch | 10 | 4/4 | | | | |
| M ter Haar | 5 | 3/4 | ✔ | 3/4 | ✔ | 3/3 |
| M Tollman | 5 | 4/4 | ✔ | 3/4 | | |
| J Zeitz | 5 | 3/4 | | | | |
| *Non-independent* | | | | | | |
| P Tafa | 5 | 4/4 | | | | |
| G Tollman | 5 | 2/4 | | | ✔ | 3/3 |
| C de Fleurieu | 3 | 3/4 | | | ✔ | 3/3 |
| **Executive directors** | | | | | | |
| K Vincent | 10 | 4/4 | | 3/4 | | 3/3 |
| D de la Harpe | 5 | 4/4 | | 4/4 | ✔ | 2/3 |
| A Azoulay | 2 | 4/4 | | 4/4 | | 3/3 |
| **Other** | | | | | | |
| C Roche | N/A | | | | | |
| Dr H Dublin | N/A | | | | | |
| R van der Wel | N/A | | | | | |
| R Friedman | N/A | | | | | |

| | Remuneration and Nomination Committee | | Risk Committee | | Social, Ethics and Sustainability Committee | | Safety Review Board | |
|---|---|---|---|---|---|---|---|---|
| | Member | Attendance | Member | Attendance | Member | Attendance | Member | Attendance |
| | | | | | | | | |
| | ✔ | 3/3 | ✔ | 3/3 | | | | |
| | | | | | ✔ | 1/2 | | |
| | ✔ | 3/3 | ✔ | 3/3 | | | ✔ | 4/4 |
| | | | ✔ | 3/3 | | | | |
| | | | | | | | | |
| | ✔ | 3/3 | ✔ | 2/3 | | | | |
| | | | | | ✔ | 2/2 | | |
| | | | | | | | | |
| | | | | | | | | |
| | | 2/3 | ✔ | 3/3 | | 1/2 | | 2/4 |
| | | 3/3 | | 3/3 | ✔ | 2/2 | ✔ | 4/4 |
| | | 3/3 | | 2/3 | | | | |
| | | | | | | | | |
| | | | | | ✔ | 2/2 | | |
| | | | | | ✔ | 1/2 | | |
| | | | | | | | ✔ | 4/4 |
| | | | | | | | ✔ | 2/4 |

## Independence of directors

The independence of directors is reviewed annually by the Remuneration and Nomination Committee following a detailed analysis of the circumstances of all independent non-executive directors. The Remuneration and Nomination Committee has satisfied itself that these directors meet the criteria for independence in terms of King III.

## Board evaluation

An evaluation was undertaken in November 2011 in which the directors reviewed the performance of the Board as a whole, through a questionnaire-based process. The results confirmed that the Board operates effectively. An evaluation was not conducted during the 2015 financial year. It is intended to improve upon the evaluation process and to include self-assessments of the Board committees in the current year.

## Newly appointed directors

In terms of the Company's constitution, new directors may only hold office until the next annual general meeting at which time they will be required to retire and offer themselves for re-election. There were no new directors appointed during the current financial year.

## Rotation of directors

Under the Company's constitution, a third of the directors retire by rotation each year and are eligible for re-election by shareholders at the annual general meeting. The Remuneration and Nomination Committee, having concluded its assessment, recommends the re-election of the retiring directors Charles de Fleurieu, John Hunt, Roux Marnitz, Malcolm McCulloch, Marcus ter Haar and Michael Tollman. These retiring directors are eligible and have offered themselves for re-election at the coming annual general meeting.

## Retirement

There is no set retirement age for executive and non-executive directors. The period in office is reviewed on an individual basis by the Board on the recommendation of the Remuneration and Nomination Committee.

## Induction of directors

New directors are provided with an induction programme and materials which deal with directors' fiduciary duties and introduce the directors to the concept of the 4Cs platform. The Board believes that sustainable business practices in the dimensions of conservation, community, culture and commerce form the sustainability platform for the business.

## Director training and development

All directors are expected to keep abreast of changes and trends in the business and in the Group's environments and markets.

Board meetings are held at site at least once a year to familiarise the directors with the operational and environmental aspects of the business. Training programmes on directors' duties and corporate governance are available to the directors on request.

## Group Company Secretary

The Group operates in seven countries and company secretaries are appointed in each country to ensure all national statutory requirements are adhered to. The Group Company Secretary is responsible for providing guidance to the Chairman and directors, both individually and collectively, on their duties, responsibilities and powers. The Group Company Secretary advises on corporate governance as well as compliance with legislation and the BSE and JSE Listings Requirements. Through this office the Group Company Secretary is responsible for facilitating the distribution of information in a timely manner. This information includes items such as agenda items for Board meetings, corporate announcements, investor communications and any other developments which may affect the Group. The Board is of the view that the Group Company Secretary has the requisite qualifications and expertise.

All directors have access to the advice of the Group Company Secretary and, through the office of the Group Company Secretary, to independent professional advice, at the Company's expense.

## Conflicts of interest

On a quarterly basis, the Company actively solicits from its directors details regarding their external shareholdings and directorships which potentially could create conflicts of interest while they serve as directors on the Wilderness Board. The declarations received by the directors are closely scrutinised by both the Chairman and the Group Company Secretary and are tabled at the beginning of each quarterly Board meeting. Where a conflict arises, directors are required to recuse themselves from the discussions. As far as possible the Company requires directors to avoid any potential conflicts of interest.

## Share dealings

The Company has a policy to regulate dealings in the Company's shares by its directors and applicable employees. No Group director or employee may deal, directly or indirectly, in the Company's shares on the basis of previously unpublished, price-sensitive information and during certain "closed periods". The closed periods include the periods between the Company's interim and financial year-end reporting times and the dates on which the relevant results are published, and any time when the Company is trading under a cautionary announcement.

## Audit Committee

*Composition:* Rolf Hartmann (Chairman, resigned 20 May 2015), Michael Tollman, Marcus ter Haar, Malcolm McCulloch (Chairman, appointed 20 May 2015)

All members have been re-nominated by the Board, subject to shareholder approval at the annual general meeting, to serve on the committee for the financial year ending on 28 February 2016.

The committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board and meets at least twice a year with more meetings being held when necessary. The external auditors, internal auditors, Chairman, Chief Executive Officer and Chief Financial Officer are invited to attend. The external and internal auditors have unrestricted access to the Audit Committee and meet with the committee members, without management present, at least once a year.

The activities of the Audit Committee are set out in the Report of the Audit Committee on page 94. The Chairman of the Audit Committee reports on the committee's activities at each Board meeting.

The Audit Committee ensures that there is appropriate independence relating to non-audit services provided by the external auditors, in accordance with the Group approved policy. Pre-approved permissible non-audit services performed by the external auditors include taxation and due diligence services. Prohibited non-audit services include valuation and accounting work where their independence might be compromised by later auditing their own work.

Contrary to King III, the Audit Committee recommends the approval of the integrated report to the Board in so far as it relates to its activities. The Board has mandated the Social, Ethics and Sustainability Committee to oversee and make recommendations on the content of the sustainability section of the integrated report. The role and activities of the Social, Ethics and Sustainability Committee are discussed below.

The Chairman of the Audit Committee will be available at the annual general meeting to answer queries about the work of the committee.

## Investment Committee

*Composition:* Charles de Fleurieu (Chairman), Derek de la Harpe, Marcus ter Haar, Gavin Tollman

The Investment Committee was established in February 2013 as a sub-committee of the Board to evaluate material transactions and capital expenditure and make recommendations to the Board.

The Investment Committee comprises executive and non-executive directors, who are appointed by the Board.

The committee operates within defined terms of reference as set out in the charter and meets at least twice a year.

## Risk Committee

*Composition:* Malcolm McCulloch (Chairman), Rolf Hartmann (resigned 20 May 2015), Roux Marnitz, Michael Tollman, Keith Vincent

The Risk Committee comprises executive and non-executive directors. The Chief Financial Officer and senior management are also invited to Risk Committee meetings.

The committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board and meets at least twice a year. The committee assists the Board in reviewing the risk management process and significant risks facing the Group. The committee sets the Group's risk strategy in liaison with the executive directors and senior management. In doing so, it makes use of generally recognised risk management and internal control models and frameworks in order to maintain a sound system of risk management and internal control as described later in this report.

## Safety Review Board

*Composition:* Roux Marnitz (Chairman), Derek de la Harpe, Russel Friedman, Richard van der Wel

The Safety Review Board was established in January 2012 as a sub-committee of the Risk Committee to assist that committee with its duties relating to safety and associated risks. The Safety Review Board is responsible for overseeing overall Group systems with respect to accident prevention and emergency response.

The Safety Review Board comprises executive and non-executive directors and senior management, who are appointed by the Risk Committee. The meeting is also attended by the Group's country managing directors, flight operations director and flight safety officer who provide a monthly report to the Safety Review Board.

The committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Risk Committee and meets at least twice a year. The terms of reference include:

- Ensuring that Group operations develop systems and procedures to prevent accidents from occurring;
- Review of reports on the Group's accident preparedness, amongst others;
- Providing guidance with respect to actions that would further reduce accident risk and improve emergency reaction procedures; and
- Review, test and/or rehearse current emergency response procedures from time to time to ensure appropriate reaction to major emergencies.

## Remuneration and Nomination Committee

*Composition:* Rolf Hartmann (Chairman, resigned 20 May 2015), Roux Marnitz, Michael Tollman (Chairman appointed 20 May 2015), John Hunt (appointed 20 May 2015)

The committee comprises independent non-executive directors.

The committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board and meets at least twice a year. The Chairman, Chief Executive Officer and Chief Financial Officer may be invited to attend these meetings, but they may not take any part in decisions regarding their own remuneration.

The committee is responsible for making recommendations to the Board on the Group's framework for executive remuneration and to determine specific remuneration packages for each of the executive directors and certain senior managers of the Group. The report of the Remuneration and Nomination committee is included on page 95.

## Social, Ethics and Sustainability Committee

*Composition:* Jochen Zeitz (Chairman), Derek de la Harpe, John Hunt, Chris Roche, Dr Holly Dublin

The Social, Ethics and Sustainability Committee comprises executive and non-executive directors, senior management and an external adviser. The committee meets at least twice during the year and more frequently if required.

The committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board. The Board believes that sustainable business practices in the dimensions of conservation, community, culture and commerce (the 4Cs) form the sustainability platform for the business. The 4Cs sustainability platform is discussed on page 3 of this report.

The South African Companies Act requires the Company to have a Social and Ethics Committee. In March 2015, after consideration of the mandates of the existing committees, it was agreed to widen the mandate of the existing Sustainability Committee and to rename it the Social, Ethics and Sustainability (SES) Committee. This process necessitated amendment to the mandates of the following existing committees:

- Audit
- Remuneration and Nomination
- Sustainability

In addition to the existing mandate of the Sustainability Committee, the newly constituted Social, Ethics and Sustainability Committee will now also look at:

- Monitoring compliance with the Company's code of conduct;
- Monitoring the ethical conduct of the Company, its executives and senior officials and identification of any violations of ethical conduct;
- Oversight of the whistleblower reporting process;
- The UN Global Company Principles that 'businesses should work against corruption in all its forms, including extortion and bribery' as well as the OECD recommendations regarding corruption; and
- Any other matters relating to ethics.

## Accountability and control

The Board recognises its responsibility to retain full and effective control over the Group to ensure sustainable growth and to act in the best interests of the Group and its stakeholders. The Risk Committee and Safety Review Board are dedicated to monitoring the risk management process and reporting to it on the likelihood and impact of risks materialising, as well as mitigation initiatives and their effectiveness.

Furthermore, to enable the directors to meet their responsibilities, management sets standards and implements systems of internal control aimed at reducing the risk of error, fraud or loss in a cost-effective manner. These controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties. The controls are independently monitored throughout the Group. All employees are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which is in all reasonable circumstances beyond reproach.

The directors are of the opinion that the internal accounting controls are adequate, so that the financial records may be relied on for preparing the financial statements and maintaining accountability for assets and liabilities. This opinion is based on the information and explanations given by management and the auditors, and on comments by the auditors and the results of their audit.

## Directors' responsibility for the annual financial statements

The directors accept ultimate responsibility for the preparation of the financial statements and related financial information that fairly represent the state of affairs and the results of the Group.

The annual financial statements as set out in this report have been prepared in conformity with International Financial Reporting Standards and are based on appropriate accounting policies which have been consistently applied and are supported by reasonable and prudent judgements and estimates.

## Risk management

The Board has established a framework to review all strategic risks impacting the Group. The major risks facing the Group have been identified and mitigating strategies have been implemented, the effectiveness of which are monitored by the Risk Committee. These risks have been assessed taking into account the severity of the impact on the Group's business if such identified risks were to come to fruition. Some of the key risks that are identified, monitored and managed are:

- Dependence on a single country as the dominant market;
- Flying activities;
- Exchange rate volatility;
- Security of tenure over leases and concessions; and
- Maintaining the standards of our service offering.

The most significant risks have recently been reviewed and incorporated into the Group Risk Register to test the effectiveness of the risk controls.

The Board is satisfied with the process of identifying, monitoring and managing significant risks as well as with the internal controls and systems that are in place to manage the identified risks and measure the impact thereof. Accordingly, the Board does not believe it is necessary to appoint a chief risk officer, as recommended by King III.

## Internal audit

Internal audit is an independent appraisal function which examines and evaluates the activities and the appropriateness of the systems of internal control, risk management and governance. Internal audit operates within the authority granted to it by the Audit Committee and the Board.

The Company previously outsourced the internal audit function. A risk register process has been completed with emphasis on high risk areas. The register is kept updated and reported on to the Risk Committee at each meeting. As internal controls had significantly improved to the satisfaction of both the Audit Committee and Risk Committee, after due consideration, it was decided to in-source the internal audit function to monitor these risks. To this end, the internal audit function is performed in-house.

## Management reporting

The Group has established management reporting disciplines which include the preparation of forecasts by operating entities. Monthly results and the financial status of operating entities are reported. Profit projections and cash flow forecasts are reviewed regularly, while working capital, borrowing facilities and bank covenant compliance are monitored on an ongoing basis.

## Organisational integrity and ethics

The Group operates on the basis of decentralised management across several countries. All employees are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner that, in all circumstances, is above reproach. The directors believe that the required ethical standards have been met during the year under review.

The Company has implemented an 'ethics hotline' to enable employees to report instances of corruption, fraud and other forms of unethical behaviour. This service is managed by Deloitte's Tip Offs Anonymous where absolute anonymity is guaranteed. The Social, Ethics and Sustainability Committee reviews all reported incidences of corruption, fraud and other forms of unethical behaviour. The hotline is available at our major centres in Botswana, Namibia, Zimbabwe, Zambia and South Africa.

## Going concern

The directors' assessment on the Group as a going concern is set out on page 104.

# Report of the Audit Committee

The committee is pleased to present its report for the financial year ended 28 February 2015. The report is presented in accordance with the recommendations contained in King III.

The committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board. During the period under review the following activities, among others, were carried out:

- Reviewed and commented on the annual financial statements and the accounting policies and ensured that the annual financial statements of the Group comply with all statutory requirements;
- Monitored compliance with accounting standards and legal requirements;
- Reviewed the quality and effectiveness of the external audit process, the external auditor's report to the committee and management's responses;
- Reviewed interim reports, results announcements and other releases of price-sensitive information;
- Reviewed significant judgements and/or unadjusted differences resulting from the audit, as well as any reporting decisions made;
- Recommended the re-appointment of Deloitte & Touche, F Els and C Naidoo as the registered independent auditors;
  - Set the terms of Deloitte & Touche's engagement;
  - Determined the fees to be paid to Deloitte & Touche and ensured that the fees are fair and equitable; and
  - Maintained a non-audit services policy which determines the nature and extent of any non-audit services that Deloitte & Touche may provide to the Group;
- Ensured that the Group's existing combined assurance model addresses the significant risks facing the Group;
- Formed an integral component of the risk management process and, amongst others, monitored:
  - Financial reporting risks;
  - Internal financial controls;
  - Fraud risks as they relate to financial reporting; and
  - Information technology (IT) risks as they relate to financial reporting;
- Played an oversight role in respect of the internal audit function to ensure its effectiveness;
- Reviewed developments in corporate governance and best practice and considered their impact and implications on the Group and in particular ensured that the principles of King III are embedded throughout the Group;
- Satisfied itself that the Chief Financial Officer is appropriately qualified and experienced to fulfil his role and that the Finance function is suitably resourced and skilled to carry out its obligations; and
- Reviewed the text of various reports, including the going concern statement, corporate governance report and directors' report for inclusion in the integrated annual report for the year ended 28 February 2015.

## Annual financial statements

The Audit Committee has evaluated the consolidated annual financial statements for the year ended 28 February 2015 and ensured that they comply, in all material aspects, with the requirements of the Act and appropriate International Financial Reporting Standards. The committee has therefore recommended the annual financial statements for approval to the Board. The Board has subsequently approved the financial statements, which will be open for discussion at the forthcoming annual general meeting.

## Conclusion on fulfilment of duties and obligations

Given the above, the committee is of the opinion that it has appropriately addressed its key responsibilities in respect of:

- Internal control;
- Financial accounting control;
- Selected stakeholder reporting that relates to the Audit Committee; and
- Statutory and regulatory requirements.

**Rolf Hartmann**
*Chairman*
(resigned 20 May 2015)

# Report of the Remuneration and Nomination Committee

The committee is pleased to present its report for the financial year ended 28 February 2015. This report sets out the Group's remuneration philosophy and recommendations in accordance with King III. The report and the recommendations of the Remuneration and Nomination Committee will be submitted to shareholders for consideration at the annual general meeting.

## Remuneration philosophy

The remuneration philosophy applies to all Group operations. It is the Group's philosophy to:

- Appropriately compensate employees for the services they provide the Company;
- Attract and retain employees with skills required to effectively manage the operations and growth of the business; and
- Motivate employees to perform in the best interests of the Company and its stakeholders.

Remuneration levels are positioned relative to other comparable organisations, the current economic environment, and individuals' personal performance and the Company's business model. Remuneration comprises elements of fixed remuneration and performance-based (at-risk) remuneration.

## Remuneration structure

The mix of fixed-to-variable remuneration, including the mix of short- and long-term incentives, differs depending on the level of the employee. Senior executives have a larger proportion of their total remuneration subject to variable performance of the Group. The components of the remuneration structure are detailed below:

| Fixed | Variable | |
|---|---|---|
| **Remuneration** | **Short-term incentive (STI) – annual** | **Long-term incentive (LTI) – three to five years** |
| • Salary<br>• Employee benefits<br>• Retirement funding | One of the following:<br>• Annual bonus – cash payment of a 13th cheque or thereabouts, subject to individual and Company performance<br>• Travel Shop performance-based incentive scheme – cash payment dependent on EBITDA targets<br>• Executive incentive scheme – a cash payment dependent on level of cash earnings growth achieved by the Company and individual performance | Wilderness Group 2011 Share Plan:<br>• Share appreciation rights<br>• Performance shares |

## Remuneration

The basic element of remuneration is a base salary that is required to attract and retain a given set of skills, competencies and experience.

### Employee benefits and retirement funding

Other components of reward are given to certain employees. These are subject to local competitive practice and legislation. The Company provides, where appropriate, through third parties, additional elements of compensation:

- Life insurance, comprising a fixed amount or multiple of fixed remuneration;
- Disability insurance, comprising an amount to partially replace lost compensation during the period of medical incapacity or disability;
- Medical benefits, providing reimbursement of supplemental or primary medical expenses including hospitalisation, facility doctor or emergency room visits, prescription medication and dental expenses. These plans include annual limits and involve employees' cost sharing to promote efficient purchasing; and
- Retirement savings, comprising full or partially matched (with employee) contributions towards retirement savings, subject to local competitive practice and legislation.

## Short-term incentives (STI)

Employees have an element of STI based remuneration, comprising one of the following:

- **Annual bonus.** An annual bonus is payable at the discretion of the Company and provides rewards based on a combination of individual and Company performance relative to targets set at the beginning of each year. Employees who qualify for Travel Shop performance-based incentive scheme or the executive incentive scheme;

- **Travel Shop performance-based incentive scheme.** For the year under review all Travel Shop employees have individual scorecards with performance measures that are aligned with the Travel Shop budget and strategy. The performance measures are split into team (60%) and individual (40%) measures. The individual must achieve 20/40 for their individual performance measure to qualify for the individual and/or team incentive award. The incentive award is determined by the performance score gained through a performance review process. Awards will only be made if the Travel Shop has attained its gross profit budget. High performing individuals can receive a maximum incentive of three times their monthly salary, creating a salary/incentive ratio of 80/20. Staff who qualify for the Travel Shop performance-based incentive scheme do not qualify for the annual bonus or executive incentive scheme; and
- **Executive Incentive Scheme.** The executive incentive scheme is part of the Company's short-term incentive structure and is offered to executive and senior management. The incentive measures qualitative and quantitative factors on a 40/60 basis. Rewards will only be made if the Company achieves a minimum of 15% growth in adjusted EBITDA compared to the prior period. Rewards can be further withheld should the individual not achieve the qualitative factors that align values towards the Company's 4Cs philosophy. Once 25% growth in adjusted EBITDA is achieved, the employee can receive the maximum incentive. Achievement of established performance objectives results in the payment of at-risk remuneration of between 20% and 60% of the employee's fixed package. No payment is made if performance does not achieve threshold levels. Staff who qualify for the executive incentive scheme do not qualify for the annual bonus or Travel Shop performance-based incentive scheme.

## Long-term incentive (LTI)

### Wilderness Group 2011 Share Plan

Shareholders approved the Wilderness Group Share Plan on 28 March 2011. The Plan forms part of the Company's long-term incentive structure and is designed to reward executive, senior management and key personnel over the long term, being a three- to five-year period. The scheme consists of two methods and employees may be issued both or one type of incentive.

The two methods are summarised as follows:

| | Share appreciation rights | Performance shares |
|---|---|---|
| Method | Conditional right to acquire shares at a future date. Value of the shares acquired is calculated by reference to appreciation in the value of the shares between grant and exercise. Grant price is set by reference to volume weighted average price of shares at least seven to 21 days preceding the date of grant, as determined by the Board. The exercise price is the price on the date of exercise. | Conditional award to receive a specified number of shares at a future date at nil cost. |
| Vesting period | Three equal tranches on the third, fourth and fifth anniversary of the grant date, subject to continued employment and the satisfaction of Company performance conditions. | Three years from the date of grant. Vesting is subject to continued employment with the Group and the satisfaction of the Company performance conditions. |
| Exercise period | Commences on the vesting date and expires on the sixth anniversary of the date of grant. Should the performance criteria not be satisfied the rights shall lapse. | Not applicable. |
| Participation and award levels | Any salaried employee is eligible to participate at the invitation of the Board.<br>Deemed salaries are applied to determine the allocation quantum. This negates the impact of differing salaries which are attributable to regional influences, qualifications and length of service. | |
| Performance criteria | As determined by the Board from time to time. | |
| Termination of employment | In the event of a no-fault termination all rights shall vest and become exercisable and then shall be settled with effect from the date of termination of employment. | In the event of a no-fault termination all shares shall vest and become available to be settled with effect from the date of termination of employment. |
| | In the event of a fault termination all rights not yet vested shall be cancelled | In the event of a fault termination all shares not yet vested shall be cancelled. |

The performance conditions for all the awards that have been made to date are:

- **Share appreciation rights:** 10% annual compounded growth in HEPS
- **Performance shares:**
  - 12% to 15% annual compounded growth in HEPS for 100% targeted number of shares. Performance is measured in year three; and
  - 15% to 20% annual compounded growth in HEPS for 100% to 200% targeted number of shares. Performance measured in year three. Results between 15% and 20% growth per annum are pro-rated.

### Number of rights and awards granted

| | Balance at 1 March 2014 | Granted during the year | Lapsed during the year | Settled during the year | Balance at 28 February 2015 |
|---|---|---|---|---|---|
| **Executive directors** | | | | | |
| D de la Harpe | 742 082 | – | | 122 380 | **619 702** |
| A Azoulay | 696 756 | – | | 77 054 | **619 702** |
| Senior management | 8 796 828 | – | | 950 568 | **7 846 260** |
| Other | 5 449 171 | – | 1 489 767 | – | **3 959 404** |
| **Total incentive scheme** | 15 684 837 | – | 1 489 767 | 1 150 002 | **13 045 068** |

Under the scheme, eligible employees may be awarded performance shares, share appreciation rights, or both. The maximum number of shares attributable to the scheme is 16 170 000. The maximum number of shares that may be acquired by any one participant in the scheme is 0.5% (1 155 000 shares) and in aggregate is 7%.

Movements are as follows:

| | Share appreciation rights | Performance shares |
|---|---|---|
| At 1 March 2014 | | |
| • Previously awarded in 2013 | 9 910 860 | 5 773 977 |
| • Awarded in 2014 | – | – |
| • Settled in 2014 | – | (1 150 002) |
| • Lapsed – Terminations | (1 069 593) | (420 174) |
| **At 28 February 2015** | **8 841 267** | **4 203 801** |
| Subsequent to year end | | |
| • Lapsed – Terminations | – | – |
| **At 31 May 2015** | **8 841 267** | **4 203 801** |
| Total number of rights/awards attributable to the scheme as at 28 March 2011 | | 16 170 000 |
| Total number of rights/awards granted and outstanding as at 28 February 2015 | | (13 045 068) |
| | | **3 124 932** |

## Non-executive directors' remuneration

The remuneration for non-executive directors for the year ending 28 February 2015, as set out below, was approved by shareholders at the Company's annual general meeting on 29 August 2014.

Non-executive remuneration for the financial year ending 28 February 2015:

| | P'000 |
|---|---|
| • Chairman of the Board | 480 |
| • Deputy Chairman | 200 |
| • Non-executive directors | 100 |
| • Chairman of the Audit Committee | 50 |
| • Chairman of the Investment Committee | 50 |
| • Chairman of the Remuneration and Nomination Committee | 50 |
| • Chairman of the Risk Committee | 50 |
| • Chairman of the Social, Ethics and Sustainability Committee | 50 |
| • Chairman of the Safety Review Board | 50 |

## Executive directors' remuneration

The directors have not entered into fixed service contracts.

## Top earners

King III recommends the disclosure of the salaries of the three most highly paid employees other than directors in the Company. We understand that the intention here is to disclose if such salaries are material and of shareholder interest. While Wilderness is committed to the spirit of the recommendation, the Board has decided that it is not necessary, nor in the Company's interests, to disclose such salaries based on the fact that the salaries are influenced by geographical situation and exchange rates. However, it can provide the assurance that such salaries are below those of executive directors and are market-related.

| | Salaries P | Benefits and bonuses P | Employee provident and medical aid P | Shares/ options P | Total P |
|---|---|---|---|---|---|
| **2015** | | | | | |
| Keith Vincent | **2 353 992** | **1 320 000** | | | **3 673 992** |
| Derek de la Harpe* | **1 444 143** | **827 778** | **191 103** | **327 716** | **2 790 740** |
| Ami Azoulay* | **1 372 695** | **737 705** | **262 550** | **206 340** | **2 579 291** |

**Where directors' emoluments are paid in Rands, the amounts reflected are the values calculated using an average exchange rate of R1.22 to the Pula.*

| | Salaries P | Benefits and bonuses P | Employee provident and medical aid P | Total P |
|---|---|---|---|---|
| **2014** | | | | |
| Keith Vincent | 2 095 847 | 1 138 500 | | 3 234 347 |
| Derek de la Harpe* | 1 268 978 | 814 296 | 166 561 | 2 249 835 |
| Ami Azoulay (1 February 2014) | 89 007 | – | 17 831 | 106 838 |

**Where directors' emoluments are paid in Rands, the amounts reflected are the values calculated using an average exchange rate of R1.17 to the Pula.*

**Rolf Hartmann**
*Chairman*
(resigned 20 May 2015)

# Report of the Social, Ethics and Sustainability Committee

The Social, Ethics and Sustainability (SES) Committee came into being in March 2015 following the modification of the mandate of the then Sustainability Committee. This modification of mandate was effected in response to the requirement, in terms of the South African Companies Act, for companies of a certain size to have a social and ethics committee. The mandates of existing committees that have responsibilities approximating those suggested for the social and ethics committee were reconsidered and the Board agreed that the most effective way to meet the new requirement was to expand the mandate of the existing Sustainability Committee to that of Social, Ethics and Sustainability, and at the same time to also modify the mandates of the existing Audit and Remuneration and Nomination Committees.

The SES Committee met for the first time in its amended form in April 2015. The Committee agreed the amended mandate which incorporates responsibilities in three main areas:

- Continued efforts to reduce any negative impacts that our activities may have on the environment, through implementation of our sustainability strategy;
- Entrenching the Group's values in regard to ethics, anti-corruption, human rights and corporate social investment, and overseeing and monitoring progress in these respects; and
- Engagement with stakeholders, especially the many rural communities who are our neighbours and in some instances also our landlords or partners.

The Group's Sustainability Strategy is well established and good progress has been made in implementation of this, based upon the 4Cs platform. The results of this implementation are reported in detail in our Integrated Report. Our engagements in the latter two respects are less structured and correcting this will be a major focus of the re-constituted committee in the year ahead.

**Jochen Zeitz**
*Chairman*

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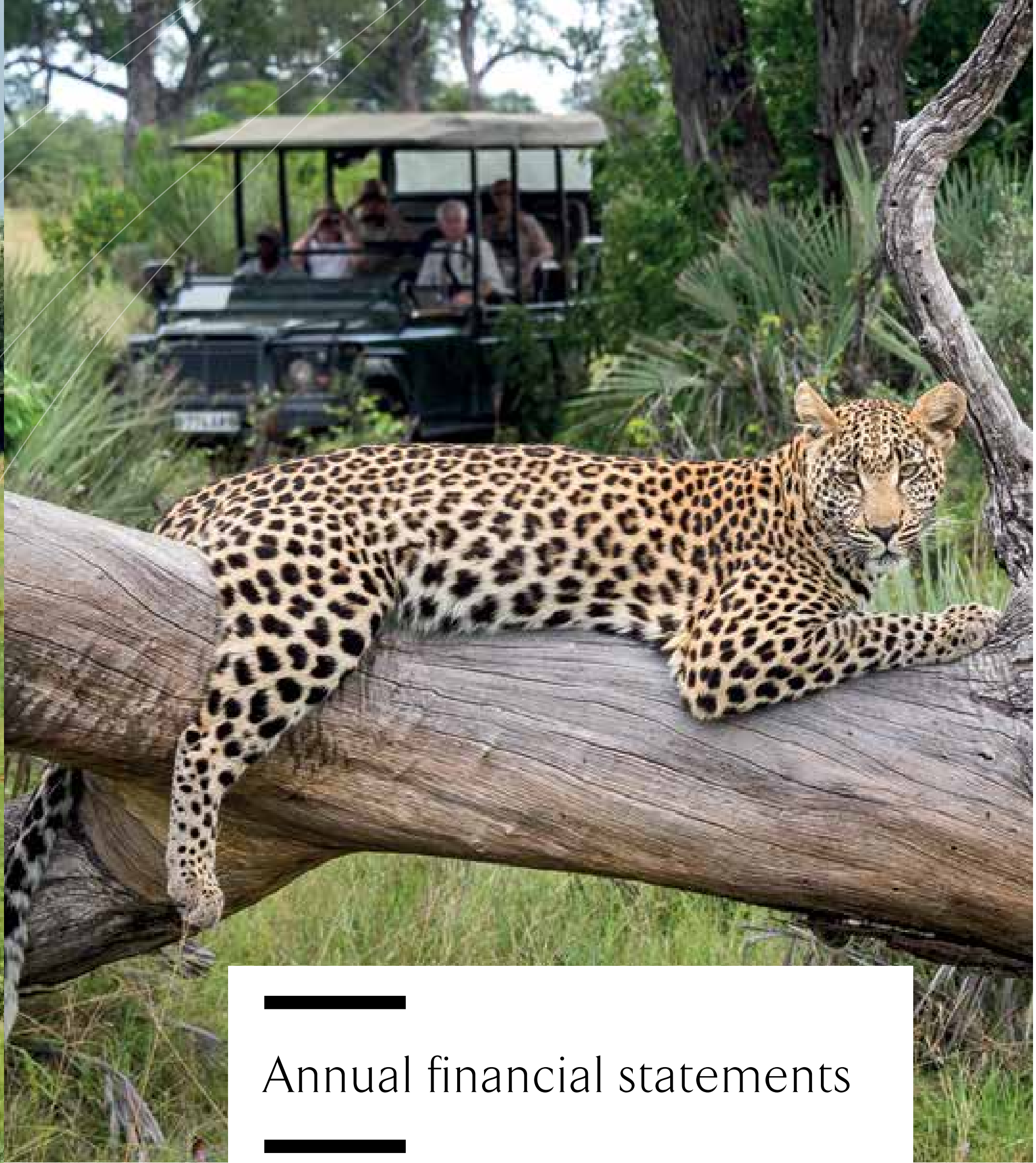
*Main: Floodplain in front of Mombo Camp, Botswana.*

*Right: Guided walk, Botswana.*

*Above: Quad biking on the dunes, Serra Cafema, Namibia.*

*Top right: Game drive, Botswana.*



# Annual financial statements

# Directors' responsibility and approval of the annual consolidated and separate financial statements

The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting 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 Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's cash flow forecast for the year to 28 February 2016 and, in the light of this review and the current financial position, they are satisfied that the Company and Group have or have access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 110 to 153 and 154 to 164, which have been prepared on the going concern basis, were approved by the Board on 20 May 2015 and 15 July 2015 and were signed on its behalf by:

**Parks Tafa**
*Chairman*

**Ami Azoulay**
*Chief Financial Officer*

# Directors' report

**To the members of Wilderness Holdings Limited (Wilderness or the Company)**

## Nature of business

Wilderness is an investment holding company whose principal subsidiaries are invested in safari consulting (tour operating and destination management), transfer and touring (air and road), camp, lodge and safari exploration operations, as well as finance and asset management.

Wilderness is dedicated to responsible tourism throughout the areas in which we operate. Our goal is to share these wild areas with guests from all over the world, while at the same time helping to ensure the future conservation of Africa's spectacular wildlife heritage and sharing the benefits of tourism with local communities.

## Listings

The Company has been listed on the Botswana Stock Exchange, with a secondary inward listing on the Main Board of the JSE Limited, since 8 April 2010.

The abbreviated name under which the Company is listed on the BSE and the JSE Limited is "Wilderness" and the Company's Clearing House Code is "WIL".

## Financial results

Group attributable earnings for the financial year ended 28 February 2015 were P76 million (2014: P48 million) representing earnings per share of 31.35 thebe (2014: 19.98 thebe). Headline earnings per share were 32.49 thebe (2014: 16.07 thebe).

Full details of the financial position and results of the Wilderness Group are set out in these financial statements.

## Dividends

Dividends are proposed and approved by the Board of directors of the Company. In the event that a dividend is declared, it is envisaged to declare a final dividend in May/June each year due to the annual cashflow cycle of the business.

During the year under review the following dividend was paid to shareholders:

| | |
|---|---|
| Declaration date | 20 May 2015 |
| Last date to trade ordinary shares cum dividend | 5 June 2015 |
| Record date | 12 June 2015 |
| Amount paid per ordinary share | |
| • Botswana (thebe) | 15.00 |
| • South Africa (cents) | 18.15 |
| Payment date | 25 June 2015 |

## Withholding tax

In terms of the Republic of Botswana Income Tax Act, as amended, withholding tax amounting to 7.5% was deducted from the gross dividend paid to all Botswana residents.

In terms of the Income Tax Act of 1962, as amended, a withholding tax of 15% was deducted from gross dividends paid to all South Africa resident shareholders.

## Accounting policies

The Group has adopted certain new standards, amendments and interpretations to existing standards which are effective for the financial year beginning on 1 March 2015. Included in the standards adopted is IFRS 15 Revenue from Contracts with Customers. The standard was issued in May 2014 with an effective date of 1 January 2018 but allows for early adoption. Full details of this adoption are given in the summary of significant accounting policies included in the financial statements.

## Stated capital

On 4 February 2015, the Company issued 882 451 ordinary shares of no par value for no consideration in order to settle obligations to employees including directors in terms of the Wilderness Holdings Group Share Plan that was approved by shareholders on 28 March 2011. Following the new issue, the Company now has 231 882 451 shares in issue. Full details of the share capital of the Company at 28 February 2015 are contained in note 17 to the financial statements.

## Directors' interests in shares

At 28 February 2015, the directors of the Company during the year held direct and indirect interests in 160 482 862 of the Company's issued ordinary shares (2014: 160 332 380). Details of shares held per individual director are listed below:

| | Direct beneficial | Indirect beneficial | Direct non–beneficial | Indirect non–beneficial | Total | % |
|---|---|---|---|---|---|---|
| **2015** | | | | | | |
| **Executive directors** | | | | | | |
| Derek de la Harpe | 73 428 | – | – | – | 73 428 | <0.1 |
| Ami Azoulay | 77 054 | – | – | – | 77 054 | <0.1 |
| Keith Vincent | 9 884 701 | – | – | – | 9 884 701 | 4.26 |
| **Total** | 10 035 183 | | | | 10 035 183 | 4.33 |
| **Non-executive directors** | | | | | | |
| John Hunt | 11 000 | – | – | – | 11 000 | <0.1 |
| Malcolm McCulloch | 10 063 593 | – | – | – | 10 063 593 | 4.34 |
| Gavin Tollman | – | – | – | 80 061 435 | 80 061 435 | 34.53 |
| Charles de Fleurieu | – | – | – | 58 001 651 | 58 001 651 | 25.01 |
| Jochen Zeitz | 2 310 000 | – | – | – | 2 310 000 | 0.99 |
| **Total** | 12 384 593 | | | 138 063 086 | 150 447 679 | 64.88 |
| **Total executive and non-executive directors' interests** | 22 419 776 | | | 138 063 086 | 160 482 862 | 69.21 |
| **2014** | | | | | | |
| **Executive directors** | | | | | | |
| Keith Vincent | 9 884 701 | – | – | – | 9 884 701 | 4.28 |
| **Total** | 9 884 701 | | | | 9 884 701 | 4.28 |
| **Non-executive directors** | | | | | | |
| John Hunt | 11 000 | – | – | – | 11 000 | <0.1 |
| Malcolm McCulloch | 10 063 593 | – | – | – | 10 063 593 | 4.36 |
| Gavin Tollman | – | – | – | 80 061 435 | 80 061 435 | 34.66 |
| Charles de Fleurieu | – | – | – | 58 001 651 | 58 001 651 | 25.11 |
| Jochen Zeitz | 2 310 000 | – | – | – | 2 310 000 | 1.00 |
| **Total** | 12 384 593 | | | 138 063 086 | 150 447 679 | 65.13 |
| **Total executive and non-executive directors' interests** | 22 269 294 | | | 138 063 086 | 160 332 380 | 69.41 |

## Directors' emoluments

The directors' emoluments are detailed in the Remuneration Report on page 98.

## Directorate and secretary

The Board is chaired by Parks Tafa who is supported by Michael Tollman as Deputy Chairman. Keith Vincent is the Chief Executive Officer. The Group Company Secretary is responsible for providing guidance to the Chairman and directors, both individually and collectively, on their duties and responsibilities. All directors have access to the advice of the Group Company Secretary and, through the office of the Company Secretary, to independent professional advice at the Company's expense.

Mr Rolf Hartmann has resigned from the Board on 20 May 2015. The Board and management wish to thank Rolf for the many years of service and invaluable contribution to Wilderness and its people.

Contact details for the South African and Botswana Company Secretaries are provided on the administrative information page of this report.

## Details of subsidiaries

Details of the Group's interests in its subsidiaries are set out on pages 160, 167, 168 and 169 of this report.

## Leases

As reported in the interim results, the leases for the concessions upon which our Mombo, Little Mombo, Vumbura and Xigera camps are located expired in mid 2014. These have not yet been renewed as the structures and the process by which these concessions are allocated and administered by the Botswana authorities are being changed in order to improve stability and long-term confidence in the industry. A number of our competitors are similarly affected. On the basis of correspondence with senior Government representatives, the Group is confident that the concessions concerned will be reissued to existing operators in good standing.

## Material and other resolutions

Details of resolutions of a significant nature passed by the Company and its subsidiaries during the year under review, were as follows:

Ordinary resolution (round robin) passed by the Board on 4 December 2014:

- Issue of new shares of no par value to settle the Company's obligations in terms of the Group's Share Plan of 2011.

## Shareholder spread

A comprehensive analysis of shareholders, together with a list of shareholders beneficially holding directly or indirectly in excess of 3% of the ordinary shares of the Company as at 28 February 2015, is set out on page 166.

# Independent auditor's report to the shareholders of Wilderness Holdings Limited

## Report on the financial statements

We have audited the accompanying consolidated financial statements of Wilderness Holdings Limited, which comprise the consolidated statement of financial position as at 28 February 2015, the consolidated statements of comprehensive income, changes in equity, and cash flows for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information, as set out on pages 110 to 153.

## Directors' responsibility for the financial statements

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

## Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Wilderness Holdings Limited, as at 28 February 2015, and of its consolidated financial performance and its statement of cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte & Touche

**Deloitte & Touche**
*Certified Auditors*

*Practising Member:*
M Marinelli (19900028)

21 May 2015

Deloitte & Touche
Chartered Accountants (Botswana)
Deloitte & Touche House
Plot 64518
Fairgrounds
Gaborone
Botswana

# Independent auditor's report to the shareholders of Wilderness Holdings Limited

## Report on the financial statements

We have audited the financial statements of Wilderness Holdings Limited, which comprise the statement of financial position as at 28 February 2015, the statements of comprehensive income, changes in equity, and cash flows for the year then ended, and the notes; comprising a summary of significant accounting policies and other explanatory information, as set out on pages 154 to 164.

## Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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.

## Auditor's responsibility

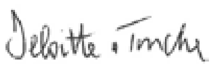
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Wilderness Holdings Limited, as at 28 February 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.



**Deloitte & Touche**
*Certified Auditors*

*Practising Member:*
M Marinelli (19900028)

15 July 2015

Deloitte & Touche
Chartered Accountants (Botswana)
Deloitte & Touche House
Plot 64518
Fairgrounds
Gaborone
Botswana

# Consolidated statement of comprehensive income

for the year ended 28 February

| | Notes | 2015 P'000 | Restated 2014 P'000 |
|---|---|---|---|
| **Revenue** | 3 | 944 586 | 843 288 |
| Cost of sales | 3 | (301 972) | (258 469) |
| **Gross profit** | | 642 614 | 584 819 |
| Other gains and losses | | 7 056 | 17 200 |
| Operating expenses | | (476 072) | (452 166) |
| Net foreign exchange gains | 4 | 8 103 | 1 315 |
| **Operating profit for the year before items listed below (EBITDA)** | | 181 701 | 151 168 |
| Impairment loss | 4 | (10 175) | (8 902) |
| Depreciation and amortisation | 4 | (55 896) | (50 093) |
| **Operating profit** | 4 | 115 630 | 92 173 |
| Interest received | | 2 501 | 1 279 |
| Financing costs | 5 | (7 108) | (8 788) |
| Unrealised foreign exchange loss on loans | | (6 519) | (9 851) |
| Share of earnings for equity-accounted investments, net of tax | 12 | 4 191 | 2 708 |
| **Profit before taxation** | | 108 695 | 77 521 |
| Taxation | 6 | (32 463) | (29 031) |
| **Profit for the year** | | 76 232 | 48 490 |
| **Other comprehensive income/(loss)** | | 9 106 | (5 275) |
| *Items that may be subsequently reclassified to profit or loss:* | | | |
| Exchange differences on translating foreign operations | | 9 106 | (5 275) |
| **Total comprehensive income for the year** | | 85 338 | 43 215 |
| **Profit for the year attributable to:** | | | |
| Owners of the Company | | 72 611 | 46 147 |
| Non-controlling interest | | 3 621 | 2 343 |
| | | 76 232 | 48 490 |
| **Total comprehensive income for the year attributable to:** | | | |
| Owners of the Company | | 81 704 | 41 581 |
| Non-controlling interest | | 3 634 | 1 634 |
| | | 85 338 | 43 215 |
| **Earnings per share (thebe)** | | | |
| – Basic | 7 | 31.35 | 19.98 |
| – Diluted | 7 | 30.55 | 19.72 |

# Consolidated statement of financial position

as at 28 February

| | Notes | 2015 P'000 | 2014 P'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | **505 514** | 474 933 |
| Property, plant and equipment | 9 | **424 634** | 387 920 |
| Goodwill | 10 | **34 664** | 32 696 |
| Intangible assets | 11 | **14 683** | 17 913 |
| Investment and loans in associates | 12 | **9 598** | 13 982 |
| Loans receivable | 13 | **–** | 237 |
| Deferred tax assets | 14 | **21 935** | 22 185 |
| **Current assets** | | **410 907** | 407 530 |
| Inventories | 15 | **23 480** | 19 707 |
| Trade receivables | 16 | **21 255** | 21 195 |
| Other receivables and prepayments | | **76 817** | 56 708 |
| Current tax receivable | | **6 155** | 14 530 |
| Cash and cash equivalents | | **283 200** | 295 390 |
| **Total assets** | | **916 421** | 882 463 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity attributable to owners of the Company** | | **449 026** | 382 695 |
| Stated capital | 17 | **156 086** | 153 703 |
| Foreign currency translation reserve | | **19 933** | 10 840 |
| Common control reserve | | **(73 324)** | (73 324) |
| Other non-distributable reserves | | **21 599** | 20 346 |
| Share-based payment reserve | | **15 435** | 10 802 |
| Retained income | | **309 297** | 260 328 |
| Non-controlling interest | | **(4 995)** | (7 747) |
| **Total equity** | | **444 031** | 374 948 |
| **Non-current liabilities** | | **89 376** | 124 221 |
| Long-term liabilities | 18 | **60 058** | 96 097 |
| Loans from related parties | 19 | **509** | 500 |
| Deferred tax liabilities | 14 | **28 809** | 27 624 |
| **Current liabilities** | | **383 014** | 383 294 |
| Trade and other payables | 20 | **332 502** | 336 937 |
| Current tax liabilities | | **1 229** | 1 686 |
| Bank overdrafts | 21 | **49 283** | 44 671 |
| **Total liabilities** | | **472 390** | 507 515 |
| **Total equity and liabilities** | | **916 421** | 882 463 |

# Consolidated statement of changes in equity

for the year ended 28 February

| | Stated capital P'000 | Foreign currency translation reserve P'000 |
|---|---|---|
| **Balance at 1 March 2013** | 153 703 | 15 406 |
| Non-controlling interests' portion of dividend paid | – | – |
| Total comprehensive income for the year | – | (4 566) |
| Dividends paid | – | – |
| Transfer from distributable reserves to re-insurance reserve | – | – |
| Acquisition of additional interest in subsidiary company | – | – |
| Share-based payments expense | – | – |
| **Balance at 28 February 2014** | **153 703** | **10 840** |
| Non-controlling interests' portion of dividend paid | **–** | **–** |
| Share issue on settlement of share scheme | **2 383** | **–** |
| Total comprehensive income for the year | **–** | **9 093** |
| Dividends paid | **–** | **–** |
| Transfer from distributable reserves to re-insurance reserve | **–** | **–** |
| Acquisition of subsidiary company | **–** | **–** |
| Acquisition of additional interest in subsidiary company | **–** | **–** |
| Disposal of subsidiaries | **–** | **–** |
| Share-based equity reserve transferred to retained income on vesting | **–** | **–** |
| Share-based payments expense | **–** | **–** |
| Share-based payments reserve utilised | **–** | **–** |
| **Balance at 28 February 2015** | **156 086** | **19 933** |

| Common control reserve P'000 | Other non-distributable reserves P'000 | Share-based payment reserve P'000 | Retained income P'000 | Total shareholders' equity P'000 | Non-controlling interest P'000 | Total equity P'000 |
|---|---|---|---|---|---|---|
| (73 324) | 16 374 | 4 651 | 227 918 | 344 728 | (7 259) | 337 469 |
| – | – | – | | – | (2 093) | (2 093) |
| – | – | – | 46 147 | 41 581 | 1 634 | 43 215 |
| – | – | – | (9 240) | (9 240) | – | (9 240) |
| – | 4 497 | – | (4 497) | – | – | – |
| – | (525) | – | – | (525) | (29) | (554) |
| – | – | 6 151 | – | 6 151 | – | 6 151 |
| **(73 324)** | **20 346** | **10 802** | **260 328** | **382 695** | **(7 747)** | **374 948** |
| **–** | **–** | **–** | **–** | **–** | **(2 208)** | **(2 208)** |
| **–** | **–** | **–** | **–** | **2 383** | **–** | **2 383** |
| **–** | **–** | **–** | **72 611** | **81 704** | **3 634** | **85 338** |
| **–** | **–** | **–** | **(23 100)** | **(23 100)** | **–** | **(23 100)** |
| **–** | **1 118** | **–** | **(1 118)** | **–** | **–** | **–** |
| **–** | **–** | **–** | **–** | **–** | **1 936** | **1 936** |
| **–** | **(392)** | **–** | **–** | **(392)** | **(188)** | **(580)** |
| **–** | **527** | **–** | **–** | **527** | **(422)** | **105** |
| **–** | **–** | **(576)** | **576** | **–** | **–** | **–** |
| **–** | **–** | **8 313** | **–** | **8 313** | **–** | **8 313** |
| **–** | **–** | **(3 104)** | **–** | **(3 104)** | **–** | **(3 104)** |
| **(73 324)** | **21 599** | **15 435** | **309 297** | **449 026** | **(4 995)** | **444 031** |

# Consolidated statement of cash flows

for the year ended 28 February

| | Notes | 2015 P'000 | 2014 P'000 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Cash generated from operations | 29 | **157 090** | 211 143 |
| Interest received | | **2 501** | 1 279 |
| Financing costs | | **(7 108)** | (8 788) |
| Taxation paid | 30 | **(21 684)** | (19 208) |
| **Net cash inflow from operating activities** | | **130 799** | 184 426 |
| **Cash flow from investing activities** | | | |
| Acquisition of subsidiary companies | 31 | **(313)** | – |
| Disposal of subsidiary companies | 32 | **1 495** | – |
| Additional investment in subsidiaries | | **(580)** | (554) |
| Additions to property, plant and equipment | 33 | **(98 598)** | (69 955) |
| Additions to intangible assets | | **(585)** | (6 022) |
| Proceeds on disposal of property, plant and equipment and intangibles | | **5 325** | 21 594 |
| Proceeds on disposal of associate | | **–** | 4 700 |
| Cash flows from associates | | **910** | (1 811) |
| Movement in long-term loans receivable | | **–** | 229 |
| **Net cash outflow from investing activities** | | **(92 346)** | (51 819) |
| **Cash flow from financing activities** | | | |
| Non-controlling interests' share of dividends | | **(2 208)** | (2 093) |
| Dividends paid | | **(23 100)** | (9 240) |
| Repayment of long-term liabilities | | **(47 759)** | (48 517) |
| Increases in long-term liabilities | | **3 408** | 26 891 |
| **Net cash outflow from financing activities** | | **(69 659)** | (32 959) |
| **Net (decrease)/increase in cash and cash equivalents** | | **(31 206)** | 99 648 |
| Unrealised exchange gain on foreign cash balances | | **14 404** | 11 434 |
| Cash and cash equivalents at beginning of the year | | **250 719** | 139 637 |
| **Cash and cash equivalents at end of the year** | 34 | **233 917** | 250 719 |

# Summary of significant accounting policies

for the year ended 28 February

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

## Basis of preparation and measurement

### Statement of compliance

The consolidated financial statements of Wilderness Holdings Limited at and for the year ended 28 February 2015 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in associates and joint ventures. The separate and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

### Basis of measurement

The separate and consolidated financial statements are prepared on the historical cost basis except for certain items which have been measured at fair value in accordance with IFRS.

### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Botswana Pula (rounded to the nearest thousand unless otherwise stated), which is the Group's functional and presentation currency.

### Changes in accounting policies and comparability

The Group has adopted certain new standards, amendments and interpretations to existing standards which are effective for the financial year beginning on 1 March 2014. Included in the standards adopted is IFRS 15 Revenue from Contracts with Customers. The standard was issued in May 2014 with an effective date of 1 January 2018 but allows for early adoption.

The Group opted to early adopt the standard with full retrospective application as it is the Group's view that IAS 18 Revenue does not provide adequate guidance regarding the matter of principal/agency relationships and the accounting that should be applied. With the issuance of IFRS 15, the Group now has specific guidance regarding the application of and accounting for the principal/agency relationships. As a consequence substantially more information has now been collected and considered by management than has been in previous years. Consideration has also been given to the manner in which the Group is now constituted following its reorganisation in recent years and the manner in which the Group generates its revenues. It is the Group's view that in light of all of the foregoing, the adoption of IFRS 15 will better reflect the nature and extent of its revenue-generating activities.

As a consequence of the adoption of IFRS 15, clarity now exists that the Group was acting in an agency capacity in some of the transactions that it entered into and as such, the cost of sales amounts that were previously reported have also been restated in line with the changes that have been made to the revenue amounts in order to comply with the requirements of IFRS 15.

The impact of the adoption is disclosed in detail in note 3.

The adoption of amendments to other standards has not had any material impact on previously reported figures.

## 1. Significant accounting estimates and judgements

In preparing the annual financial statements, management is required to make estimates and assumptions believed to be reasonable that affect the amounts presented in the Group annual financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Significant accounting estimates and judgements include:

### Revenue from contracts with customers

The Group recognises revenue when it satisfies a performance obligation by transferring a promised good or service to its customer. The transfer occurs at a point when the customer obtains utility of the good or service. This is determined by assessing, based on the terms of the contract entered into, the extent of the performance that is required of the Group and determining whether the goods and services to be delivered are distinct. Goods and services are considered to be distinct if the customer can benefit from the good or service either on its own or together with resources that are readily available to the customer and the Group's promise to transfer the good or service can be identified separately from other promises made in the contract.

Based on the foregoing, the Group deems contracts entered into with customers that involve the sale of leisure travel experiences at the Group's own properties where such properties are located in remote locations to be a single performance obligation on the basis that each item is highly dependent on other items that make up the bundle of goods and services sold. Performance obligations arising on contracts entered into involving properties that are located in urban and peri-urban locations as well as from third party properties are dealt with as distinct obligations and the revenue arising therefrom recognised based on the satisfaction of each of the performance obligations. Where the Group acts as an intermediary on behalf of third parties, it recognises revenue based on the commission structures agreed upon.

## 1. Significant accounting estimates and judgements
continued

The nature of the goods and services provided by the Group is such that they are delivered at times over a period of time and sometimes at a point in time. However, due to the short period of time over which such delivery occurs, all revenue is accounted for on the basis of delivery at a point in time.

### Trade receivables and loans and receivables

The Group assesses trade receivables and loans for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a receivable, the timing and quantum of estimated future cash flows and an appropriate discount rate to determine the present value of such cash flows.

### Impairment testing for goodwill and non-monetary assets

The recoverable amounts of cash-generating units and individual non-monetary assets are determined based on the higher of value-in-use calculations and fair values less cost to sell. These calculations require the use of estimates and assumptions.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. Estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

### Useful lives and residual values of property, plant and equipment and intangible assets with finite useful lives

Residual values of buildings, motor vehicles and aircraft are based on current estimates of the value of these assets at the end of their useful lives. The estimated residual values and useful lives of buildings and motor vehicles have been determined by the directors based on industry experience, as well as anticipation of future events that could impact these estimates. The estimated residual values and useful lives of aircraft have been determined by the directors based on industry experience, the manufacturers' recommendations and other available marketplace information, including but not limited to aviation bluebook valuations.

Useful lives of intangible assets with finite useful lives are reviewed on an annual basis to determine whether there is any indication that the useful life may have changed or that the assets may have suffered an impairment loss. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent, if any, of any impairment loss. The estimated useful lives of intangible assets with finite usual lives have been determined by the directors based on industry experience, as well as anticipation of future events that could impact these estimates.

### Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax charges based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax liabilities in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

## 2. Accounting policies

### Revenue

Revenue comprises the consideration received or receivable on contracts entered into with customers for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of taxes and discounts and is recognised as and when the Group satisfies its performance obligations as set out in the contracts entered into with its customers. Revenue is recognised at the amount of the transaction price that is allocated to each performance obligation and this is determined at an amount that that depicts the consideration to which the Group expects to be entitled in exchange for transferring the goods and services promised to the customer. Revenue recognised excludes all amounts collected on behalf of third parties such as when the Group acts in an agency capacity and when it collects value added taxes.

The Group arranges leisure travel experiences for its customers at properties that it owns as well as properties that are owned by external parties. It also provides transfer services to travellers. Revenue is recognised when services are provided to the customer from the date of commencement of the travel experience or when the transfer service is provided.

Where the Group provides a service on behalf of third parties, revenue is recognised as the amount of service fees receivable as determined based on the agreement entered into with the principal party in the arrangement and such revenue is accounted for at the point at which the service is provided.

## Consolidation and business combinations

### Subsidiaries

Subsidiary undertakings, which are those companies over which the Group, directly or indirectly, has control, have been consolidated. The Group controls an entity when it is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity's activities. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are de-consolidated from the date of when there is a loss of control by the Group.

All inter-company transactions, balances, income and expenses and unrealised surpluses and deficits on transactions between Group companies have been eliminated. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

On acquisition, the assets and liabilities of a subsidiary are measured at fair value determined at the date of acquisition. To the extent that the purchase consideration exceeds the fair value of the identifiable net assets acquired, the difference is recognised as goodwill. Where the identifiable net assets acquired exceed the purchase consideration, the excess is recognised immediately as a gain on a bargain purchase in profit or loss.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

In the Company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- The fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company; plus
- Any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

The Group applies a policy of treating transactions with non-controlling interest which do not result in a change in control as transactions with equity owners of the Group and recognises such transactions directly in equity.

### Associates

An associate is an entity in which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating decisions of the entity but is not control or joint control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, except when the asset is classified as held-for-sale. Under the equity method, the Group's share of the post-acquisition profits or losses of associates is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The use of the equity method is discontinued from the date the Group ceases to have significant influence over an associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Any impairment losses are deducted from the carrying amount of the investment in associate. Distributions received from the associate reduce the carrying amount of the investment.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition, is recognised within the carrying amount of the investment and is assessed for impairment as part of the total carrying amount when required.

The excess of the Group's share of the net fair value of an associate's identifiable assets, liabilities and contingent liabilities over the cost is excluded from the carrying amount of the investment, and is instead included as a gain on a bargain purchase recognised in profit or loss in the period in which the investment is acquired.

In the Company's separate annual financial statements, an investment in an associate is carried at cost less any accumulated impairment.

## 2. Accounting policies
continued

### Foreign currency translations

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated and separate financial statements are presented in Pula which is the Group's presentation currency.

Transactions in currencies other than the functional currency are initially recorded at the rates of exchange ruling on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in such currencies are translated to the functional currency at the rates prevailing on the reporting date. Non-monetary items that are denominated in foreign currencies and measured at fair values determined in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Assets and liabilities of foreign operations are translated to Pula at the rates prevailing on the reporting date. Income and expense items are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). All resulting exchange differences are recognised as a separate component of equity with movements between periods recognised in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or jointly controlled entities that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

Goodwill arising on the acquisition of a foreign operation is treated as an asset of the foreign operation and is translated at the reporting date rate.

### Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the Group; and
- The cost of the item can be measured reliably.

Cost includes cost incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to or replace part of an asset, or major overhaul costs. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss when incurred.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided on all property, plant and equipment other than freehold land and work in progress, to write down the cost, less residual value, by equal instalments over their useful lives (except for aircraft engines which are depreciated as noted below) as follows:

| Item | Average useful life |
|---|---|
| Leasehold land and property | The lesser of 10 years or life of lease |
| Vehicles, computer equipment, furniture, fittings and equipment | 3 – 10 years |
| Aircraft | |
| – Frames | 20 – 30 years |
| – Engines | Hours flown |

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss, unless it is included in the carrying amount of another asset.

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

### Intangibles

Costs incurred on development of intangible assets are capitalised when cost can be measured reliably, the product is technically and commercially feasible, future economic benefits from the use or sale of the product are probable and sufficient resources are available in order to complete the development as intended.

Costs incurred on acquisition of intangible assets are capitalised when cost can be measured reliably. Subsequent to initial recognition, all intangible assets are measured at cost less accumulated amortisation and impairment losses. Intangible assets with an indefinite life are not amortised, while the depreciable amount of intangible assets with a finite useful life are amortised on the straight-line basis over their expected useful lives. The following amortisation rates are applicable:

| Item | Useful life |
|---|---|
| Computer software | 3 – 6 years |
| Leasehold premium | Period of the lease |

## Leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligation, net of the finance charges, is included in other long-term payables.

The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

## Goodwill

Goodwill on acquisitions of associates is included in investments in associates and is tested for impairment as part of the overall balance.

Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Impairment losses on goodwill shall not be reversed in future periods. Gains and losses on the disposal of an entity include the carrying amount of related goodwill.

## Impairment (excluding goodwill)

At each reporting date, the Group considers whether there is any indication that assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell, or its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by using the weighted average cost method, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Provision is made for obsolete and slow-moving inventory. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

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

## 2. Accounting policies
continued

### Financial instruments

The Group classifies its financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument when the Group becomes party to the contractual provisions of the instrument.

### Financial assets

The Group classifies financial assets in the following categories: at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired and the nature and terms of the instrument itself. Management determines the classification of its financial assets at initial recognition.

Financial assets, other than investments in subsidiaries, are recognised on a trade-date basis and are initially measured at fair value, including transaction costs.

*Financial assets at fair value through profit or loss (held-for-trading)*

A financial asset is classified under this category if acquired principally for the purpose of selling in the short term, or it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking. Derivatives are classified as held-for-trading unless they are designated as hedges. All items under this category are measured at fair value with changes recognised in profit or loss.

*Loans and other receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The main components of the Group's loans and receivables comprise "loans to related parties", "trade and other receivables" and "cash and cash equivalents".

*Trade receivables*

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms of the receivables.

Objective evidence includes observable data about the following loss events:

- Significant financial difficulty of the debtor;
- Breach of contract;
- Creditor granting concessions to the debtor which it would not normally consider, but for the debtor's financial difficulty;
- It becomes probable that the debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the debtor; and
- An increase in delayed payments from the debtor or an increase in the number of times the debtor exceeds its credit limit.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

In instances where there is clear and unassailable evidence that a trade receivable has been impaired and that there is no evidence to indicate that the trade receivable is recoverable and all reasonable measures to recover the amount have been exhausted, the Group would reduce the carrying amount of the impaired trade receivable directly against the asset account or the provision for impairment of trade receivables if one had previously been raised.

Any increase or decrease in the provision for impairment of trade receivables or any reduction in trade receivables directly against the asset account is recorded in operating profit. Subsequent recoveries of amounts previously written off are credited to operating expenditure in profit or loss.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently measured at amortised cost.

### Financial liabilities

The Group classifies financial liabilities in the following categories: at fair value through profit or loss, and amortised cost. The classification depends on the purpose for which the financial liabilities were acquired and the nature and terms of the instrument itself. Management determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised on a trade-date basis and are initially measured at fair value, including transaction costs.

*Financial liabilities at fair value through profit or loss (held-for-trading)*

A financial liability is classified under this category if acquired principally for the purpose of selling in the short term, or it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking. Derivatives are classified as held-for-trading unless they are designated as hedges. All items under this category are measured at fair value with changes recognised in profit or loss.

*Financial liabilities at amortised cost*

These are liabilities which are non-derivative financial liabilities with fixed or determinable payments. The main components of the Group's financial liabilities at amortised cost comprise "bank overdrafts and borrowings" and "trade and other payables".

*Bank overdraft and borrowings*

Bank overdrafts and borrowings are initially measured at fair value net of transaction costs incurred, and are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings using the effective interest method. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

*Equity instruments*

An equity instrument represents a contract that evidences a residual interest in the net assets of an entity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

*Interest*

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the carrying amount is reduced to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

*Dividends*

Dividends are recognised when the right to receive payment is established.

## Stated capital

Ordinary shares are classified as equity.

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

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

## Income tax

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable income for the year. Taxable income differs from net income as reported in the statement of comprehensive income because it includes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax and deferred taxes are charged or credited directly to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Deferred tax is accounted for using the liability method in respect of temporary differences which arise from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

## 2. Accounting policies
continued

### Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave and bonuses) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit-sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry- or state-managed retirement schemes are dealt with as defined contribution plans where the Group's obligation under the schemes is equivalent to those arising in a defined contribution retirement plan.

#### Gratuities and severance plans

The Company does not provide pension benefits for its employees, but operates a gratuity scheme for expatriates in terms of employment contracts, and a severance benefit scheme for citizens in terms of Section 28 of the Botswana Employment Act. Severance pay is not considered to be a retirement benefit plan as the benefits are payable on completion of each 60 month period of continuous employment or on termination of employment, at the option of the employee. The expected gratuity and severance benefit liability is provided in full by way of an accrual.

Employee termination payments are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

#### Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Fair value is measured by the use of a Black-Scholes option pricing model.

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the construction or development of such assets is substantially complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### Provisions

A provision is recognised when there is a legal or constructive obligation as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and the amounts have been reliably estimated. Provisions are continually re-assessed and are based on historical experience and other factors such as reasonable expectations of future events. Provisions are not recognised for future operating losses.

### Common control accounting

The Group applies merger accounting for all its common control transactions which requires that the assets and liabilities of the purchased business be incorporated at the consolidated book value (by the ultimate parent) and the difference between the purchase consideration and the book value of the assets and liabilities be recorded in equity as a common control reserve. The financial statements of the purchaser incorporate the combined companies' results and cash flows as if companies have always been combined, including the re-presentation of the comparative figures.

### Standards, interpretations and amendments to published standards that are not yet effective

The following new standards, amendments and interpretations to existing standards have been published that are applicable for future accounting periods but have not been adopted early by the Group:

#### IAS 1 Presentation of Financial Statements (effective for financial periods commencing on or after 1 January 2016)

This amendment is designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make it clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that the reporting entity should use its professional judgement in determining where and in what order information is presented in the financial disclosures. The Group is still determining the impact of the amendment on the financial statements.

**IAS 16 Property, Plant and Equipment (effective for financial periods commencing on or after 1 July 2014) (amended)**

The amendment to IAS 16 results from the Annual Improvements 2010 – 2012 Cycle and calls for a proportionate restatement of accumulated depreciation on revaluation. The Group is still determining the impact of the amendment on the financial statements.

**IAS 16 Property, Plant and Equipment (effective for financial periods commencing on or after 1 January 2016)**

The amendments to IAS 16 and IAS 38 clarify the basis for the calculation of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset, as well as establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets with some exceptional circumstances. The Group is still determining the impact of the amendment on the financial statements.

**IAS 19 Employee Benefits (effective for financial periods commencing on or after 1 July 2014) (amended)**

The amendment to IAS 19 clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. The Group is still determining the impact of the amendment on the financial statements.

**IAS 24 Related Party Disclosures (effective for financial periods commencing on or after 1 July 2014) (amended)**

The amendment to IAS 24 results from the Annual Improvements 2010 – 2012 Cycle and clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. The Group is still determining the impact of the amendment on the financial statements.

**IAS 27 Separate Financial Statements (effective for financial periods commencing on or after 1 January 2016)**

The amendment to IAS 27 allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Group is still determining the impact of the amendment on the financial statements.

**IAS 28 Investments in Associates and Joint Ventures (effective for financial periods commencing on or after 1 January 2016)**

The amendment introduces clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. The Group is still determining the impact of the amendment on the financial statements.

**IAS 38 Intangible Assets (effective for financial periods commencing on or after 1 July 2014) (amended)**

The amendment to IAS 38 results from the Annual Improvements 2010 – 2012 Cycle and calls for a proportionate restatement of accumulated depreciation on revaluation. The Group is still determining the impact of the amendment on the financial statements.

**IAS 38 Intangible Assets (effective for financial periods commencing on or after 1 January 2016)**

The amendments to IAS 16 and IAS 38 clarify the basis for the calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset, as well as establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets. The Group is still determining the impact of the amendment on the financial statements.

**IAS 39 Financial Instruments: Recognition and Measurement (effective for financial periods commencing on or after 1 January 2017) (amended)**

The amendment to IAS 39 permits an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception. The Group is still determining the impact of the amendment on the financial statements.

**IAS 40 Investment Property (effective for financial periods commencing on or after 1 July 2014) (amended)**

The amendment to IAS 40 results from the Annual Improvements 2011 – 2013 Cycle and clarifies the interrelationship between IFRS 3 and IAS 40. The Group is still determining the impact of the amendment on the financial statements.

## 2. Accounting policies
continued

### Standards, interpretations and amendments to published standards that are not yet effective
continued

**IFRS 2 Share-based Payment (effective for financial periods commencing on or after 1 July 2014) (amended)**

The amendment results from the Annual Improvements 2010 – 2012 Cycle and clarifies the definition of vesting condition. The Group is still determining the impact of the amendment on the financial statements.

**IFRS 3 Business Combinations (effective for financial periods commencing on or after 1 July 2014) (amended)**

The amendment results from the Annual Improvements 2010 – 2012 Cycle and clarifies the definition of contingent consideration. The Group is still determining the impact of the amendment on the financial statements.

**IFRS 3 Business Combinations (effective for financial periods commencing on or after 1 July 2014) (amended)**

The amendment results from the Annual Improvements 2011 – 2013 Cycle and clarifies the scope exception for joint ventures. The Group is still determining the impact of the amendment on the financial statements.

**IFRS 7 Financial Instruments: Disclosures (effective for financial periods commencing on or after 1 January 2017) (amended)**

The amendment to IFRS 7 deals with disclosures regarding the transition to IFRS 9 (or otherwise when IFRS 9 is first applied). The Group is still determining the impact of the amendment on the financial statements.

**IFRS 7 Financial Instruments: Disclosures (effective for financial periods commencing on or after 1 January 2017) (amended)**

The amendment to IFRS 7 deals with additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9. The Group is still determining the impact of the amendment on the financial statements.

**IFRS 8 Operating Segments (effective for financial periods commencing on or after 1 July 2014) (amended)**

The amendment results from the Annual Improvements 2010 – 2012 Cycle and clarifies the aggregation of operating segments, and reconciliations of assets. The Group is still determining the impact of the amendment on the financial statements.

**IFRS 9 Financial Instruments (effective for financial periods commencing on or after 1 January 2018)**

This standard will replace IAS 39 Financial Instruments: Recognition and Measurement. The Group is still determining the impact of the amendment on the financial statements.

**IFRS 10 Consolidated Financial Statements (effective for financial periods commencing on or after 1 January 2016)**

The amendment introduces clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. The Group is still determining the impact of the amendment on the financial statements.

The amendment introduces clarifications to the requirements when accounting for loss of control of a subsidiary. The Group is still determining the impact of the amendment on the financial statements.

**IFRS 11 Joint Arrangements (effective for financial periods commencing on or after 1 January 2016)**

The amendment introduces clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. The Group is still determining the impact of the amendment on the financial statements.

**IFRS 12 Disclosure of Interests in Other Entities (effective for financial periods commencing on or after 1 January 2016)**

The amendment introduces clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. The Group is still determining the impact of the amendment on the financial statements.

**IFRS 13 Fair Value Measurement (effective for financial periods commencing on or after 1 July 2014) (amended)**

The amendment results from the Annual Improvements 2010 – 2012 Cycle and clarifies the measurement requirements for short-term receivables and payables. The Group is still determining the impact of the amendment on the financial statements.

**IFRS 13 Fair Value Measurement (effective for financial periods commencing on or after 1 July 2014) (amended)**

The amendment results from the Annual Improvements 2011 – 2013 Cycle and clarifies the scope of the portfolio exception in paragraph 52. The Group is still determining the impact of the amendment on the financial statements.

**IFRS 14 Regulatory Deferral Accounts (effective for financial periods commencing on or after 1 January 2016)**

This amendment permits first-time adopters to continue to recognise amounts related to its rate regulated activities in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that apply IFRS and do not recognise such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the Standard.

**Standards, interpretations and amendments to published standards that are effective and applicable to the Group**

**IAS 27 Separate Financial Statements (effective for financial periods commencing on or after 1 January 2014) (amended)**

The amendment to IAS 27 clarifies the requirements pertaining to investment entities.

**IAS 32 Financial Instruments: Presentation (effective for financial periods commencing on or after 1 January 2014) (amended)**

The amendment to IAS 32 prescribes rules for the offsetting of financial assets and financial liabilities.

**IAS 36 Impairment of Assets (effective for financial periods commencing on or after 1 January 2014) (amended)**

The amendment to IAS 36 clarifies the disclosures required in terms of Recoverable Amount Disclosures for Non-Financial Assets.

**IFRS 10 Consolidated Financial Statements (effective for financial periods commencing on or after 1 January 2014) (amended)**

The amendment to IFRS 10 clarified the consolidation exemption pertaining to investment entities. The Group and the Company are not investment entities as defined therefore this amendment will not affect the separate or consolidated financial statements.

**IFRS 12 Disclosure of Interests in Other Entities (effective for financial periods commencing on or after 1 January 2014) (amended)**

The amendment to IFRS 12 clarified the consolidation exemption pertaining to investment entities. The Group and the Company are not investment entities as defined therefore this amendment will not affect the separate or consolidated financial statements.

**IFRIC 21 Levies (effective for financial periods commencing on or after 1 January 2014)**

IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

All the new and revised standards, interpretations and amendments that became effective and were applicable to the Group for the year ended 28 February 2015 have been adopted.

# Notes to the consolidated annual financial statements

for the year ended 28 February

## 3. Revenue

| | | 2015 P'000 | 2014 P'000 |
|---|---|---|---|
| 3.1 | **Impact of adoption of IFRS 15** | | |
| | Revenue under IAS 18 | **1 505 790** | 1 401 206 |
| | Adjustment due to adoption of IFRS 15 | **561 204** | 557 918 |
| | Revenue as reported under IFRS 15 | **944 586** | 843 288 |
| 3.2 | **Revenues by type of service** | | |
| | Travel experience | **840 265** | 752 921 |
| | Service fees | **77 200** | 65 977 |
| | Other | **27 121** | 24 390 |
| | | **944 586** | 843 288 |
| 3.3 | **Revenue by geographical region** | | |
| | Botswana | **459 245** | 417 156 |
| | Namibia | **171 287** | 144 540 |
| | South Africa | **683 987** | 601 288 |
| | Zambezi | **146 621** | 137 149 |
| | Intergroup | **(516 554)** | (456 845) |
| | Group | **944 586** | 843 288 |
| 3.3 | **Revenue by source market (%)** | | |
| | Africa and the Middle East | **24** | 20 |
| | Americas | **50** | 53 |
| | Australasia | **3** | 4 |
| | Europe and Asia | **23** | 23 |
| | | **100** | 100 |
| 3.4 | **Cost of sales** | | |
| | Cost of sales under previous basis | **863 176** | 816 387 |
| | Adjustment due to adoption of IFRS 15 | **561 204** | 557 918 |
| | Cost of sales as reported under IFRS 15 | **301 972** | 258 469 |

## 4. Operating profit

Operating profit is arrived at after taking into account the following items:

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| **Depreciation and amortisation:** | | |
| Vehicles, furniture, fittings and equipment | **24 653** | 22 999 |
| Aircraft | **7 592** | 6 854 |
| Leasehold land and property | **20 184** | 19 154 |
| | **52 429** | 49 007 |
| Amortisation of intangible assets | **3 467** | 1 086 |
| **Total depreciation and amortisation** | **55 896** | 50 093 |

## 4. Operating profit continued

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Impairment loss on property, plant and equipment | 9 523 | 423 |
| Impairment loss on financial instruments | 152 | 5 874 |
| Impairment loss on goodwill | – | 1 897 |
| Impairment loss on associates | – | 708 |
| Impairment loss on intangibles | 500 | – |
| **Total impairment loss** | 10 175 | 8 902 |
| Foreign exchange gains (losses) | | |
| Realised | 4 533 | (9 546) |
| Unrealised | 3 570 | 10 861 |
| Net foreign exchange gains | 8 103 | 1 315 |
| Legal and professional fees | 7 094 | 6 509 |
| Auditors' remuneration | | |
| Current year fee | 4 047 | 4 133 |
| Prior year over provision | (127) | (99) |
| Other services and expenses | 434 | 1 004 |
| | 4 354 | 5 038 |
| Operating lease rentals | | |
| Premises | 28 634 | 27 562 |
| Office and plant equipment | 2 626 | 2 813 |
| Aircraft and vehicles | 7 636 | 7 087 |
| | 38 896 | 37 462 |
| Resource royalty | 12 720 | 11 271 |
| Net profit on disposal of property, plant and equipment | 187 | 12 975 |
| Net profit on disposal of subsidiaries | 1 057 | – |
| Net (loss)/profit on disposal of associates | (4 998) | 3 759 |
| | (3 754) | 16 734 |
| Staff costs | 309 952 | 289 509 |
| Number of employees | 2 156 | 2 090 |
| Directors' emoluments | | |
| Executive directors | 9 044 | 5 690 |
| Short-term employee benefits | 8 167 | 5 565 |
| Post-employment benefits | 343 | 125 |
| Share-based payments | 534 | – |
| Non-executive directors' fees | 1 780 | 1 813 |
| | 10 824 | 7 503 |
| Share-based payments expense | 8 313 | 6 151 |

## 5. Financing costs

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Interest paid | | |
| Finance leases and loans | **3 918** | 4 678 |
| Bank overdraft and trade finance | **3 190** | 4 110 |
| | **7 108** | 8 788 |

## 6. Taxation

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| **6.1 Taxation charge** | | |
| Current taxation | | |
| Company taxation | **29 429** | 19 265 |
| Under/(over) provision prior year | **132** | (1 761) |
| | **29 561** | 17 504 |
| Deferred taxation – current year (note 14) | **2 327** | 9 525 |
| – prior year (note 14) | **(91)** | 1 243 |
| | **31 797** | 28 272 |
| Withholding tax | **666** | 759 |
| **Total taxation charge** | **32 463** | 29 031 |

| 6.2 Reconciliation of taxation rate to profit before taxation | % | % |
|---|---|---|
| Company normal tax rate – Botswana | **22.0** | 22.0 |
| Effect of income that is exempt from taxation | **(1.6)** | (2.6) |
| Effect of expenses that are not deductible in determining taxable profit | **8.2** | 4.8 |
| Adjustments recognised in the current year in relation to current tax of prior year | **0.1** | (1.9) |
| Effect of different tax rates of subsidiaries in other jurisdictions | **1.9** | 3.4 |
| Effect of unused tax losses and tax offsets not recognised as deferred tax assets | **2.3** | 10.3 |
| Effect of utilisation of tax losses not previously recognised | **(2.7)** | (0.2) |
| Prior year deferred tax adjustments | **(0.1)** | 1.4 |
| Share of results of associates | **(0.8)** | (0.8) |
| Withholding tax | **0.6** | 1.0 |
| **Effective taxation rate** | **29.9** | 37.4 |
| Certain subsidiaries had tax losses at the end of the financial year that are available to reduce the future taxable income of the Group estimated to be | **167 776** | 218 152 |

## 7. Headline profit and earnings per share

Reconciliation between profit attributable to owners of the Company and headline earnings:

| | Gross P'000 | Net P'000 |
|---|---|---|
| **2015** | | |
| Profit attributable to owners of the Company | | **72 611** |
| Headline earnings adjustments: | | |
| IAS 16 – Gains and compensation on disposal and impairment of property, plant and equipment | **(10 834)** | **(8 000)** |
| IAS 27 – Gains on disposal of subsidiaries | **(1 057)** | **(1 057)** |
| IAS 28 and 31 – Profit on disposal of associates | **4 998** | **3 459** |
| IAS 36 – Impairment of assets | **9 523** | **7 875** |
| IAS 38 – Impairment of intangible assets | **500** | **361** |
| **Headline profit** | | **75 249** |
| **2014** | | |
| Profit attributable to owners of the Company | | 46 147 |
| Headline earnings adjustments: | | |
| IAS 16 – Gains on disposal of property, plant and equipment | (4 763) | (5 713) |
| IAS 28 and 31 – Loss on disposal of associates | (3 051) | (3 051) |
| IAS 36 – Impairment of assets | 423 | 423 |
| IAS 38 – Impairment of intangible assets | 1 897 | 1 897 |
| IFRS 5 – Non-current assets held for sale and discontinued operations | (2 582) | (2 582) |
| **Headline profit** | | 37 121 |

| | 2015 | 2014 |
|---|---|---|
| **Reconciliation of diluted shares** | | |
| **Number of shares in issue** | | |
| At end of the year | **231 882 451** | 231 000 000 |
| **Weighted average number of shares** | | |
| Shares for earnings per share | **231 588 301** | 231 000 000 |
| Add dilutive shares | | |
| Staff share scheme | **6 123 903** | 3 003 426 |
| Diluted weighted average | **237 712 204** | 234 003 426 |
| **Earnings per share (thebe)** | | |
| – Basic | **31.35** | 19.98 |
| – Diluted | **30.55** | 19.72 |
| – Headline | **32.49** | 16.07 |
| – Diluted headline | **31.66** | 15.86 |

## 8. Interest in profits and losses of subsidiaries

Interest in the aggregate amount of profits and losses of subsidiaries after taxation

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Profits – continuing operations | 135 460 | 102 649 |
| Losses – continuing operations | (31 338) | (81 505) |

## 9. Property, plant and equipment

| | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|
| | Cost P'000 | Accumulated depreciation P'000 | Net book value P'000 | Cost P'000 | Accumulated depreciation P'000 | Net book value P'000 |
| Vehicles, furniture, fittings and equipment | 253 158 | 142 141 | 111 017 | 228 639 | 136 761 | 91 878 |
| Aircraft | 169 062 | 36 017 | 133 045 | 156 791 | 26 890 | 129 901 |
| Leasehold land and property | 312 887 | 153 999 | 158 888 | 306 473 | 154 321 | 152 152 |
| Work in progress | 21 684 | – | 21 684 | 13 989 | – | 13 989 |
| | 756 791 | 332 157 | 424 634 | 705 892 | 317 972 | 387 920 |

Included in property, plant and equipment are assets held under finance lease agreements with a book value of P82 million (2014: P82 million) which are encumbered as security for liabilities under finance lease agreements as stated in note 18.

A register of land and buildings is maintained at the Company's registered office and may be inspected by members of the public or their duly authorised agents.

| | Vehicles, furniture, fittings and equipment P'000 | Aircraft P'000 | Leasehold land and property P'000 | Work in progress P'000 | Total P'000 |
|---|---|---|---|---|---|
| **Movement of property, plant and equipment – 2015** | | | | | |
| Net book value at beginning of the year | 91 878 | 129 901 | 152 152 | 13 989 | 387 920 |
| Subsidiaries acquired | 369 | – | 2 060 | 11 | 2 440 |
| Subsidiaries disposed | (1 208) | – | – | – | (1 208) |
| Additions | 31 570 | 16 798 | 9 106 | 41 124 | 98 598 |
| Transfers/reclassification | 13 830 | 386 | 19 839 | (34 055) | – |
| Translation differences | 1 132 | 671 | 1 556 | 615 | 3 974 |
| Disposals | (1 897) | (2 770) | (471) | – | (5 138) |
| Depreciation | (24 653) | (7 592) | (20 184) | – | (52 429) |
| Impairment | (4) | (4 349) | (5 170) | – | (9 523) |
| **Net book value at end of the year** | 111 017 | 133 045 | 158 888 | 21 684 | 424 634 |

## 9. Property, plant and equipment continued

| | Vehicles, furniture, fittings and equipment P'000 | Aircraft P'000 | Leasehold land and property P'000 | Work in progress P'000 | Total P'000 |
|---|---|---|---|---|---|
| **Movement of property, plant and equipment – 2014** | | | | | |
| Net book value at beginning of the year | 89 716 | 126 430 | 155 274 | 10 952 | 382 372 |
| Additions | 25 691 | 12 357 | 12 176 | 19 731 | 69 955 |
| Transfers/reclassification | 2 468 | 366 | 13 282 | (16 116) | – |
| Translation differences | (393) | (2 047) | (4 837) | (494) | (7 771) |
| Disposals | (2 593) | (351) | (4 178) | (84) | (7 206) |
| Depreciation | (22 999) | (6 854) | (19 154) | – | (49 007) |
| Impairment | (12) | – | (411) | – | (423) |
| **Net book value at end of the year** | 91 878 | 129 901 | 152 152 | 13 989 | 387 920 |

## 10. Goodwill

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| At carrying value | | |
| At beginning of the year | **32 696** | 34 855 |
| Impairment | **–** | (1 897) |
| Arising on acquisition of subsidiaries | **3 831** | – |
| Disposal of subsidiaries | **(1 600)** | – |
| Exchange differences | **(263)** | (262) |
| Balance at the end of year | **34 664** | 32 696 |
| Per cash-generating unit: | **34 664** | 32 696 |
| African Experience Limited | **2 512** | 2 793 |
| Baobab Safari Lodges (Proprietary) Limited | **3 831** | – |
| Great Explorations (Proprietary) Limited | **10 152** | 10 152 |
| Kasane Fish Farms (Proprietary) Limited t/a Chobezi | **–** | 1 600 |
| Linyanti Investments (Proprietary) Limited | **10 189** | 10 189 |
| Micheletti Bates Safaris (Proprietary) Limited | **1 077** | 1 077 |
| Namib Lodge Company (Proprietary) Limited | **68** | 67 |
| Northern Air Maintenance (Proprietary) Limited | **731** | 731 |
| Santawani Partnership (Proprietary) Limited | **3 703** | 3 703 |
| Wilderness Air Botswana (Proprietary) Limited | **1 356** | 1 356 |
| Wilderness Touring Cape Proprietary Limited | **1 045** | 1 028 |

An annual impairment test is performed to assess whether goodwill has been impaired. Goodwill has been allocated for impairment testing purposes to individual cash-generating units (CGUs).

The recoverable amount of every cash-generating unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period and a discount rate of between 7.41% to 18% (2014: 7.41% to 18%) that reflects the specific results to the relevant CGU. The discount rates vary dependent upon the location of the CGU, the risks associated with the cash flows and the currency in which the cash flows are generated. Cash flows beyond that five-year period have been extrapolated using zero percent growth rate. This growth rate does not exceed the long-term average growth rate for the market in which they operate. Management believes that any reasonable possible change in the key assumptions on which the individual cash-generating units' recoverable amount is based would not cause their carrying amounts to exceed their recoverable amounts.

## 11. Intangible assets

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Intangibles at cost | **25 744** | 25 553 |
| Accumulated amortisation | **(11 061)** | (7 640) |
| **Net book value** | **14 683** | 17 913 |
| At beginning of the year | **17 913** | 8 863 |
| Additions | **585** | 10 954 |
| Impairment | **(500)** | – |
| Amortisation | **(3 467)** | (1 086) |
| Exchange differences | **152** | (818) |
| **Balance at end of the year** | **14 683** | 17 913 |

## 12. Investment and loans in associates

| Name of associate | Proportion of ownership interest 28 February 2015 % | Proportion of ownership interest 28 February 2014 % | 2015 P'000 | 2014 P'000 |
|---|---|---|---|---|
| **Cost of investment in associate** | | | | |
| Baobab Safari Lodge (Proprietary) Limited (Note 12.1) | – | 38 | – | 4 556 |
| Central African Wilderness Safaris (Proprietary) Limited (Note 12.2)** | – | 50 | – | – |
| French Mauve Properties (Proprietary) Limited** | **33** | 33 | – | – |
| Frogiface (Proprietary) Limited | **50** | 50 | **708** | 708 |
| Ngamiland Adventure Safaris (Proprietary) Limited*** | **20** | 20 | **5 517** | 5 517 |
| Norisco Holdings SA* | **20** | 20 | – | – |
| | | | **6 225** | 10 781 |
| *Less:* Impairment | | | **(708)** | (708) |
| Attributable share of post-acquisition profits | | | **4 081** | 5 484 |
| At beginning of the year | | | **5 484** | 2 935 |
| Share of current year earnings | | | **4 191** | 2 708 |
| Reserves realised on disposal of associates | | | **(4 929)** | – |
| Dividends received | | | **(665)** | (159) |
| Translation differences | | | – | (1 820) |
| **Unsecured loans** | | | | |
| Baobab Safari Lodge (Proprietary) Limited | | | – | 245 |
| **Total investment in associates** | | | **9 598** | 13 982 |

* *In the process of being liquidated.*

** *Amounts less than one thousand Pula.*

*** *The associate carries on the business of safari lodge operator and the principal place of business is Maun, Botswana.*

## 12. Investment and loans in associates continued

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Summary of the financial information of Ngamiland Adventure Safaris Proprietary Limited, not adjusted for the percentage interest held by the Group: | | |
| Current assets | **31 364** | 19 844 |
| Current liabilities | **17 115** | 6 644 |
| Non-current assets | **45 991** | 22 084 |
| Non-current liabilities | **21 076** | 2 196 |
| Revenue | **58 036** | 54 226 |
| Profit after tax | **11 078** | 9 650 |
| Share of earnings of equity-accounted investments, net of tax | **2 215** | 1 866 |
| Summary of the financial information of immaterial investees, not adjusted for the percentage interest held by the Group: | | |
| Current assets | **–** | 5 974 |
| Current liabilities | **–** | 2 711 |
| Non-current assets | **–** | 6 840 |
| Non-current liabilities | **–** | 682 |
| Revenue | **–** | 33 080 |
| Profit after tax | **–** | 2 877 |
| Share of earnings of equity-accounted investments, net of tax | **1 976** | 842 |

12.1 On 1 July 2014 the Group acquired a further 15.82% interest for a consideration of approximately P1.5 million. The results of the entity were previously equity accounted and are now consolidated. Refer to note 31 for further information.

12.2 During the year the interest in Central African Wilderness Safaris Limited was disposed at a loss of P5.1 million recognised in other gains and losses.

The directors consider the carrying value of the Group's interest in the associate to approximate fair value.

## 13. Loans receivable

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Unsecured, interest free and not repayable within twelve months | **–** | 237 |

## 14. Deferred tax assets/(liabilities)

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Balance at beginning of the year | **(5 439)** | 6 679 |
| Subsidiaries acquired | **444** | – |
| Translation differences | **357** | (1 350) |
| Amount recorded in the statement of comprehensive income (note 6) | **(2 236)** | (10 768) |
| **Balance at end of the year** | **(6 874)** | (5 439) |
| Deferred tax assets | **21 935** | 22 185 |
| Deferred tax liabilities | **(28 809)** | (27 624) |
| | **(6 874)** | (5 439) |
| Timing differences comprise: | | |
| Estimated tax losses | **22 012** | 23 849 |
| Capital allowances | **(46 030)** | (46 081) |
| Provisions | **6 158** | 9 945 |
| Income received in advance | **7 548** | 8 501 |
| Other temporary differences | **3 438** | (1 653) |
| | **(6 874)** | (5 439) |
| **Unrecognised deferred tax assets** | | |
| Deferred tax assets have not been recognised in respect of the following items: | | |
| Deductible temporary differences | **1 819** | 1 618 |
| Tax losses | **125 700** | 139 449 |
| | **127 519** | 141 067 |

The deductible temporary differences do not expire under current legislation. The tax losses expire under the various jurisdictions as listed below:

| | |
|---|---|
| Botswana | 5 years |
| Namibia | indefinitely |
| South Africa | indefinitely |
| Zambia | 5 years |
| Zimbabwe | 6 years |

## 14. Deferred tax assets/(liabilities) continued

The expiration of tax losses is as follows:

| | P'000 | Expiration date |
|---|---|---|
| **2015** | | |
| **Year originated** | | |
| 2011 | **15 500** | **2016** |
| 2012 | **10 047** | **2017** |
| 2013 | **31 164** | **2018** |
| 2014 | **4 578** | **2019** |
| 2014 | **3 925** | **2020** |
| 2015 | **986** | **2019** |
| 2015 | **4 609** | **2020** |
| 2015 | **1 135** | **2021** |
| | **71 944** | |
| **2014** | | |
| **Year originated** | | |
| 2010 | 22 461 | 2015 |
| 2011 | 15 878 | 2016 |
| 2012 | 6 023 | 2017 |
| 2012 | 1 210 | 2018 |
| 2013 | 30 721 | 2018 |
| 2013 | 4 610 | 2019 |
| 2014 | 4 655 | 2019 |
| 2014 | 5 339 | 2020 |
| | 90 897 | |

Deferred tax assets have been recognised to the extent that it is probable that taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised.

To the extent that the Group recognises deferred tax assets relating to tax losses these are recognised only where management is satisfied, based on its current projections, that taxable profits will be realised in the foreseeable future to utilise the estimated tax losses

## 15. Inventories

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Goods for resale | **12 220** | 10 102 |
| Consumables | **9 440** | 7 888 |
| Fuel | **2 360** | 2 146 |
| Provision for obsolete inventory | **(540)** | (429) |
| | **23 480** | 19 707 |

## 16. Trade receivables

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Trade receivables – related parties (note 26) | 1 627 | 1 400 |
| – third parties | 21 147 | 20 802 |
| Receivables allowance | (1 519) | (1 007) |
| | 21 255 | 21 195 |

There were no significant long outstanding third party trade receivables which required specific impairment at year end. Third party trade receivables are limited to amounts receivable from reputable agents and touring wholesalers with whom the Group has established long-term relationships and no significant credit exposure is anticipated from these. The carrying value of receivables balances approximates the fair value.

Trade receivables are assessed and provided for based on estimated irrecoverable amounts, determined by reference to past default experience.

Before accepting any new customer, use is made of local external credit agencies, where necessary, to assess the potential customer's credit quality and define credit limits by customer. Limits attributed to customers are reviewed regularly.

**Analysis of the age of trade receivables past due but not impaired or provided for:**

| | USA P'000 | UK and Europe P'000 | Africa and Asia Pacific P'000 | Total P'000 |
|---|---|---|---|---|
| **2015** | | | | |
| 1 month past due | 725 | 543 | 2 898 | 4 166 |
| 2 months past due | 1 115 | 396 | 972 | 2 483 |
| 3 months past due | 71 | 532 | 160 | 763 |
| 4 months and greater past due | 188 | 273 | 1 650 | 2 111 |
| | 2 099 | 1 744 | 5 680 | 9 523 |
| **2014** | | | | |
| 1 month past due | 688 | 492 | 2 580 | 3 760 |
| 2 months past due | 270 | 86 | 554 | 910 |
| 3 months past due | 17 | 88 | 560 | 665 |
| 4 months and greater past due | 991 | 453 | 1 802 | 3 246 |
| | 1 966 | 1 119 | 5 496 | 8 581 |

## 16. Trade receivables continued

| | USA P'000 | UK and Europe P'000 | Africa and Asia Pacific P'000 | Total P'000 |
|---|---|---|---|---|
| **Reconciliation of the bad debts allowance:** | | | | |
| **2015** | | | | |
| Opening balance | **81** | **(400)** | **(688)** | **(1 007)** |
| Disposal of subsidiary | **–** | **–** | **152** | **152** |
| Impairment losses recognised on receivables | **(326)** | **(118)** | **(831)** | **(1 275)** |
| Impairment losses previously recognised now reversed | **–** | **26** | **191** | **217** |
| Net bad debt write-offs | **20** | **93** | **281** | **394** |
| | **(225)** | **(399)** | **(895)** | **(1 519)** |
| **2014** | | | | |
| Opening balance | (152) | (288) | (962) | (1 402) |
| Impairment losses recognised on receivables | (137) | (360) | (383) | (880) |
| Impairment losses previously recognised now reversed | 370 | 248 | 175 | 793 |
| Net bad debt write-offs | – | – | 482 | 482 |
| | 81 | (400) | (688) | (1 007) |

The Group does not hold any collateral as security. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable above. The carrying value of trade receivables approximates fair value.

## 17. Stated capital

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Issued share capital | **156 086** | 153 703 |
| Number of shares in issue (thousands) | **231 882** | 231 000 |

## 18. Long-term liabilities

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| **Unsecured and interest bearing** | **6 347** | 6 293 |
| Loans from related parties (note 18.1) | **2 343** | 2 116 |
| Settlement liability (note 18.2) | **4 004** | 4 177 |
| **Unsecured and interest free** | **10 996** | 10 090 |
| Loans from related parties (note 18.3) | **1 640** | 1 684 |
| Loans from other entities | **–** | 408 |
| Operating lease liability | **9 209** | 7 798 |
| Deferred income | **147** | 200 |
| **Secured and interest bearing** | **70 138** | 105 327 |
| Finance leases (note 18.4) | **7 090** | 6 247 |
| Loans from financial institutions (note 18.5) | **63 048** | 99 080 |
| | **87 481** | 121 710 |
| *Less:* Current portion included in accounts payable (note 20) | **27 423** | 25 613 |
| | **60 058** | 96 097 |
| Due within two years | **43 042** | 44 369 |
| Due within three years | **2 326** | 38 419 |
| Due within four years | **1 644** | 1 834 |
| Due within five years | **737** | 1 314 |
| Due after five years | **12 309** | 10 161 |
| | **60 058** | 96 097 |
| Finance leases | | |
| Minimum Lease payments | **8 332** | 7 191 |
| *Less:* Future finance charges | **1 242** | 944 |
| | **7 090** | 6 247 |

**18.1** US Dollar denominated owing to a minority shareholder of a subsidiary, bears interest at 3% per annum and has no fixed terms of repayment.

**18.2** Botswana Pula denominated liability, the nominal amount of P5 million bears interest at 8% per annum and is repayable in annual instalments of P500 000 with a final payment in December 2027.

**18.3** South African Rand denominated loans owing to minority shareholders of a subsidiary, interest free and not repayable in the next 12 months.

**18.4** Namibian Dollar denominated loans, secured by property, plant and equipment (note 9), bear interest between 8% and 8.75% per annum and are repayable by 2017.

## 18. Long-term liabilities continued

| | Currency | Nominal interest rate % | Year of maturity | 2015 Carrying amount P'000 | 2014 Carrying amount P'000 |
|---|---|---|---|---|---|
| **18.5 Institution** | | | | | |
| Industrial Development Corporation of SA Limited (IDC) | US Dollar | 6-month USD LIbor + 2 | 2017 | **60 945** | 95 639 |
| Development Bank of SA Limited (DBSA) | SA Rand | ZAR-JIBAR + 2.4 | 2016 | **2 103** | 3 441 |
| | | | | **63 048** | 99 080 |

The loans are secured as follows:

**IDC**

The loan has been guaranteed by Wilderness Air Botswana (Proprietary) Limited, Okavango Wilderness Safaris (Proprietary) Limited, Wilderness Tours Limited and Wilderness Safaris Limited. The Botswana guarantors entered into a deed of hypothecation/mortgage over unencumbered moveable and immoveable assets and each guarantor pledged its shares and cession of loan accounts in each of their subsidiaries, where applicable.

## 19. Loans from related parties

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Black Economic Empowerment consortium shareholders | **509** | 500 |

The loans are unsecured, interest free and are not repayable within 12 months.

## 20. Trade and other payables

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| **Financial liabilities** | **82 323** | 79 034 |
| Trade payables – third parties | **41 613** | 41 186 |
| – related parties (note 26) | **688** | 974 |
| Royalties payable | **12 599** | 11 261 |
| Current portion of long-term liabilities (note 18) | **27 423** | 25 613 |
| **Non-financial liabilties** | **250 179** | 257 903 |
| Accrued expenses and other payables | **173 945** | 176 132 |
| Amounts received in advance | | |
| – Relating to services to be rendered within 12 months | **76 234** | 81 771 |
| | **332 502** | 336 937 |

The carrying value of financial liabilities approximates their fair value. Trade and other payables are generally settled in the normal course of operations and, unless specified, the amounts shown will be settled within the next 12 months.

## 21. Bank overdrafts

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Stanbic Bank of Botswana Limited (note 21.1) | **49 274** | 41 891 |
| Nedbank Limited Namibia (note 24) | **–** | 2 750 |
| Other | **9** | 30 |
| | **49 283** | 44 671 |

The overdraft facility in Botswana is secured by:

- Cession of book debts; and
- Letter of suretyship by Wilderness Air Botswana (Proprietary) Limited supported by deed of hypothecation over Cessna aircraft being A2AIV, A2ANT, A2OWL and A2CUB.

**21.1** The facilities available and security provided are as follows:

- An overdraft facility amounting to P50 million; and
- Spot foreign currency dealing facility amounting to USD10 million.

The interest payable on the overdraft facility will be charged at 1.5% per annum below the Bank's prime lending rates prevailing from time to time. The overdraft is repayable on demand.

The facilities are secured by deed of hypothecation registered in the name of Sefofane Aviation Holdings (Proprietary) Limited and cession of an insurance policy over the assets financed and rentals. Interlinking suretyships between Sefofane Aviation Holdings (Proprietary) Limited, Wilderness Holdings Limited, Okavango Wilderness Safaris (Proprietary) Limited, and Wilderness Safaris Investment and Finance Proprietary Limited have been provided.

With respect to the spot foreign currency dealing facility pricing is quoted by the Bank in respect of each contract based on exchange rates/market conditions ruling at the time.

## 22. Capital commitments

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Authorised by directors and contracted for | **33 321** | 32 325 |
| Authorised by directors but not yet contracted for | **121 884** | 60 472 |
| **Total capital commitments** | **155 205** | 92 797 |

This expenditure will be incurred in the ensuing year and will be financed from existing cash resources and available borrowing facilities.

## 23. Operating lease commitments

Operating leases relate mainly to concession leases with average remaining lease terms of nine years.

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Due within one year: | | |
| Property | **23 618** | 23 641 |
| Office furniture, equipment and motor vehicles | **–** | 126 |
| **Total operating lease commitments due within one year** | **23 618** | 23 767 |
| Due between two and five years: | | |
| Property | **59 342** | 63 724 |
| Office furniture, equipment and motor vehicles | **–** | 212 |
| **Total operating lease commitments due between two and five years** | **59 342** | 63 936 |
| Due after five years: | | |
| Property | **92 420** | 108 977 |
| **Total operating lease commitments due after five years** | **92 420** | 108 977 |
| **Total non-cancellable operating lease commitments** | **175 380** | 196 680 |

## 24. Commitments, contingent liabilities, guarantees and litigation

The Group has certain contingent liabilities resulting from litigation and claims, generally involving commercial and employment matters, which are incidental to the ordinary conduct of its business. Management believes, after taking legal advice where appropriate on the probable outcome of these contingencies, that none of these contingencies will materially affect the financial position or the results of operations of the Group.

Sureties and guarantees provided are those noted in note 18 and note 21.

Limited letters of comfort and support have been issued to the following entities within the Group:

Damaraland Camp (Proprietary) Limited
Hana-Ven (Proprietary) Limited
Namib Wilderness Safaris (Proprietary) Limited
Palmwag Lodge (Proprietary) Limited
Safari Adventure (Proprietary) Limited
Wilderness Air Namibia (Proprietary) Limited
Wilderness Safaris Finance & Investment Company (Pvt) Limited
Wilderness Tours Limited (Zambia) and its subsidiaries

### Namibia

Cession of book debts

N$15.4 million out and out cession of loan funds by Wilderness Safaris Investment and Finance Proprietary Limited.

Unlimited suretyship signed by Kulala (Proprietary) Limited supported by N$5 million first and second continuing covering mortgage bonds over farm Eensaam No 157, Maltahohe district in respect of Kulala (Proprietary) Limited.

N$5.7 million limited suretyship provided by Wilderness Safaris Investment and Finance Proprietary Limited.

N$1.5 million limited suretyship provided by Namib Travel Shop (Proprietary) Limited.

Unlimited suretyship provided by Taimibia (Proprietary) Limited supported by N$3 million first and second continuing mortgage bond over farm Witwater No 139.

N$3 million third general notarial bond over moveables in the name of Namib Lodge Company (Proprietary) Limited.

## 24. Commitments, contingent liabilities, guarantees and litigation continued

### South Africa

A pledge of R700 000 issued by Wilderness Manzengwena Camp Proprietary Limited in favour of Standard Bank of South Africa Limited.

The Group issued guarantees to various entities amounting to P3.8 million.

## 25. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Risk Committee under policies approved by the Board of Directors. The Group identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk and interest rate risk.

### Financial instruments

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

### Credit risk

The financial assets of the Group which are subject to credit risk consist mainly of cash resources, loans and debtors. The cash resources are placed with reputable financial institutions.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. The majority of the Group's receivables are comprised of related parties.

The Group's management considers that all the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. None of the Group's financial assets are secured by collateral or other credit enhancements. Credit quality of counterparties is determined based on independent external credit ratings where these are available. Where no independent external credit ratings are available, management makes an internal assessment of credit quality based on factors such as analyses of the counterparties' operations, major assets held, as well as past history of the Group's business transactions with the counterparties.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk or concentration of credit risk exposure. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

### Market risk

#### Foreign currency exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The following table illustrates the sensitivity of the net result for the year and equity in regard to the Group's financial assets and liabilities against the US Dollar exchange rate.

It assumes a 5% strengthening of the US Dollar against the local currencies for the year ended at 28 February 2015 (2014: 5%). The sensitivity analysis is based on the Group's foreign currency financial instruments held at each balance sheet date.

## 25. Financial risk management continued

### Market risk continued

#### Foreign currency exchange risk continued

If the US Dollar strengthened by 5% (2014: 5%), then this would have the following impact:

| | 2015 P'000 Gain/(loss) | 2014 P'000 Gain/(loss) |
|---|---|---|
| Net effect on after tax profits | 5 516 | 3 882 |
| Equity | (476) | (443) |

An equal and opposite impact would occur in a 5% weakening of the US Dollar.

#### Forward foreign exchange contracts

As a result of significant sales in foreign currency, the Group's statement of financial position can be affected significantly by movements in exchange rates. The Group seeks to mitigate the effect of its structural currency exposure through the use of foreign exchange contracts which are used to sell future foreign currency receipts. These contracts are used to establish certainty around future Pula and Rand receipts.

The following table provides details of all open forward exchange contracts at 28 February 2015:

| | Average exchange rate | Foreign currency (USD) |
|---|---|---|
| **Buy Pula** | | |
| Less than 3 months | 9.2500 | 250 000 |

The Group also took out the following option contracts which were open at 28 February 2015:

| | USD put contract | | USD call contract | |
|---|---|---|---|---|
| | Average exchange rate | Foreign currency (USD) | Average exchange rate | Foreign currency (USD) |
| **Buy Rands** | | | | |
| Less than 3 months | 11.5500 | 1 150 000 | 12.2900 | 2 300 000 |

At the reporting date, the fair value of the Group's foreign exchange contracts is estimated to be a liability of P0.11 million (2014: asset of P0.17 million). These amounts are based on market values of equivalent instruments at the reporting date.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. Approximately 70% of the Company's sales are denominated in currencies other than the functional currency of the operating unit making the sale.

#### Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

Fluctuations in interest rate impact on the value of short-term cash investment and financing activities, giving rise to interest rate risk. The cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risks. A 0.5% variation in interest rates on net interest bearing borrowings would have resulted in an increase in finance costs of P0.4 million (2014: P1.0 million).

## 25. Financial risk management continued

### Market risk continued

#### Price risk

The Group does not have any exposure to securities price risk.

#### Liquidity risk analysis

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities, cash outflows due in day-to-day business and by ensuring that adequate unutilised borrowing facilities are maintained.

As at 28 February 2015, the Group's liabilities have contractual maturities which are summarised in notes 18, 20 and 23.

Long-term borrowings are due as follows:

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| 1 – 2 years | **43 042** | 44 369 |
| 3 – 5 years | **4 707** | 41 567 |
| After 5 years | **12 309** | 10 161 |
| **Total** | **60 058** | 96 097 |

Financial assets and liabilities are categorised according to the valuation methods set out below.

(1) Valued using unadjusted quoted prices in active markets for identical financial instruments. This category includes listed equity shares and certain exchange-traded derivatives and trade payables and receivables.

(2) Valued using techniques based significantly on observable market data. Instruments in this category are valued using:
   a. quoted prices for similar instruments or identical instruments in markets which are not considered active; or
   b. valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

(3) The type of instruments that trade in markets that are not considered to be active but are based on quoted market prices, broker dealer quotations or alternative pricing sources with reasonable levels of price transparency and those instruments valued using techniques include most physical commodities, certain money market securities and loan commitments and most over-the-counter derivatives. Instruments in this category have been valued using a valuation technique where at least one input (which could have a significant effect on the instrument's valuation) is not based on observable market data. Where inputs can be observed from market data without undue cost and effort the observed input is used. Otherwise the Company determines a reasonable level for the input.

## 25. Financial risk management continued

### Market risk continued

**Liquidity risk analysis** continued

All financial assets and liabilities are valued according to valuation method 1 with the exception of foreign exchange contracts, a liability of P0.11 million (2014: an asset of P0.17 milliion) was recognised which is valued according to method 2.

| | Loans and receivables P'000 | Fair value P'000 |
|---|---|---|
| **2015** | | |
| **Financial assets** | | |
| Trade receivables | **21 255** | **21 255** |
| Included in other receivables | **24 553** | **24 553** |
| Cash and cash equivalents | **283 200** | **283 200** |
| | **329 008** | **329 008** |
| **2014** | | |
| **Financial assets** | | |
| Trade receivables | 21 195 | 21 195 |
| Included in other receivables | 17 144 | 17 144 |
| Cash and cash equivalents | 295 390 | 295 390 |
| | 333 729 | 333 729 |

| | Liabilities at amortised cost P'000 | Fair value P'000 |
|---|---|---|
| **2015** | | |
| **Financial liabilities** | | |
| Included in interest bearing borrowings | **78 125** | **78 125** |
| Trade and other payables (excluding current portion of long-term liabilities) | **54 900** | **54 900** |
| Bank overdraft | **49 283** | **49 283** |
| | **182 308** | **182 308** |
| **2014** | | |
| **Financial liabilities** | | |
| Included in interest bearing borrowings | 113 712 | 113 712 |
| Trade and other payables (excluding current portion of long-term liabilities) | 53 421 | 53 421 |
| Bank overdraft | 44 671 | 44 671 |
| | 211 804 | 211 804 |

### Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure consists of debt, which includes the borrowings disclosed in note 18, cash and cash equivalents and equity attributable to equity holders of the parent, comprising share capital, reserves and retained earnings as disclosed in the statement of changes in equity. The Group's policy remains unchanged from the prior year.

Management continually monitors the level of debt and equity and considers the entity to be adequately funded.

## 26. Related party transactions

Sales and purchases between Group companies are concluded at arm's length in the ordinary course of business. For the year ended 28 February 2015, the intergroup sales of goods and provision of services amounted to P728 million (2014: P640 million).

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Included in sales: | | |
| Associates | **3 071** | 2 399 |
| Other | **16 929** | 19 772 |
| Key management personnel | **167** | 1 973 |
| | **20 167** | 24 144 |
| Included in cost of sales and other expenses: | | |
| Associates | **14 266** | 15 440 |
| Other | **20 125** | 19 863 |
| Key management personnel | **99** | (163) |
| | **34 490** | 35 140 |
| Included in trade receivables: | | |
| Associates | **386** | 322 |
| Other | **1 223** | 1 053 |
| Key management personnel | **18** | 25 |
| | **1 627** | 1 400 |
| Included in trade payables: | | |
| Associates | **171** | 787 |
| Other | **225** | 187 |
| Key management personnel | **292** | – |
| | **688** | 974 |
| Included in other receivables: | | |
| Associates | **9** | – |
| Other | **1 952** | 442 |
| Key management personnel | **–** | – |
| | **1 961** | 442 |
| Included in other payables: | | |
| Associates | **–** | 110 |
| Other | **2 878** | 2 837 |
| | **2 878** | 2 947 |

Remuneration to key management personnel is reflected in note 4.

## 27. Share-based payments

The awards and allocations of shares and share appreciation rights are granted to executives and key staff members. In keeping with good corporate governance principles the incentives depend upon continued employment within the Group and the achievement of specified performance conditions. These long-term performance conditions align the interests of shareholders with those of key employees of the Group thereby increasing shareholder value on a sustainable basis.

The incentives are accounted for as equity-settled share-based payments in terms of IFRS 2. In terms of the equity-settled incentives the following general rules are observed with respect to the shares required to settle the Group's obligations in terms of the scheme. The Company shall:

- At all times reserve and keep available, free from pre-emptive rights, out of its authorised but unissued share capital, such number of shares as may be required to enable the Company to fulfil its obligations to settle shares to participants;
- Ensure that shares may only be issued or purchased for purposes of the plan once a participant (or group of participants) to whom they will be awarded or allocated has been formally identified;
- Ensure that shares held for purposes of the plan will not have their votes at general/annual general meetings taken into account for the purposes of resolutions proposed in terms of the BSE Listings Requirements;
- The aggregate number of shares which may be acquired by all participants during the term of the plan, shall not exceed 16 170 000 (sixteen million one hundred and seventy thousand) shares, being 7% of the issued share capital of the Company and any increases in these amounts will require approval of shareholders at a general meeting; and
- The aggregate number of shares which may be acquired by any one participant during the duration of the plan, shall not exceed 1 155 000 (one million one hundred and fifty-five thousand) shares, being 0.5% of the issued share capital of the Company and any increases in these amounts will require approval of shareholders at a general meeting.

Eligible employees under the incentive plans exclude non-executive directors but include all other persons associated with the Company at the sole discretion of the directors.

### Performance Share Plan

This is an equity-settled incentive in terms of which eligible employees to whom awards have been made would become entitled, upon vesting, to shares in the Company. The plan is subjected to certain performance conditions, which are based primarily on sustainable earnings performance; outperformance against the targets will result in a geared vesting of awards, whilst underperformance will result in the awards lapsing.

The directors at their sole discretion may from time to time alter the performance conditions as circumstances necessitate.

The performance shares allocated in terms of this plan shall vest three years from the date of grant. There is no consideration payable for an award.

| | 2015 | 2014 |
|---|---|---|
| **Summary of Plan activities for the period (number of shares)** | | |
| Performance share awards allocated to eligible employees in prior periods | **5 773 977** | 2 940 689 |
| – New awards to employees during the current period | **–** | 2 879 322 |
| – Awards exercised during the year | **(1 150 002)** | – |
| – Forfeiture of allocations previously made | **(420 174)** | (46 034) |
| **Performance share awards allocated to eligible employees at period end** | **4 203 801** | 5 773 977 |

The fair value of the performance share awards has been established using the standard option pricing methodology, applying the Black-Scholes formula and was determined at P2.30 per share award in the prior year; no awards were made in the current year.

## 27. Share-based payments continued

### Share Appreciation Rights Plan (SAR)

This is an equity-settled incentive plan, in terms of which directors have the discretion to settle the obligation by issuing either shares or cash.

At present the directors have elected to settle any benefits that may arise by issuing shares. Should this change in future periods the plan may become treated as cash settled.

In order for a SAR to vest the plan requires sustained earnings growth. If the targets are not met the vesting of the SARs will roll over until this performance criterion is achieved, but is limited to a maximum of six years from date of allocation at which time it will lapse.

The fair value of the share appreciation awards granted in the prior year was determined as P0.68; no awards were made in the current year.

The directors at their sole discretion may from time to time alter the performance conditions as circumstances necessitate.

The share appreciation rights allocated in terms of this plan shall vest in the following manner:

- One third of the allocation on the third anniversary of the allocation date;
- A second third of the allocation on the fourth anniversary of the allocation date; and
- The final third of the allocation on the fifth anniversary of the allocation date.

| | 2015 | 2014 |
|---|---|---|
| **Summary of Plan activities for the period (number of shares)** | | |
| Share appreciation rights allocated to eligible employees in prior periods | **9 910 860** | 5 466 134 |
| – New awards to employees during the current period | **–** | 5 055 943 |
| – Forfeiture of allocations previously made | **(1 069 593)** | (611 217) |
| **Share appreciation rights allocated to eligible employees at period end** | **8 841 267** | 9 910 860 |

The fair value of the share appreciation rights was determined using the same methodology and assumptions as the Performance Share Plan.

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Share-based payment expense recognised in profit or loss for the period (P'000) | | |
| Staff costs | **8 313** | 6 151 |
| Tax effect | **(1 909)** | (1 277) |
| | **6 404** | 4 874 |
| The total maximum number of shares authorised to be issued in terms of the Plan | **16 170 000** | 16 170 000 |
| The accumulated total number of shares already issued to eligible employees in terms of the Plan | **1 150 002** | – |
| Share-based payment expense recognised in profit or loss for the period | **6 404** | 4 874 |
| Accumulated amount recognised as a share-based payment reserve in equity at the end of the period | **15 435** | 10 802 |

## 28. Segmental report

A reportable segment is a segment that is used by the Group Executive Committee (chief operating decision maker) to make key operating decisions, allocate resources and assess performance.

The reportable segments are geographically differentiated regions and grouped by their relative size.

Segmental revenue is reflected under Revenue in note 3.

Operating results are reported and reviewed regularly by the Group Executive Committee and include items directly attributable to a segment as well as those that can be attributed on a reasonable basis, whether from external transactions or from transactions with other Group segments.

Unallocated items mainly comprise corporate or centralised treasury function expenses which do not directly relate to the operating activities of the segments or which cannot be re-allocated on a reasonable basis.

Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment profit or loss is measured as operating performance directly attributable to the segment and is defined as EBITDA before other gains and losses and foreign exchange gains or losses.

| | 2015<br>P'000 | 2014<br>P'000 |
|---|---|---|
| **Segmental profit** | | |
| Botswana | 110 104 | 98 459 |
| Namibia | 17 853 | 3 032 |
| South Africa | 29 843 | 26 533 |
| Zambezi | 8 746 | 4 592 |
| Intergroup | (4) | 37 |
| **Group** | 166 542 | 132 653 |
| **Depreciation and amortisation** | (55 896) | (50 093) |
| Botswana | (28 799) | (27 672) |
| Namibia | (9 787) | (7 292) |
| South Africa | (6 650) | (4 280) |
| Zambezi | (10 660) | (10 849) |
| **Transactions unallocated to a segment** | | |
| Other gains and losses | 7 056 | 17 200 |
| Foreign exchange gains | 8 103 | 1 315 |
| Impairment losses | (10 175) | (8 902) |
| Interest paid | (7 108) | (8 788) |
| Interest received | 2 501 | 1 279 |
| Unrealised forex loss – loans | (6 519) | (9 851) |
| Associate earnings | 4 191 | 2 708 |
| Profit before taxation | 108 695 | 77 521 |
| Taxation | (32 463) | (29 031) |
| **Profit after tax** | 76 232 | 48 490 |

## 28. Segmental report continued

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| **Capital expenditure** | | |
| Botswana | **52 103** | 30 989 |
| Namibia | **18 160** | 21 812 |
| South Africa | **3 995** | 14 955 |
| Zambezi | **24 925** | 13 153 |
| **Group** | **99 183** | 80 909 |
| **Segmental assets** | | |
| Botswana | **443 408** | 425 292 |
| Namibia | **149 230** | 130 061 |
| South Africa | **252 212** | 239 639 |
| Zambezi | **108 564** | 100 214 |
| Central financing activities and eliminations | **(36 993)** | (12 743) |
| **Group** | **916 421** | 882 463 |
| **Segmental liabilities** | | |
| Botswana | **229 947** | 239 686 |
| Namibia | **38 214** | 35 316 |
| South Africa | **230 372** | 239 610 |
| Zambezi | **35 516** | 37 415 |
| Central financing activities and eliminations | **(61 659)** | (44 512) |
| **Group** | **472 390** | 507 515 |

No single customer contributes 10% or more to revenue in the current year or prior year.

## 29. Cash generated from operations

| | 2015<br>P'000 | 2014<br>P'000 |
|---|---|---|
| Profit before taxation | **108 695** | 77 521 |
| Adjustments for: | | |
| Unrealised foreign exchange gains | **(3 570)** | (10 861) |
| Increase in provisions | **–** | 4 900 |
| Share of equity-accounted investment earnings | **(4 191)** | (2 708) |
| Depreciation and amortisation | **55 896** | 50 093 |
| Impairment loss | **10 175** | 8 902 |
| Profit on disposal of property, plant and equipment | **(187)** | (12 975) |
| Loss/(profit) on disposal of associate | **4 998** | (3 759) |
| Interest received | **(2 501)** | (1 279) |
| Financing costs | **7 108** | 8 788 |
| Profit on disposal of subsidiaries | **(1 057)** | – |
| Unrealised foreign exchange losses on loans | **6 519** | 9 851 |
| Share-based payment expense | **8 313** | 6 151 |
| Operating profit before working capital changes | **190 198** | 134 624 |
| Working capital changes: | | |
| Increase in inventories | **(3 557)** | (1 818) |
| (Increase)/decrease in accounts receivable | **(20 090)** | 15 986 |
| (Decrease)/increase in accounts payable | **(9 461)** | 62 351 |
| | **157 090** | 211 143 |

## 30. Taxation paid

| | 2015<br>P'000 | 2014<br>P'000 |
|---|---|---|
| Net amounts receivable at beginning of the year | **12 844** | 11 099 |
| Acquisition of subsidiary | **(20)** | – |
| Disposal of subsidiary | **(20)** | – |
| Amounts charged to profit or loss excluding deferred tax | **(30 227)** | (18 263) |
| Other movements and translation differences | **665** | 800 |
| Net amount receivable at end of the year | **(4 926)** | (12 844) |
| | **(21 684)** | (19 208) |

## 31. Acquisition of subsidiary companies

**Cost of investment in acquired subsidiary companies**

On 1 July 2014, Okavango Wilderness Safaris (Proprietary) Limited acquired an additional interest of 15.82% in Baobab Safari Lodges (Proprietary) Limited.

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| The fair value of assets acquired and the liabilities assumed on the acquisition of the subsidiary company, net of cash acquired, is as follows: | | |
| Property, plant and equipment | 2 440 | – |
| Deferred taxation | 444 | – |
| Inventories | 227 | – |
| Accounts receivable | 1 210 | – |
| Trade and other payables | (1 048) | – |
| Current tax liability | (20) | – |
| Loan | (258) | – |
| Bank balances and cash | 1 194 | – |
| | 4 189 | – |
| Goodwill arising on acquisition | 3 831 | – |
| Fair value of previously held interest | (4 577) | – |
| Non-controlling interest | (1 936) | – |
| Purchase price | 1 507 | – |
| Cash on acquisition | (1 194) | – |
| Cash paid | 313 | – |

## 32. Disposal of subsidiary companies

Namibia Tracks and Trails (Proprietary) Limited and Kasane Fish Farms (Proprietary) Limited were disposed during the financial year.

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| The fair value of assets disposed and the liabilities relinquished on the disposal of the subsidiary companies, net of cash disposed, is as follows: | | |
| Property, plant and equipment | 1 208 | – |
| Inventories | 12 | – |
| Accounts receivable | 1 971 | – |
| Current tax asset | 20 | – |
| Trade and other payables | (3 867) | – |
| Long-term liabilities | (342) | – |
| Bank | 1 523 | – |
| Loan | (269) | – |
| | 256 | – |
| Goodwill | 1 600 | – |
| Profit on sale of shares | 1 057 | – |
| Non-controlling interests | (422) | – |
| Non-distributable reserves | 527 | – |
| Proceeds from sale | 3 018 | – |
| Bank | (1 523) | – |
| Net cash proceeds | 1 495 | – |

## 33. Additions to property, plant and equipment

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Maintenance of operations: | | |
| Vehicles, furniture, fittings and equipment | **2 636** | 17 447 |
| Aircraft | **7 871** | 12 358 |
| Leasehold land and property | **792** | 6 023 |
| Work in progress | **25 520** | – |
| Expansion of operations: | | |
| Vehicles, furniture, fittings and equipment | **28 934** | 8 245 |
| Aircraft | **8 927** | – |
| Leasehold land and property | **8 314** | 6 154 |
| Work in progress | **15 604** | 19 728 |
| | **98 598** | 69 955 |

## 34. Cash and cash equivalents at end of the year

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Cash resources | **283 200** | 295 390 |
| Bank overdrafts | **(49 283)** | (44 671) |
| | **233 917** | 250 719 |

## 35. Subsequent events

A dividend of 15 thebe (2014: 10 thebe) per share has been declared and is payable on or about 25 June 2015 to those shareholders registered at the close of business on Friday, 12 June 2015. The dividend shall be paid in Rand to shareholders on the South African register, calculated at the Pula to Rand exchange rate on or about 21 May 2015.

In February 2015, the Group announced the termination of its operating and marketing contract for Odzala Wilderness Camps in the Republic of Congo. The decision was reached by mutual agreement between all parties and is effective from 26 April 2015. No other material events took place between the reporting date and the date of this report.

# Company statement of comprehensive income

for the year ended 28 February

| | Notes | 2015 P'000 | Restated 2014 P'000 |
|---|---|---|---|
| **Revenue** | 2 | **19 694** | 167 065 |
| Operating costs | | **(15 537)** | (15 372) |
| Foreign exchange gains | | **937** | 2 191 |
| **Operating profit before items listed below** | 3 | **5 094** | 153 884 |
| Depreciation and amortisation | 6, 7 | **(984)** | (582) |
| Interest received | | **1 937** | 5 361 |
| Impairment loss on loans | | **(1 035)** | (26 353) |
| Impairment loss on investment in subsidiaries | 8 | **–** | (8 549) |
| Financing costs | 4 | **(7 200)** | (6 785) |
| Unrealised foreign exchange loss on loans | | **(2 975)** | (18 377) |
| **(Loss)/profit before taxation** | | **(5 163)** | 98 599 |
| Taxation | 5 | **(666)** | (759) |
| **Total comprehensive (loss)/income for the year** | | **(5 829)** | 97 840 |

# Company statement of financial position

as at 28 February

| | Notes | 2015 P'000 | 2014 P'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | **267 147** | 259 742 |
| Property, plant and equipment | 6 | **8 158** | 323 |
| Intangible assets | 7 | **2 343** | 2 773 |
| Investment in subsidiaries | 8 | **256 646** | 256 646 |
| **Current assets** | | **96 545** | 80 633 |
| Trade and other receivables | 9 | **80 258** | 76 671 |
| Cash and cash equivalents | 16 | **16 287** | 3 962 |
| **Total assets** | | **363 692** | 340 375 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity attributable to owners of the Company** | | **161 930** | 188 476 |
| Stated capital | 10 | **156 086** | 153 703 |
| Accumulated profit | | **5 844** | 34 773 |
| **Non-current liabilities** | | **39 780** | 75 939 |
| Long-term liabilities | 11 | **39 780** | 75 939 |
| **Current liabilities** | | **161 982** | 75 960 |
| Trade and other payables | 12 | **112 708** | 34 069 |
| Bank overdrafts | 16 | **49 274** | 41 891 |
| **Total equity and liabilities** | | **363 692** | 340 375 |

# Company statement of changes in equity

for the year ended 28 February

| | Stated capital P'000 | Accumulated profit/ (loss) P'000 | Total equity P'000 |
|---|---|---|---|
| **Balance at 1 March 2013** | 153 703 | (53 827) | 99 876 |
| Dividends paid | – | (9 240) | (9 240) |
| Total comprehensive profit for the year | – | 97 840 | 97 840 |
| **Balance at 28 February 2014** | **153 703** | **34 773** | **188 476** |
| Issue of share capital | **2 383** | **–** | **2 383** |
| Dividends paid | **–** | **(23 100)** | **(23 100)** |
| Total comprehensive loss for the year | **–** | **(5 829)** | **(5 829)** |
| **Balance at 28 February 2015** | **156 086** | **5 844** | **161 930** |

# Company statement of cash flows

for the year ended 28 February

| | Notes | 2015 P'000 | 2014 P'000 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Cash generated by operations | 14 | **69 381** | 430 |
| Dividends received | | **15 635** | 10 120 |
| Interest received | | **1 937** | 5 361 |
| Financing costs | | **(7 200)** | (6 785) |
| Taxation paid | 15 | **(666)** | (759) |
| **Net cash inflow from operating activities** | | **79 087** | 8 367 |
| **Cash flow from investing activities** | | | |
| Acquisition of intangible assets | 7 | **(440)** | (476) |
| Acquisition of property, plant and equipment | 6 | **(7 949)** | (201) |
| **Net cash outflow from investing activities** | | **(8 389)** | (677) |
| **Cash flow from financing activities** | | | |
| Net repayment of long-term liabilities | | **(42 656)** | (25 498) |
| Dividends paid | | **(23 100)** | (9 240) |
| **Net cash outflow from financing activities** | | **(65 756)** | (34 738) |
| **Net increase/(decrease) in cash and cash equivalents** | | **4 942** | (27 048) |
| Cash and cash equivalents at beginning of the year | | **(37 929)** | (10 881) |
| **Cash and cash equivalents at end of the year** | 16 | **(32 987)** | (37 929) |

# Notes to the Company annual financial statements

for the year ended 28 February

## 1. Summary of accounting policies

Refer to the summary of significant accounting policies as set out on pages 115 to 125.

## 2. Revenue

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Revenue comprises | | |
| Dividends received from subsidiaries | **15 635** | 154 620 |
| Cost recharges | **4 059** | 12 445 |
| | **19 694** | 167 065 |

## 3. Operating profit

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Operating profit is arrived at after taking into account the following items: | | |
| Auditors' remuneration | | |
| Current year fees | **204** | 194 |
| Prior year under provision | **14** | 9 |
| Other expenses | **–** | 7 |
| | **218** | 210 |
| Foreign exchange gains | | |
| Realised | **267** | 2 191 |
| Unrealised | **670** | – |
| Legal and professional fees | **1 978** | 532 |
| Staff costs | **10 110** | 10 846 |
| Directors' emoluments | | |
| Executive directors | **1 824** | 1 321 |

## 4. Financing costs

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Bank overdraft | **3 320** | 3 989 |
| Trade finance and loans | **3 880** | 2 796 |
| | **7 200** | 6 785 |

## 5. Taxation

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| **5.1 Taxation charge** | | |
| Withholding tax on dividends received | 666 | 759 |
| **Total taxation charge** | **666** | **759** |

### 5.2 Reconciliation of taxation rate to profit before taxation

| | % | % |
|---|---|---|
| Company normal tax rate | (22.0) | 22.0 |
| Exempt income | (66.6) | (34.5) |
| Effect of expenses that are not deductible in determining taxable profit | 84.4 | 12.4 |
| Effect of unused tax losses and tax offsets not recognised as deferred tax assets | 4.2 | 0.1 |
| Withholding tax on dividends received | 12.9 | 0.8 |
| **Effective taxation rate** | **12.9** | **0.8** |

The Company has estimated total accumulated tax losses of P28.2 million (2014: P27.2 million) available for set-off against future taxable profit.

## 6. Property, plant and equipment

| | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|
| | Cost P'000 | Accumulated depreciation P'000 | Net book value P'000 | Cost P'000 | Accumulated depreciation P'000 | Net book value P'000 |
| Aircraft | 7 870 | – | 7 870 | – | – | – |
| Furniture, fittings and equipment | 533 | 245 | 288 | 454 | 131 | 323 |
| **Total** | **8 403** | **245** | **8 158** | **454** | **131** | **323** |

| | Furniture, fittings and equipment P'000 | Aircraft P'000 | Total P'000 |
|---|---|---|---|
| **Movement of property,plant and equipment – 2015** | | | |
| Net book value at beginning of the year | 323 | – | 323 |
| Additions | 79 | 7 870 | 7 949 |
| Depreciation | (114) | – | (114) |
| **Net book value at end of the year** | **288** | **7 870** | **8 158** |
| **Movement of furniture, fittings and equipment – 2014** | | | |
| Net book value at beginning of the year | 194 | – | 194 |
| Additions | 201 | – | 201 |
| Depreciation | (72) | – | (72) |
| **Net book value at end of the year** | **323** | **–** | **323** |

## 7. Intangible assets

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Intangibles at cost | **3 935** | 3 495 |
| Accumulated amortisation | **(1 592)** | (722) |
| **Net book value at end of the year** | **2 343** | 2 773 |
| Net book value at beginning of the year | **2 773** | 2 807 |
| Additions | **440** | 476 |
| Amortisation | **(870)** | (510) |
| **Balance at end of the year** | **2 343** | 2 773 |

## 8. Investment in subsidiaries

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Shares at cost less impairments | | |
| Represented by: | | |
| Okavango Wilderness Safaris (Proprietary) Limited (Botswana) | **59 450** | 59 450 |
| Sefofane Aviation Holdings (Proprietary) Limited (Botswana) | **28 505** | 28 505 |
| Wilderness Tours Limited (Zambia) | **68 548** | 68 548 |
| Wilderness Safaris Finance & Investments Company (Private) Limited (Zimbabwe) | **82** | 82 |
| Wilderness Safaris Investment & Finance Proprietary Limited (South Africa) | **104 361** | 104 361 |
| Northern Air Maintenance (Proprietary) Limited (Botswana) | **1 801** | 1 801 |
| Wilderness Safaris Limited (Bermuda)* | **–** | – |
| Wilderness Air Zambia (Proprietary) Limited (Zambia) | **8** | 8 |
| Wilderness Air Botswana (Proprietary) Limited (Botswana) | **2 522** | 2 522 |
| Goodison Two Hundred Fifteen Limited* | **–** | – |
| | **265 277** | 265 277 |
| *Less:* Impairments: | | |
| Wilderness Safaris Finance & Investments Company (Private) Limited (Zimbabwe) | **(82)** | (82) |
| Wilderness Tours Limited (Zambia) | **(8 549)** | (8 549) |
| | **256 646** | 256 646 |

A list of the Company's subsidiaries is detailed in Annexure 1 of the Group accounts.

** Amounts less than one thousand Pula.*

## 9. Trade and other receivables

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Other receivables and prepayments | **80 258** | 76 671 |
| | **80 258** | 76 671 |

Refer to note 13 for details of related party balances included in total above.

There were no significant long outstanding third party trade receivables which require specific impairment at year end. The carrying values of receivables approximates their fair value.

## 10. Stated capital

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Issued and fully paid | | |
| 231 882 000 (2014: 231 000 000) ordinary shares of no par value | **156 086** | 153 703 |

The Company's stated capital is detailed in note 17 of the Group accounts.

## 11. Long-term liabilities

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Industrial Development Corporation of South Africa Limited | **60 945** | 95 639 |
| *Less:* Current portion included in accounts payable (note 12) | **(21 165)** | (19 700) |
| **Long-term portion** | **39 780** | 75 939 |
| Repayable within 2 years | **39 780** | 39 400 |
| Repayable within 3 years | **–** | 36 539 |
| Repayable within 4 years | **–** | – |
| | **39 780** | 75 939 |

Details of the terms and conditions of the IDC loan are reflected in note 18 of the Group accounts.

## 12. Trade and other payables

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Accrued expenses and other payables | **91 543** | 14 369 |
| Current portion of long-term liabilities (note 11) | **21 165** | 19 700 |
| | **112 708** | 34 069 |

Refer to note 13 for details of related party balances included in total above.

The carrying values of liabilities approximates their fair value.

## 13. Related party transactions

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| **Included in other receivables (net of impairments)** | | |
| Wilderness Tours Limited | **15 986** | 15 905 |
| Wilderness Air Botswana (Proprietary) Limited | **–** | 1 548 |
| Okavango Wilderness Safaris (Proprietary) Limited | **–** | 20 333 |
| Northern Air Maintenance (Proprietary) Limited | **3 421** | 3 721 |
| Sefofane Aviation Holdings (Proprietary) Limited | **–** | 273 |
| Wilderness Safaris Zimbabwe (Private) Limited | **45 140** | 30 016 |
| Wilderness Camps of Zimbabwe (Private) Limited | **1 260** | – |
| Namib Wilderness Safaris (Proprietary) Limited | **262** | – |
| Namib Lodge Company (Proprietary) Limited | **3 858** | 3 527 |
| Wilderness Safaris Proprietary Limited | **4 917** | 50 |
| | **74 844** | 75 373 |
| **Included in other payables** | | |
| Wilderness Safaris Limited (13.1) | **21 451** | 8 867 |
| Okavango Wilderness Safaris (Proprietary) Limited (13.2) | **54 214** | – |
| Wilderness Tours Limited (13.1) | **90** | 91 |
| Sefofane Aviation Holdings (Proprietary) Limited (13.2) | **12 572** | – |
| | **88 327** | 8 958 |

13.1 The loans are unsecured, interest free with no fixed terms of repayment.

13.2 The loans are unsecured with no fixed terms of repayment.

13.3 The entities listed above are all subsidiaries of Wilderness Holdings Limited.

13.4 Remuneration to key management personnel is reflected in note 4 of the Group accounts.

## 14. Cash generated by operations

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| (Loss)/profit before taxation: | **(5 163)** | 98 599 |
| Adjustments for: | | |
| Depreciation and amortisation | **984** | 582 |
| Impairment loss on loans | **1 035** | 26 353 |
| Impairment loss on investment in subsidiaries | **–** | 8 549 |
| Dividends received | **(15 635)** | (154 620) |
| Interest received | **(1 937)** | (5 361) |
| Financing costs | **7 200** | 6 785 |
| Unrealised net foreign exchange loss | **2 975** | 18 377 |
| Operating loss before working capital changes | **(10 541)** | (736) |
| Working capital changes: | | |
| Increase in accounts receivable | **(3 587)** | (2 698) |
| Increase in accounts payable | **83 509** | 3 864 |
| | **69 381** | 430 |

## 15. Taxation paid

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Amounts unpaid at beginning of the year | – | 322 |
| Write-off of withholding tax asset | – | (322) |
| Amounts charged to profit or loss | 666 | 759 |
| Amount (receivable)/unpaid at end of the year | – | – |
| | 666 | 759 |

## 16. Cash and cash equivalents at end of the year

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| Bank overdrafts | (49 274) | (41 891) |
| Cash resources | 16 287 | 3 962 |
| | (32 987) | (37 929) |

The overdraft facility is secured by limited suretyship of P50 000 000 by Wilderness Holdings Limited in favour of Sefofane Aviation Holdings (Proprietary) Limited, Okavango Wilderness Safaris (Proprietary) Limited and Wilderness Safaris Investment and Finance Proprietary Limited.

## 17. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Risk Committee under policies approved by the Board of Directors. The Company identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk and interest rate risk.

| | Loans and receivables P'000 | Fair value P'000 |
|---|---|---|
| **2015** | | |
| **Financial assets** | | |
| Included in other receivables | 76 454 | 76 454 |
| Cash and cash equivalents | 16 287 | 16 287 |
| | 92 741 | 92 741 |
| **2014** | | |
| **Financial assets** | | |
| Included in other receivables | 76 671 | 76 671 |
| Cash and cash equivalents | 3 962 | 3 962 |
| | 80 633 | 80 633 |

## 17. Financial risk management continued

| | Liabilities at amortised cost P'000 | Fair value P'000 |
|---|---|---|
| **2015** | | |
| **Financial liabilities** | | |
| Interest bearing borrowings | **60 945** | **60 945** |
| Trade and other payables (excluding current portion of long-term liabilities) | **91 543** | **91 543** |
| Bank overdraft | **49 274** | **49 274** |
| | **201 762** | **201 762** |
| **2014** | | |
| **Financial liabilities** | | |
| Interest bearing borrowings | 95 639 | 95 639 |
| Trade and other payables (excluding current portion of long-term liabilities) | 14 369 | 14 369 |
| Bank overdraft | 41 891 | 41 891 |
| | 151 899 | 151 899 |

| | 2015 P'000 | 2014 P'000 |
|---|---|---|
| **Foreign currency sensitivity** | | |
| If the Pula had weakened against the US Dollar by 5% (2014: 5%), then this would have had the following impact: | | |
| Net decrease in profit before tax | **365** | 2 909 |
| **Interest rate sensitivity** | | |
| If the interest rate had moved by 5% (2014: 5%), then this would have had the following impact: | | |
| Net increase in profit before tax | **149** | 26 |

## 18. Subsequent events

A dividend of 15 thebe (2014: 10 thebe) per share has been declared and is payable on or about 25 June 2015 to those shareholders registered at the close of business on Friday, 12 June 2015. The dividend shall be paid in Rand to shareholders on the South African register, calculated at the Pula to Rand exchange rate on or aboxut 21 May 2015.

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# Appendices

## Analysis of ordinary shareholders

as at 28 February 2015

| Shareholder spread | Number of shareholdings | % of total shareholdings | Number of shares | % of shares in issue |
|---|---|---|---|---|
| 1 – 1 000 shares | 275 | 47.58 | 111 217 | 0.05 |
| 1 001 – 10 000 shares | 193 | 33.39 | 764 641 | 0.33 |
| 10 001 – 100 000 shares | 81 | 14.01 | 2 706 176 | 1.17 |
| 100 001 – 1 000 000 shares | 12 | 2.08 | 4 486 158 | 1.93 |
| 1 000 001 shares and over | 17 | 2.94 | 223 814 259 | 96.52 |
| **Total** | **578** | **100.00** | **231 882 451** | **100.00** |

| Distribution of shareholders | Number of shareholdings | % of total shareholdings | Number of shares | % of shares in issue |
|---|---|---|---|---|
| Private companies | 19 | 3.29 | 84 515 232 | 36.44 |
| Individuals | 467 | 81.08 | 64 268 154 | 27.72 |
| Public companies | 4 | 0.69 | 58 103 383 | 25.06 |
| Nominees and trusts | 80 | 13.89 | 23 400 431 | 10.09 |
| Other corporations | 4 | 0.69 | 1 452 093 | 0.63 |
| Pension funds | 1 | 0.18 | 142 158 | 0.06 |
| Close corporations | 1 | 0.18 | 1 000 | 0.00 |
| **Total** | **576** | **100.00** | **231 882 451** | **100.00** |

| Shareholder type | Number of shareholdings | % of total shareholdings | Number of shares | % of shares in issue |
|---|---|---|---|---|
| Non-public shareholders | 17 | 2.94 | 189 222 527 | 81.60 |
| Directors and associates (direct and indirect holding) | 10 | 1.73 | 50 762 669 | 21.89 |
| Employees restricted from trading | 3 | 0.52 | 396 772 | 0.17 |
| Strategic holdings (>10%) | 4 | 0.69 | 138 063 086 | 59.54 |
| Public shareholders | 561 | 97.06 | 42 659 924 | 18.40 |
| **Total** | **578** | **100.00** | **231 882 451** | **100.00** |

## Analysis of ordinary shareholders continued

as at 28 February 2015

| Beneficial shareholders with a holding greater than 3% of the shares in issue | Number of shares | % of shares in issue |
|---|---|---|
| Wine Investments Limited | 80 498 570 | 34.72 |
| Puma SE/Pinault-Printemps-Redoute (PPR)/Kering | 58 027 662 | 25.02 |
| Winslow Financial Investments Limited | 20 443 000 | 8.82 |
| McCulloch, MW | 10 063 593 | 4.34 |
| Friedman, R | 9 973 810 | 4.30 |
| Vincent, KNW | 9 884 701 | 4.26 |
| Payne, AG | 9 679 004 | 4.17 |
| Bell, M | 7 197 966 | 3.10 |
| **Total** | **205 768 306** | **88.73** |

| | Number of shareholdings |
|---|---|
| **Total number of shareholdings** | **578** |
| **Total number of shares in issue** | **231 882 451** |

| JSE share price performance | Rand |
|---|---|
| Closing price 28 February 2014 | 3.50 |
| Closing price 28 February 2015 | 4.20 |
| Closing high for the period | 4.20 |
| Closing low for the period | 3.50 |
| Total volume traded | 1 207 604 |
| Volume traded as a % of shares in issue | 0.521% |

| BSE share price performance | Pula |
|---|---|
| Closing price 28 February 2014 | 2.60 |
| Closing price 28 February 2015 | 3.20 |
| Closing high for the period | 3.20 |
| Closing low for the period | 2.60 |
| Total volume traded | 430 278 |

ANNEXURE 1

# Subsidiary and associate companies of Wilderness Holdings Limited

| | Nature of business | Shares in issue | Effective holding 2015 % | Effective holding 2014 % |
|---|---|---|---|---|
| **Active subsidiaries** | | | | |
| **Incorporated in Botswana** | | | | |
| Baobab Safari Lodges (Proprietary) Limited | B | 2 698 | **53.71** | 37.88 |
| Flamingo Investments (Proprietary) Limited | B | 300 | **50.00** | 50.00 |
| Great Explorations ((Proprietary) Limited | B | 100 | **100.00** | 100.00 |
| Linyanti Investments (Proprietary) Limited | B | 40 000 | **95.00** | 95.00 |
| Micheletti Bates Safaris (Proprietary) Limited | B | 5 000 | **100.00** | 100.00 |
| Northern Air Maintenance (Proprietary) Limited | D | 100 | **100.00** | 100.00 |
| Okavango Wilderness Safaris (Proprietary) Limited | C | 100 000 | **100.00** | 100.00 |
| Paddle Safaris (Proprietary) Limited | D | 102 | **50.00** | 50.00 |
| Safari Adventure (Proprietary) Limited | D | 100 | **70.00** | 70.00 |
| Wilderness Air Botswana (Proprietary) Limited | D | 50 000 | **100.00** | 100.00 |
| Sefofane Aviation Holdings (Proprietary) Limited | C | 100 | **100.00** | 100.00 |
| Waves of Africa Tours (Proprietary) Limited | D | 100 | **100.00** | 50.00 |
| Hana-Ven (Proprietary) Limited | B | 100 | **49.00** | 49.00 |
| Kasane Fish Farms (Proprietary) Limited | D | 100 | **–** | 50.00 |
| Santawani Partnership (Proprietary) Limited | B | 100 | **50.00** | 50.00 |
| **Incorporated in Zambia** | | | | |
| African Experience Limited | B | 500 000 | **100.00** | 100.00 |
| Luamfwa Lodge Limited | B | 20 000 000 | **100.00** | 100.00 |
| Wilderness Tours Limited | C | 5 000 000 | **89.00** | 89.00 |
| Wilderness Air Zambia Limited | D | 5 000 | **100.00** | 100.00 |
| **Incorporated in Zimbabwe** | | | | |
| Bamberg Investments (Pvt) Limited | C | 10 000 | **99.00** | 99.00 |
| Underneath Trading (Pvt) Limited | D | 100 | **50.00** | 50.00 |
| Wilderness Safaris Zimbabwe (Pvt) Limited | B | 10 000 | **100.00** | 100.00 |
| Wilderness Camps of Zimbabwe (Pvt) Limited | B | 100 000 | **42.11** | 42.11 |
| Wilderness Safaris Finance & Investments Company (Zimbabwe) (Pvt) Limited | B | 1 000 | **100.00** | 100.00 |
| **Incorporated in Bermuda** | | | | |
| Wilderness Safaris Limited | C | 12 000 | **100.00** | 100.00 |
| **Incorporated in South Africa** | | | | |
| Wilderness Safaris Investment and Finance Proprietary Limited | C | 300 000 | **100.00** | 100.00 |

A = Safari Consultancy
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F = Non-trading

**ANNEXURE 1**

# Subsidiary and associate companies of Wilderness Holdings Limited continued

| | Nature of business | Shares in issue | Effective holding 2015 % | Effective holding 2014 % |
|---|---|---|---|---|
| **Non-trading companies** | | | | |
| **Botswana** | | | | |
| Mowana Consultants (Proprietary) Limited | F | 150 | | |
| Okavango Wilderness Safaris Lodges (Proprietary) Limited | F | 10 000 | | |
| Frogiface (Proprietary) Limited | A | 100 | | |
| **Incorporated in Luxembourg** | | | | |
| Norisco Holdings SA | C | 19 600 | **20.00** | 20.00 |
| **Zimbabwe** | | | | |
| Berryland Investments (Pvt) Limited | B | 10 000 | **42.11** | 42.11 |
| Mana Pools Wildlife Safaris (Pvt) Limited | B | 250 000 | **42.11** | 42.11 |
| Birding Safaris (Pvt) Limited | F | 100 | **50.00** | 50.00 |
| Ruckomechi (Pvt) Limited | F | 100 | **42.11** | 42.11 |
| Werburgh Marketing (Pvt) Limited | F | 100 | **100.00** | 100.00 |
| Right Night Lodges (Pvt) Limited | F | 100 | **100.00** | 100.00 |
| Muroti Investments (Pvt) Limited | B | 10 000 | | |
| Woodvalley Lodge (Pvt) Limited | B | 100 | | |
| **Zambia** | | | | |
| The Zambian Touring Company Limited | B | 5 000 000 | | |

A = Safari Consultancy
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ANNEXURE I

# Subsidiary and associate companies of Wilderness Safaris Investment and Finance Proprietary Limited

| | Nature of business | Shares in issue | Effective holding 2015 % | Effective holding 2014 % |
|---|---|---|---|---|
| **Incorporated in South Africa** | | | | |
| Gugulesizwe Cultural Centre Proprietary Limited | B | 100 | **19.00** | 19.00 |
| Pafuri Camp Proprietary Limited | B | 101 | **100.00** | 100.00 |
| Rocktail Bay Lodge Proprietary Limited | B | 466 000 | **55.00** | 55.00 |
| Wilderness Touring Cape Proprietary Limited (formerly Tes and Trev Travels Proprietary Limited | D | 100 | **75.00** | 75.00 |
| Wilderness Air South Africa Proprietary Limited | D | 101 | **99.00** | 99.00 |
| Wilderness Manzengwena Camp Proprietary Limited | B | 200 | **72.50** | 72.50 |
| Wilderness Safari and Adventure Company Proprietary Limited | B | 100 | **100.00** | 100.00 |
| Wilderness Safaris Proprietary Limited | A | 100 000 | **100.00** | 100.00 |
| Wilderness Safaris Camps of South Africa Proprietary Limited | B | 100 | **100.00** | 100.00 |
| **Incorporated in Namibia** | | | | |
| Damaraland Camp (Proprietary) Limited | B | 100 | **60.00** | 60.00 |
| Doro Nawas Camp (Proprietary) Limited | B | 100 | **55.00** | 55.00 |
| Kulala (Proprietary) Limited | B | 400 | **100.00** | 100.00 |
| Kupenda Properties (Proprietary) Limited | B | 100 | **100.00** | 100.00 |
| Namib Travel Shop (Proprietary) Limited | A | 100 | **100.00** | 100.00 |
| Namib Wilderness Safaris (Proprietary) Limited | B | 200 | **100.00** | 100.00 |
| Palmwag Lodge (Proprietary) Limited | B | 100 | **100.00** | 100.00 |
| Wilderness Air Namibia (Proprietary) Limited | D | 300 | **100.00** | 100.00 |
| Serra Cafema Camp (Proprietary) Limited | B | 100 | **100.00** | 100.00 |
| Taimibia (Proprietary) Limited | C | 100 | **100.00** | 100.00 |
| The Namib Lodge Company (Proprietary) Limited | B | 1 333 333 | **89.50** | 89.50 |
| **Incorporated in Kenya** | | | | |
| Goodison Two Hundred and Fifteen Limited | B | 100 | **100.00** | 0.00 |
| **Incorporated in Rwanda** | | | | |
| Wilderness Safaris Rwanda Limited | B | 100 | **100.00** | 0.00 |
| Imizi Limited Eco Tourism Development Limited | B | 100 | **51.00** | 0.00 |

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# Notes

# Corporate information

## Incorporated in the Republic of Botswana
Registration number 2004/2986

## Registered address
Deloitte House
Plot 64518
Fairgrounds Office Park
Gaborone, Botswana

## Group Company Secretary
Sidney Mganga
Deloitte & Touche House
Plot 64518
Fairgrounds Office Park
Gaborone, Botswana

## Auditors in Botswana
Deloitte & Touche
Deloitte & Touche House
Plot 64518
Fairgrounds Office Park
Gaborone, Botswana
PO Box 778, Gaborone, Botswana

## Bankers

### Stanbic Bank Limited
Stanbic House
Plot 50672
Off Machel Drive, Fairground
Private Bag 00168, Gaborone Botswana

### First National Bank of Botswana
Ngami Centre
Plot 152
Maun, Botswana
Private Bag 231, Maun, Botswana

## Transfer secretaries
Transaction Management Services
Proprietary Limited
trading as Corpserve Botswana
Unit 206, 2nd Floor
Plot 64516
Showgrounds Close
Fairgrounds Office Park
Gaborone, Botswana
PO Box 1583, AAD, Gaborone
Botswana

## A member of the IFSC
Botswana International Financial
Services Centre
Plot 50676, Fairgrounds Office Park
Private Bag 160, Gaborone, Botswana

## Registered as an external company in South Africa
Registration number 2009/022894/10

## Registered address
373 Rivonia Boulevard
Rivonia, South Africa
PO Box 5219, Rivonia, 2128
South Africa

## Auditors in South Africa
Deloitte & Touche
Building 1
The Woodlands. Woodlands Drive
Woodmead, South Africa
Private Bag X6, Gallo Manor, 2052
South Africa

## Bankers
The Standard Bank of South Africa
Limited
7th Floor
Standard Bank Centre
3 Simmonds Street
Johannesburg, 2001, South Africa

## Sponsor
Rand Merchant Bank Limited
A division of FirstRand Bank Limited
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196, South Africa
PO Box 786273, Sandton, 2146
South Africa

## Transfer secretaries
Computershare Investor Services
Proprietary Limited
70 Marshall Street
Johannesburg, 2001, South Africa
PO Box 61051, Marshalltown, 2107
South Africa

## Legal advisers
Collins Newman & Co
Dinatla Court
Plot 4863
Gaborone, Botswana
PO Box 882, Gaborone, Botswana

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# Thank you

We would like to thank the many people and organisations who supported us during the year and made our operations possible. We have received enthusiastic support from a wide range of trade and other partners, host governments and their respective agencies, local communities and non-government organisations. And of course the business would not begin to function without the guests who visit our operations from all over the world. Finally, and perhaps most importantly, our staff are at the heart of the business and we would like to acknowledge and thank them for the pivotal role that they have played. We are proud of what we have achieved during the year and the contributions that we have made to conservation and to the societies and economies in which we operate. This has been a joint effort and we thank everyone who has joined us on this journey.

www.wilderness-group.com

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