



ANNUAL REPORT

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NAM★MIC
HOLDINGS (PTY) Ltd
CREATING VALUE. GROWING YOUR FUTURE

NAM*MIC
HOLDINGS (PTY) Ltd

 **NAMIBIA MINEWORKERS
PROPERTIES (PTY) LTD**

EXUYA INVESTMENT (PTY) LTD

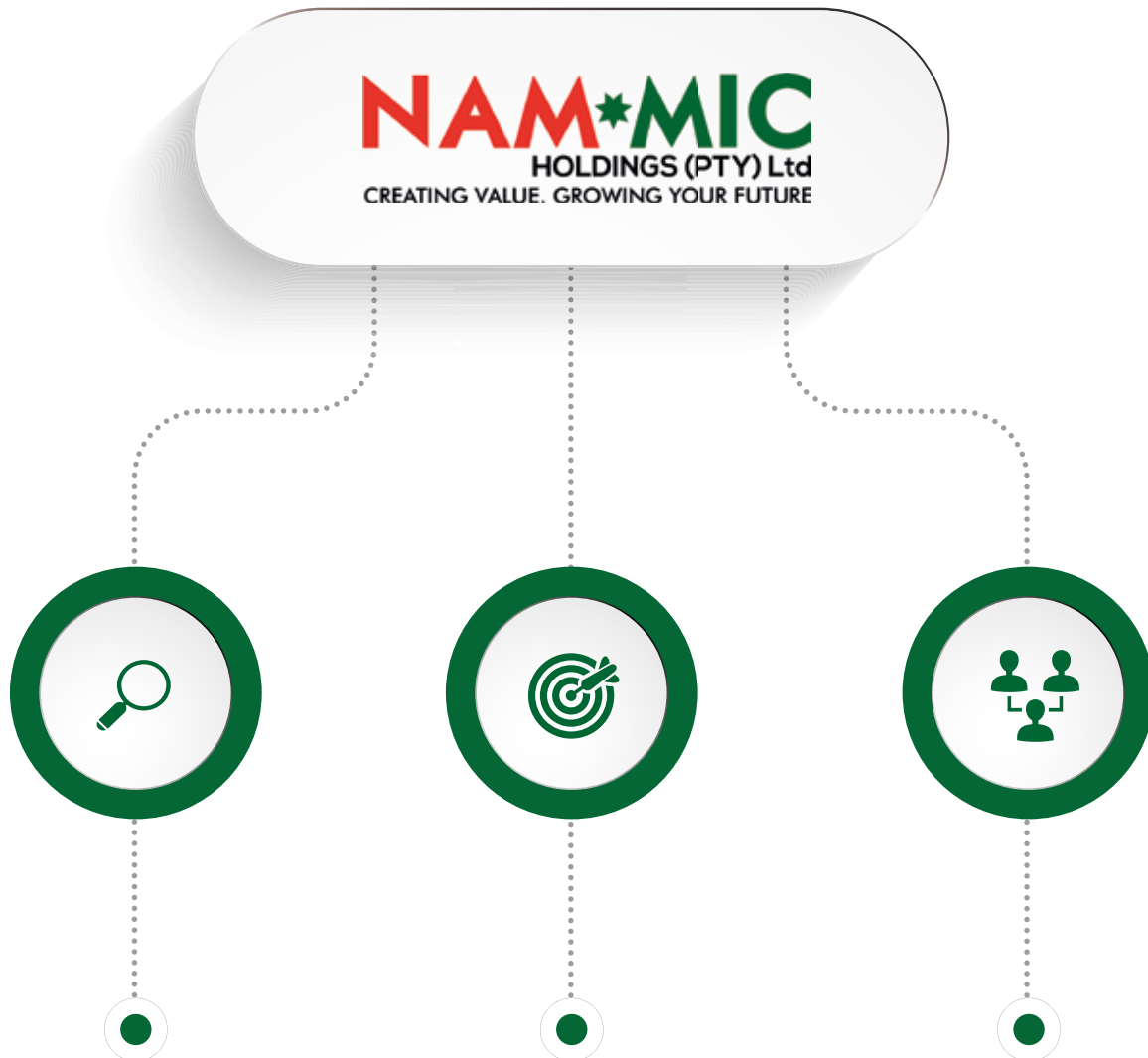
Evi Gold (Pty) Ltd


EVi
Mining Company Limited


Excel Dynamic Solutions
— Consultants, Data Experts, Project Managers —


BLUEPRINT
CONSULTING ENGINEERS

NAM*MIC
HOUSE



Vision

To be the leading broad-based organisation that strives to make a significant impact on the socio-economic development of Namibia.

Mission

To optimise shareholder's value through diligent investments.

Values

- Integrity
- Excellence
- Innovation
- Care
- Prosperity
- Equality

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FINANCIAL HIGHLIGHTS



↑ 52%

Investments: N\$ 524 million
(2017: N\$344.3 million)

8% ↑

Revenue: N\$27.6 million
(2017: N\$25.5 million)



↑ 10%

Dividend income: N\$24.5 million
(2017: N\$22.9 million)

4% ↓

Net profit: N\$16.3 million
(2017: N\$16.9 million)



↑ 10%

Dividends paid: N\$6.5 million
(2017: N\$5.9 million)

OUR HISTORY

To date NAM-MIC has paid N\$25,161,566.80 to its shareholder as dividends. Included in the amount is dividend of N\$ 6,546,880.08 declared and paid in 2019, relating to the profit of 2018.

In the year 1997 the Mineworkers Union of Namibia (MUN) congress resolved to establish a commercial arm. During the same year, the National Executive Committee of the Mineworkers Union of Namibia (MUN) established the Namibia Miners Investment Trust (NAMIT). The beneficiaries of the Trust are defined as current and ex-mine and energy workers, their dependents and the communities they hail from.

NAMIT in turn established and owns NAM-MIC 100%. The company was incorporated on the 15th July 1997 and commenced operations in September the same year.

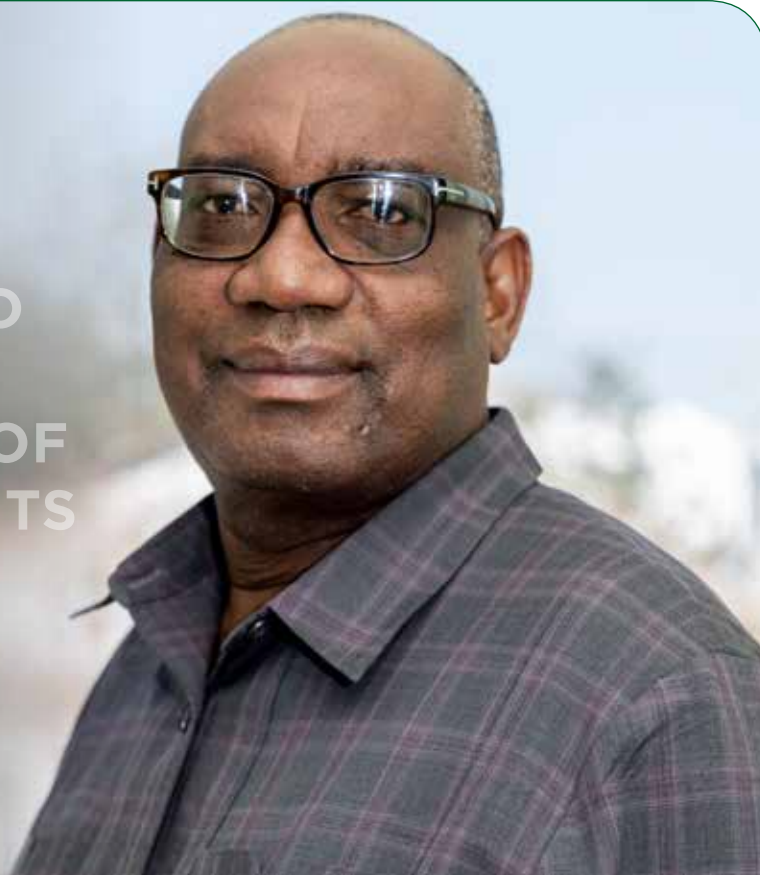
NAM-MIC was created as the business vehicle to pursue business investment opportunities. Other than the initial seed capital, NAM-MIC has been raising all its capital on commercial terms.

Paying dividends to its shareholder is one of the many ways used by NAM-MIC to communicate its financial well-being and that of its investments. The declaration of dividends is a mechanism by which the company advances direct benefits to its shareholder.



CHAIRMAN'S REPORT

"I'M ALSO PROUD TO REPORT THAT TO DATE NAM-MIC HAS PAID TO THE TUNE OF N\$25.1 MILLION TO ITS SHAREHOLDERS AS DIVIDENDS."



Overview

It gives me great pleasure to introduce to you the 2017/18 financial results. Overall total assets increased by 50.48% to N\$547.8 million (2017: N\$364 million) compared to 15.75% (2016: N\$314.5 million) reported during the previous financial year.

The Group's equity stood at N\$525.4 million, which represents an increase of 55.49% (2017: N\$337.9 million) compared to the previous year.

The Group reported revenue of N\$27.6 million representing an 8% (2017: N\$25.5 million) increase from the previous financial period.

I am also proud to report that to date NAM-MIC has paid to the tune of N\$25.1 million to its shareholder as dividends. Included in the amount, is dividend of N\$6.5 million declared for the 2018 financial year paid in 2019.

As a corporate citizen, an amount of N\$250,731 (2017: N\$128,619) was extended to various causes during the financial period in the form of donations and sponsorships. To date the company has invested N\$2,866,124 in corporate social investments.

Outlook

Being a Broad-Based Empowerment group has enabled us to penetrate the competitive unlisted investment space and become an investor and partner of choice in Namibia.

The years 2018/19 will be a crucial turning point for NAM-MIC, as it will be the last two years of the company's five-year Strategic Plan (2015-2019). Certain key priority areas such as affordable housing for sale to members and the general public are currently underway at the Osona village, Okahandja. During the remaining period, we will focus more on member beneficiation through the establishment

of a special purpose vehicle (SPV) for members to participate in the equity of the company.

Appreciation

Many challenges are awaiting us in 2019, and beyond, therefore I urge my fellow Directors to serve our shareholder with utmost diligence and dedication.

Lastly, I would like to extend my appreciation to the Directors, our shareholder, management and staff for their cooperation, collaboration, participation, commitment and hard work during the 2017/18 financial year.

Jacob N Nghifindaka
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT



“OUR INVESTMENTS GREW BY 52% TO N\$524 MILLION (2017: N\$344 MILLION) COMPARED TO 13% (2016: N\$304 MILLION) FOR THE PREVIOUS FINANCIAL YEAR.”

Overview

I am pleased to report that NAM-MIC's investments continued to yield positive results under the prevailing national economic circumstances. This is attributed to the investment culture of the company as enshrined in its vision, mission and values.

How did our investments perform?

Our investments grew by 52% to N\$524 million (2017: N\$344 million) compared to 13% (2016: N\$304 million) for the previous financial year. The significant growth is attributable to NAM-MIC increasing its shareholding in Nam-mic Financial Services Holding from 34.60% to 51.14%. At year-end, our property portfolio was valued at N\$34.1 million (2017: N\$33.6 million) by an Independent Valuator.

NAM-MIC financial performance

Our revenue increased by 8% to N\$27.6 million (2017: N\$25.5 million) compared to an increase of 34% (2016: N\$19 million) for the previous year. Operating expenses increased by 22.4% to N\$9.6 million (2017: N\$7.8 million) compared to an increase of 10.51% (2016: N\$7.1 million) in the previous year. The increase is attributable

to costs such as advertising as part of the brand awareness campaign, provision for bad debts, consultancy and professional services, repair and maintenance of properties.

This resulted in the net profit after tax (NPAT) declining by 3.5% to N\$16.3 million (2017: N\$16.9 million) compared to an increase of 25.98% (2016: N\$13.4 million) for the previous year.

What is our strategic focus and outlook for the coming year?

We remain optimistic about the favourable economic climate that will support business growth and expansion in the coming years.

Our property portfolio experienced less favourable market conditions because of the substantial oversupply in the commercial market, coupled with the economic slowdown.

Through our property subsidiary, Namprop, we have embarked on delivering affordable housing for our members and the general public through the development of general and single residential houses at the Osona Village in Okahandja.

We remain positive and confident that our investments will continue to yield the required returns, despite low economic growth. Furthermore, it is no surprise that low economic growth will increase competition for quality deals, thus drive-up the unlisted asset prices over the medium term.

Acknowledgments

I would like to extend my sincere appreciation to the shareholder, Board and staff for their collaboration, guidance, participation, commitment and hard work during the financial year.

Lastly, I would like to thank all our financiers, investees, business partners and tenants for the incredible sound business relationship maintained during the financial year under review. We are proud of the relationships that exist between our companies and stakeholders.

Joshua Kaitungwa
Chief Executive Officer



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Board of Directors

The Board composition during the period under review consisted of ten (10) directors, including three (3) Independent Non-Executive Directors appointed because of their expertise. In compliance with corporate governance, the Board comprises of four (4) sub-committees, namely the Audit and Investment Committee (AIC), Remuneration Committee (REMCO), Procurement Committee and Corporate Social Investment Committee (CSI).

The Board is collectively accountable to the shareholders for the long-term success of the business and for the overall strategic direction and control of the company. The Boards' responsibilities are:

- Strategy and Management;
- Capital Management;
- Financial Reporting;
- Internal Control; and
- Delegation of Authority

Audit and Investment Committee

The Audit and Investment Committee (AIC) is responsible for the following:

- Reviewing the audited annual financial statements and accounting policies;
- Monitoring the effectiveness of internal controls, assess the risks, consider the findings and recommendations of the auditors;
- Reviewing corporate governance procedures;
- Recommending the appointment of the external auditors and ensure that there is appropriate independence relating to non-audit services such as taxation, technical and accounting;
- Identification of risks and recommendation of mitigating measures;
- Reviewing and recommending group investment policies and procedures;
- Reviewing investment acquisitions and disposal proposals from management; and
- Reviewing and monitoring the performance of existing investment portfolios, including an assessment of the risks related to each investment.

Remuneration Committee

The Remuneration Committee (REMCO) is responsible for:

- Setting up benefits and remuneration such as pension fund schemes and medical aid scheme of all staff,
- Appointment of the management team,
- Setting up performance management and remuneration incentive scheme, and
- Overall human resources and other employment-related matters of the company.

Procurement Committee

The Procurement Committee is responsible for the:

- Evaluation and decision-making process in obtaining the most favourable terms for the acquisition of goods and services required by the company.

Corporate Social Investment Committee (CSI)

The company's Corporate Social Investment (CSI) strategic objective is to sponsor relevant events and activities beneficial to the company and the recipients. The CSI activities help the company gain exposure and awareness.

	Board	Audit & Investment Committee	Remuneration Committee	Procurement Committee	Corporate Social Investment Committee
Jacob Nghifindaka	Chairperson	✓	✓	✓	✓
John Ndeutepo	Vice Chairperson	✓			
Anna Nakale-Kawana (Independent Director)	✓	Chairperson		Chairperson	
Shavuka Mbidhi	✓		✓		
Ismael Kasuto	✓		✓		
Tuhafeni Petrus	✓				
Fredrick Kashimba	✓	✓		✓	
Paulus Situmba	✓		Chairperson		
Damoline Muruko (Independent Director)	✓				
Selma Shaanika (Independent Director)	✓	✓			

The Corporate Social Investment Committee comprises of the Chairperson of the board, and any other two (2) directors – the Chairperson is elected on an ad-hoc basis.

BOARD MEMBERS



JACOB NGHIFINDAKA
Chairperson



JOHN NDEUTEPO
Vice Chairperson



ANNA NAKALE-KAWANA
Independent Director



SHAVUKA MBIDHI
Director



ISMAEL KASUTO
Director



TUHAFENI PETRUS
Director



FREDRICK KASHIMBA
Director



PAULUS SITUMBA
Director



SELMA SHAANIKA
Independent Director

BOARD MEMBERS

100% Subsidiaries



ANDREAS EISEB
Chairperson



BRIAN TJIHERO
Director



DR. HILENI KAPENDA
Director



JOSHUA KAITUNGWA
Director

EKUYA INVESTMENT (PTY) LTD



SACKEY AIPINGE
Chairperson



JOHN SHAETONHONDI
Director



JOSHUA KAITUNGWA
Director

THE TEAM



JOSHUA KAITUNGWA
Chief Executive Officer



JANINE DEALIE
Executive Secretary



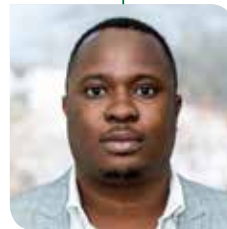
JOSEPH MUNDIA
Manager Investment And Finance



SELMA IININGA
Accountant



ELIA NAILENGE
Business Development Officer



ROBERT KABUNGA
Investment Analyst



SONIA NDJAMBULA
HR & Property Administration Officer



TWAPUNIKWA NDIKWETEPE
Assistant Accountant



LEA KAMBUNGA
Administrative Assistant

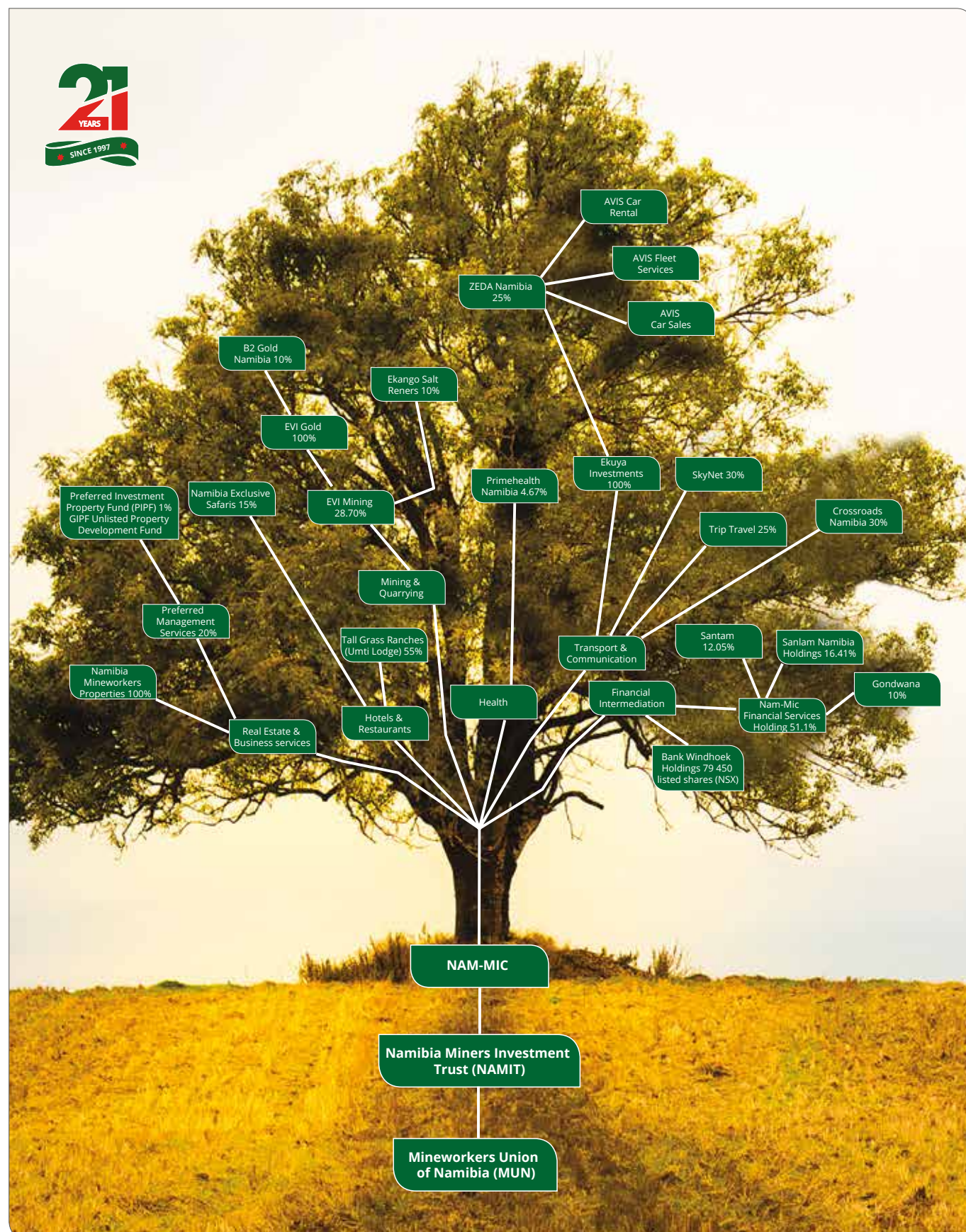


LOVISA IMMANUEL
Cleaner

INVESTMENT PORTFOLIO



The diversity of our investment portfolio ensures that we maximise the return on investment and remain attractive from both an investment and financing perspective. Our portfolio is spread across all the economic sectors –real estate and business services, hotels and restaurants, health, mining and quarrying, travelling, transport and communication and financial intermediation.



Investment Portfolio (continued) ►►►

INVESTMENT PORTFOLIO

Namibia Mineworkers Properties (Pty) Ltd (Namprop), is a wholly-owned subsidiary of NAM-MIC Holdings engaged in property development and management.



Office space

Erf 3713 c/o John Meinert & Hosea Kutako Street Windhoek West



Office space

Erf 3710 office space Adler Street Windhoek West



Residential houses

Construction underway at the Osona Village Okahandja



Office space

Erf 2531 Bach Street Windhoek West

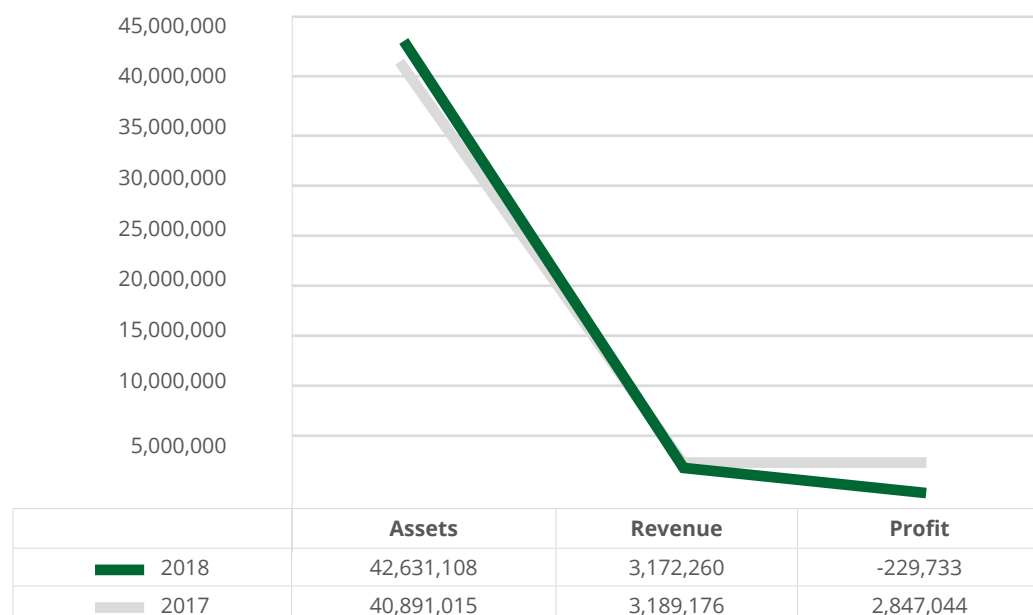


Leased residential houses

Oranjemund

INVESTMENT PORTFOLIO

Financial position/performance

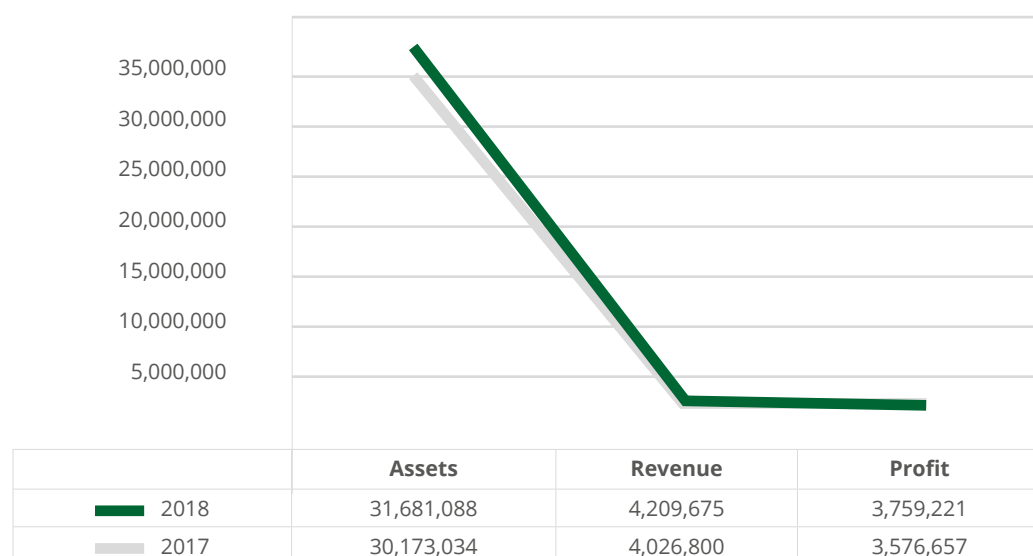


EKUYA INVESTMENT (PTY) LTD



Ekuya, is a wholly-owned subsidiary of NAM-MIC Holdings and has a 25% shareholding in Zeda Namibia. Zeda Namibia owns Avis Rent a Car, Avis Fleet Services, and Avis Car Sales.

Financial position/performance



INVESTMENT PORTFOLIO

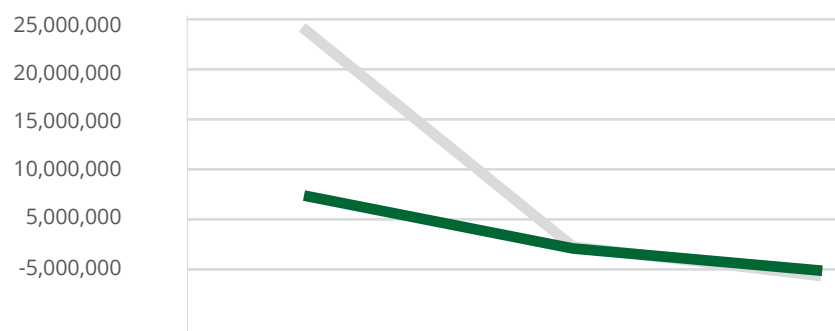
Tall Grass Ranches (Pty) Ltd t/a UMTI Lodge and Conference Centre

UMTI Lodge and Conference Centre is situated 18 km north of Windhoek on the Windhoek – Okahandja highway. NAM-MIC holds 55% shares, and 45% is held by Effort Investment (Pty) Ltd, the business arm of the Namibia Public Workers Union (NAPWU).

Facilities include accommodation, restaurant, bar, camping, swimming pool, and a conference center catering for private and corporate functions.

Due to the recoverability and uncertainty of the loan and investment in Tall Grass Ranches (Pty) Ltd, the auditors made an impairment provision amounting to N\$12,278,325, thus reducing the investment from N\$13,282,500 to N\$1,004,175 (refer to page 20, note 5 of the annual financial statements).

Financial position/performance



	Assets	Revenue	Profit
2018	8,259,564	2,415,297	-80,317
2017	19,370,515	2,509,329	128,312



Nam-mic Financial Services Holdings (Pty) Ltd

Nam-mic Financial Services Holdings (NFSH) is a broad-based black economic empowerment company with interests in the financial sector. NFSH has two wholly-owned subsidiaries, Nam-mic Financial Solutions and Nam-mic Payment Solutions.

NFSH is wholly owned by NUNW affiliated unions, and NAM-MIC Holdings is the largest shareholder with 51.14% shares. NFSH has interests in Sanlam, Santam and Capricorn Group.

Financial position/performance



	Assets	Revenue	Profit
2018	846,419,004	40,224,426	141,672,256
2017	749,471,003	48,224,426	135,254,147

Profit includes income from equity-accounted investments of N\$135,759,998 (2017: N\$133,858,070) and share of comprehensive income of associates of N\$3,686,320 (2017: N\$1,332,650).

INVESTMENT PORTFOLIO

Preferred Management Services (Pty) Ltd

Preferred Management Services (Pty) Ltd (PMS) is involved in property and infrastructure development and project management services. PMS is the Fund Manager of the Preferred Investment Property Fund (PIPF) with funding from the Government Institutions Pension Fund (GIPF) for investment in infrastructure developments.

Beneficiaries:

Principal beneficiaries – GIPF subscribers (civil servants)

Downstream beneficiaries – Local authorities, Property developers, and contractors



Namibia Exclusive Safaris (Pty) Ltd



Namibia Exclusive Safaris (NES) is a tourism business that focuses on promoting conservation, community development through eco-tourism and providing an exclusive wilderness experience to its clientele base. NES holds concessions to operate tourism activities, and to this end, it has signed "Lodge Joint Venture Agreement".

The business is engaged in tourism and hospitality and boasts four exclusive lodges.

SORRIS LODGE

Situated in the well-known Damaraland in the Kunene region, this luxurious establishment offers a panoramic view over the Ugab River and the Brandberg Mountain

OMATENDEKA LODGE

The lodge is located in the Kunene region and is set at the headwaters of the Hoanib River

SHEYA SHUUSHONA LODGE

Sheya Shuushona Lodge is situated outside the Etosha National Park on the northwestern boundary and was awarded a 600 square km private concession inside the park.

KHAUDUM LODGE

The lodge is situated inside the Khaudum National Park covering both the Kavango East and West regions in the far North East Namibia

INVESTMENT PORTFOLIO



EVi Mining Company Ltd

EVi Mining is a consortium of Namibian broad-based black economic empowerment companies with interests in mining and related activities. NAM-MIC is one of the largest shareholders. EVi Mining has shares in B2Gold Namibia through its wholly subsidiary EVi GOLD.

Other investments are in Ekango Salt Refiners (Pty) Ltd and EnviroServWaste Management Namibia (Pty) Ltd.

Primehealth Namibia (Pty) Ltd

Primehealth Namibia is a medical aid fund administrator of the Public Service Medical Aid Scheme (PSEMAS). The fund is administered in association with Methealth Namibia Administrators (Pty) Ltd.



Trip Travel (Pty) Ltd

Trip Travel is a 100% wholly-owned Namibian company offering a wide variety of services which include air tickets, accommodation reservations, car hire, travel insurance, transfers, visas and more.



Crossroads Distribution Namibia (Pty) Ltd

Crossroad Namibia is one of the country's leading road transport operators, catering to a range of blue-chip clients including Total, Puma, Namibia Custom Smelters, Namib Mills and Trentyre.



Skynet Worldwide Express Namibia (Pty) Ltd

Skynet is an international distribution, logistics and e-commerce Solutions Company with a presence in more than 209 countries around the world.

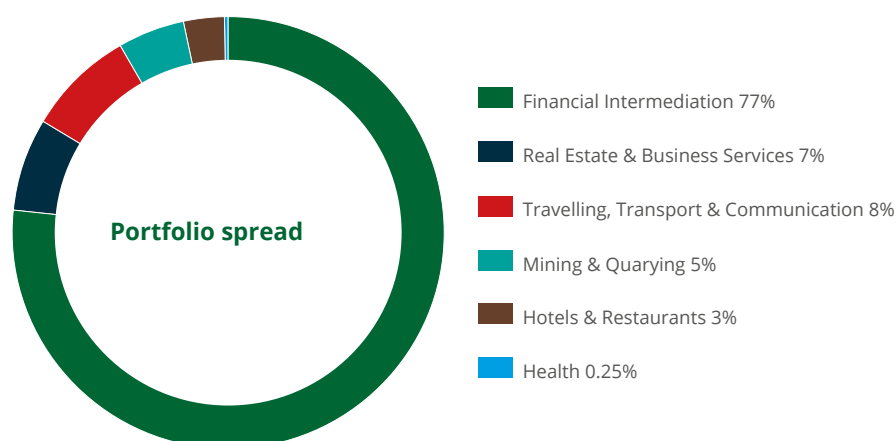
FINANCIAL REVIEW



FINANCIAL REVIEW

As at 31 December 2018, the value of investments stood at N\$524 million compared to N\$ 344 million during the prior year. The portfolio includes interests in the financial, real estate and business services, mining and quarrying, hotels and restaurants, health and travelling, transportation and communication.

Our investment in the financial sector accounts for 77% of our total portfolio. This is attributable to Nam-mic Financial Services Holding's shareholding in Sanlam Namibia and Santam.



Balance sheet analysis

The balance sheet (statement of financial position) reflects what the group owns, owes and the equity that is attributable to shareholders at 31 December 2018.

STATEMENT OF FINANCIAL POSITION as at 31 December 2018

NAM-MIC Holdings (Pty) Ltd			
Consolidated Condensed Statement of Financial Position			
	% Change	2018 N\$	2017 N\$
ASSETS			
Investments	52.21%	524,094,605	344,328,072
Dormant investments	0.00%	3,665	3,665
Property, plant & equipment	-20.89%	207,729	262,583
Current assets	16.83%	20,436,399	17,492,916
Loans to group companies	57.16%	3,141,730	1,999,078
TOTAL ASSETS	105.30%	547,884,128	364,086,314
EQUITY AND LIABILITIES			
Equity	55.49%	525,481,693	337,957,000
Non-current liabilities	-19.33%	17,230,484	21,359,307
Current liabilities	8.43%	5,171,951	4,770,007
TOTAL EQUITY AND LIABILITIES	44.58%	547,884,128	364,086,314

Total assets grew by 105% from N\$364 million to N\$547.8million at group level. **Investments** grew by 52% from N\$ 344 million to N\$524 million. **Current assets** increased by 16.83% from N\$17.4 million to N\$ 20.4 million. Of this amount, N\$6.2 million is attributable to the prepayment on the purchase of the land (no title deed held at the end of the reporting period but land fully paid for) at the Osona Village amounting for the development of affordable housing.

Loans to group companies increased by 57% from N\$1.9 million to N\$3.1 million. **Total liabilities** stood at N\$22.4 million from N\$26.1 million, representing a reduction of 14%. **Equity** stood at N\$525.4 million (2017: N\$337.9 million), representing an increase of 55% due to

FINANCIAL REVIEW

the increase of shareholding in Nam-mic Financial Services Holdings from 34.60% to 51.10%. **Debt-to-Equity ratio** stood at 4.3% compared to 7.7% from the previous financial period.

Income statement analysis

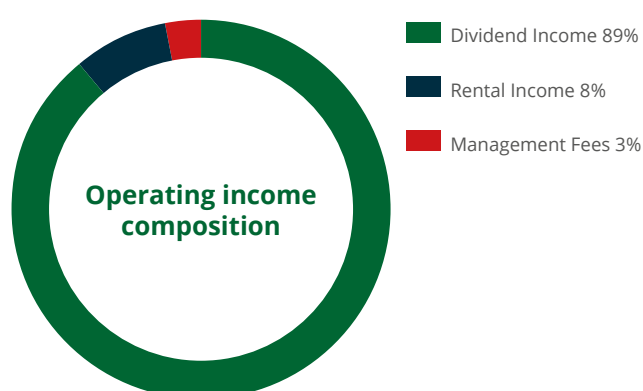
The income statement (statement of comprehensive income) reflects the revenue generated by the group from various sources, as well as the costs incurred in generating those revenues for the year ended 31 December 2018.

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2018

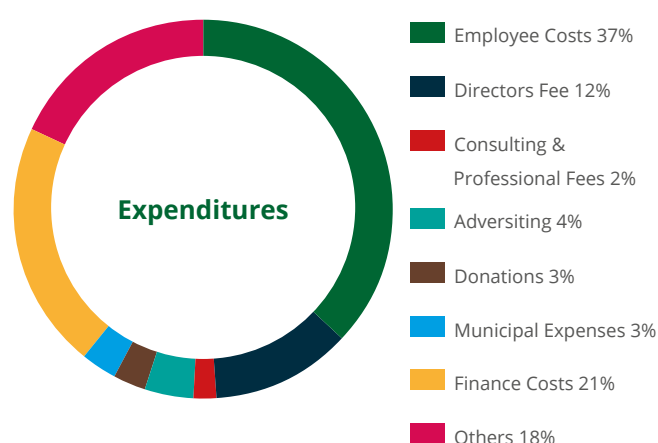
NAM-MIC Holdings (Pty) Ltd			
Consolidated Condensed Statement of Comprehensive Income			
	% Change	2018 N\$	2017 N\$
Revenue			
Operating income	8.04%	27,656,431	25,598,802
Fair value gain on property invest	-66.53%	500,000	1,493,915
Administrative expenditure	22.36%	9,642,665	7,880,782
Operating profit	-3.63%	18,513,766	19,211,935
Investment income	19.44%	490,629	410,766
Finance Costs	-1.09%	2,654,265	2,683,496
Profit for the year	-3.48%	16,350,130	16,939,205

Operating income: Overall, operating income increased by 8% from N\$25.5 million to N\$27.6 million compared to 34% (2016: N\$19,040,944) for the prior financial year. **Dividend income** increased by 6.7% from N\$22.9 million to N\$24.5 million compared to an increase of 38% (2016: N\$16.6 million) for the previous financial year. **Rental income** declined by 3.8% from N\$2.3 million to N\$2.2 million compared to an increase of 38% (2016: N\$1.6 million) for the previous financial year. The 2018 financial year was characterised by a decline in the demand for office rental space due to a slow-down in the economy.

Management fee increased by 244% from N\$231,389 to N\$796,982 compared to an increase of 3.7% (2016: N\$223,128) for the previous financial year. **Interest income** increased by 19% from N\$410,766 to N\$490,629 compared to an increase of 7.7% (2016: N\$455,397) for the previous financial year.



Operating expenses increased by 16% from N\$10.5 million to N\$12.2 million and the major expenditures are employee costs, finance costs, director's emoluments, donations, municipal expenses and consulting and professional fees.



Earnings before Interest Tax Depreciation and Amortisation (EBITDA) increased by 26.50% from N\$19.2 million to N\$18.5 million. However, net profit declined by 25.98% from N\$16.9 million to N\$16.5 million compared to an increase of 26% (2016: N\$13.4 million) for the previous financial year.

CORPORATE SOCIAL INVESTMENT REPORT



NAM★MIC
HOLDINGS (PTY) Ltd
CREATING VALUE. GROWING YOUR FUTURE

+264 61 444 603/0
info@nam-mic.com
www.nam-mic.com
5 Adler Street
Windhoek West
2364, Windhoek, Namibia

CORPORATE SOCIAL INVESTMENT REPORT

The company is committed to its Corporate Social Responsibility – providing financial assistance to the previously disadvantaged communities and uplifting the standards of living of our people.

N\$ 379,350.81.00 IN DONATIONS AND SPONSORSHIPS TO SCHOOLS AND OTHER BODIES

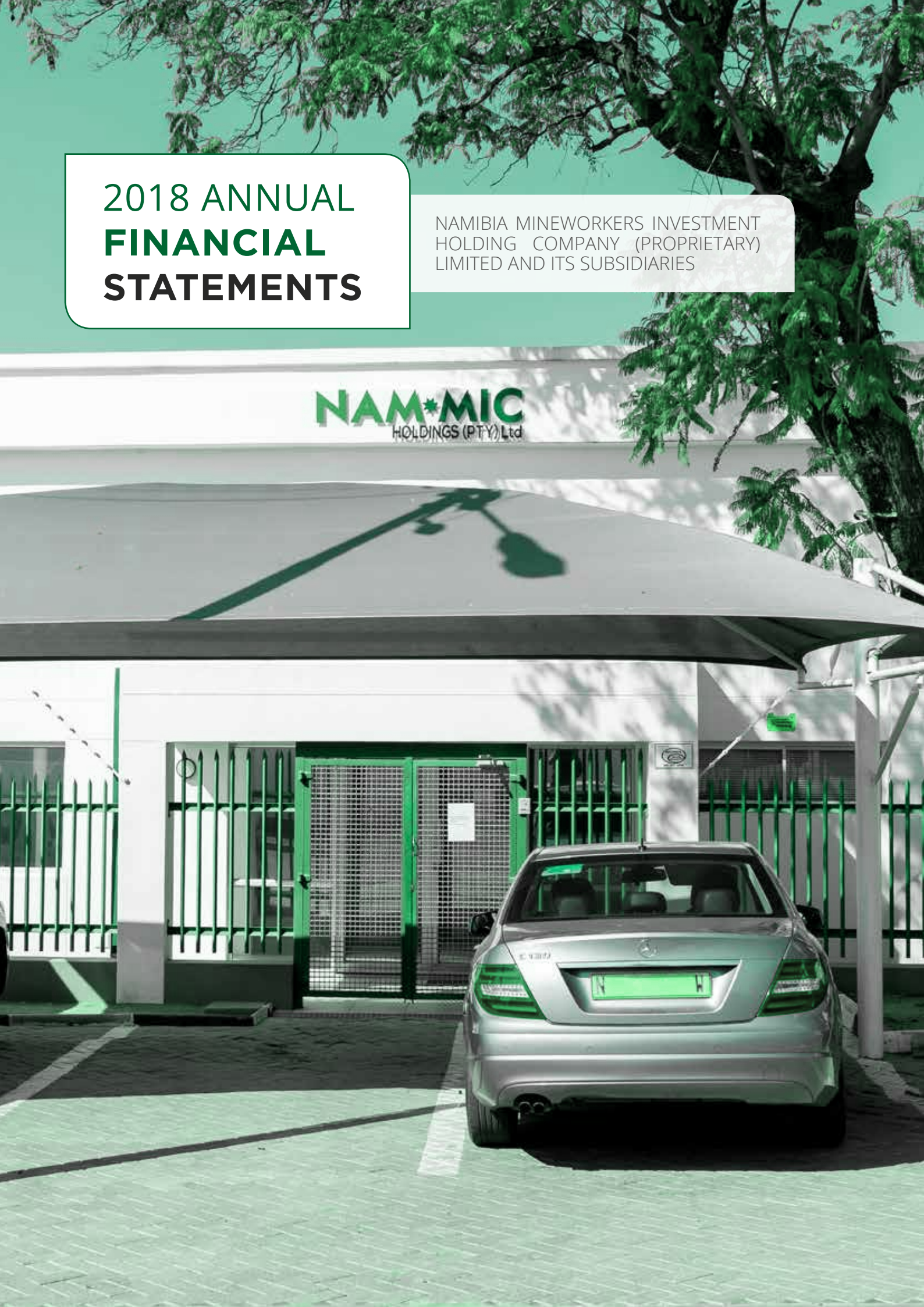
2017 Donations		
Name of Beneficiary	Nature (Description) of Donation	Amount
1. Oukwanyama Traditional Authority (OTA)	Ohamba Mandumeya Ndemufayo Centenary Commemorations	N\$ 10,000.00
2. Mineworkers Union of Namibia (MUN) Central Region	Supply of T-shirts for the May Day celebration in Eenhana	N\$ 30,118.50
3. National Union of Namibia Workers (NUNW)	May Day celebration in Eenhana	N\$ 30,000.00
4. Omatako Expo	Omatako Expo 2017	N\$ 7 500.00
5. Mineworkers Union of Namibia (MUN) Western Region	Supply of blouses for Conference	N\$ 20,000.00
6. Namibians Children's Home	Bank Windhoek Cancer Apple Initiative	N\$ 1 000.00
7. Swapo Gala Dinner	Donation towards the fundraising for the congress	N\$ 20 000.00
8. Sam Nujoma Foundation	Donations towards the construction of the Etunda Primary school	N\$ 10,000.00
Total		N\$ 128,619.00

2018 Donations		
Name of Beneficiary	Nature (Description) of Donation	Amount
1. Mineworkers Union of Namibia (MUN) Head Office	Supply of T-shirts for the May Day celebration in! Khorixas	N\$ 30,360.00
2. Mineworkers Union of Namibia (MUN) Southern Regional	Supply of T-shirts for the Regional Biennial Conference	N\$ 31 280.00
3. National Union of Namibia Workers (NUNW)	May Day celebration	N\$ 20 000.00
4. The Sam Nuyoma Foundation	Donation towards the completion of the Etunda Primary School Dormitory	N\$ 20 000.00
5. Ombandjele Football Club	Annual Tournament for hosting the Official Chief Justice Peter Shivute Floating Trophy	N\$ 10 000.00
6. Khomas Regional Council & City of Windhoek	The National Clean –up Operation	N\$ 3,211.21
7. Otjimuru School Project	Purchase of mattresses. The school is based in Epupa Constituency and is an initiative of Dr. Libertina Amadhila	N\$ 16 000.00
8. Mineworkers Union of Namibia (MUN) Oranjemund	Hosting of social Life After Employment event	N\$ 50 000.00
9. Mineworkers Union of Namibia (MUN) Central Regional	Supply of shirts and jackets for the Regional Biennial Conference	N\$ 40 000.00
10. Oshatotwa Combined School	Education materials	N\$ 9 880.60
11. Mineworkers Union of Namibia (MUN) Northern Regional	Supply of Overall Attires for the Regional Biennial Conference	N\$ 20 000.00
12. Katutura Expo	Payment was towards hiring of a tent	N\$ 20 000.00
Total CSI		N\$ 270,731.81

2018 ANNUAL **FINANCIAL** STATEMENTS

NAMIBIA MINEWORKERS INVESTMENT
HOLDING COMPANY (PROPRIETARY)
LIMITED AND ITS SUBSIDIARIES

NAM*MIC
HOLDINGS (PTY) Ltd



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GENERAL INFORMATION

31 DECEMBER 2018

COUNTRY OF INCORPORATION	Namibia
COMPANY REGISTRATION NUMBER	97/223
NATURE OF BUSINESS	To acquire immovable and moveable property of any nature and kind whatsoever and wheresoever situate, to develop or in any manner deal therewith. To engage in investments and to engage in any other business which may seem directly or indirectly conducive thereto.
DIRECTORS	<p>Anna Caroline Kawana</p> <p>Damoline Muruko (Appointed July 2018)</p> <p>Fredrik Kanghono Kashimba</p> <p>Ismael Kasuto</p> <p>Jacob Nafimane Nghifindaka</p> <p>Johannes Heinne Heita Ndeyanawa Ndeutepo</p> <p>Paulus Situmba</p> <p>Selma Dhiginina Shaanika</p> <p>Shavuka Ligameneni Mbidhi</p> <p>Tuhafeni Nghilifavali Petrus</p>
ALTERNATE DIRECTOR	Sakeus Natangwe Aipinge - Alternate to J N Nghifindaka
SECRETARY	Acsec Professional Services Close Corporation
BUSINESS AND POSTAL ADDRESS	<p>Adler Street</p> <p>P O Box 2364</p> <p>Windhoek</p> <p>10005</p> <p>Namibia</p>
BANKERS	Bank Windhoek Limited
AUDITOR	Grant Thornton Neuhaus

STATEMENT OF RESPONSIBILITIES AND APPROVAL

31 DECEMBER 2018

The directors are required by the Companies Act of Namibia, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company and the group as at 31 December 2018 and the results of its operations and cash flows for the year then ended, in conformity with IFRS for SMEs. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

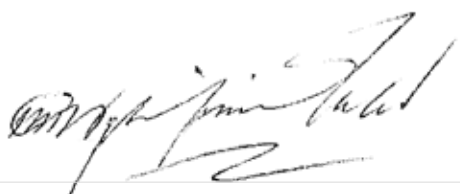
The directors acknowledge that they are ultimately responsible for the system of internal annual financial control established by the company and the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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 company and the group and all employees are required to maintain the highest ethical standards in ensuring the business of the company and the group is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The directors have reviewed the cash-flow forecasts for the year to 31 December 2019 and, in the light of these reviews and the current financial position of the company and the group, they are satisfied that the company and the group have or have access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the annual financial statements of the company and the group. The annual financial statements have been examined by the external auditors of the company and the group and their report is presented on pages 30 to 31.

The annual financial statements, set out on pages 34 to 52, which have been prepared on the going-concern basis, were approved by the directors on 29 June 2019 and are signed on their behalf by:



DIRECTOR



DIRECTOR

INDEPENDENT AUDITOR'S REPORT

31 DECEMBER 2018

Opinion

We have audited the consolidated and separate financial statements of Namibia Mineworkers Investment Holding Company (Proprietary) Limited and its subsidiaries, set out on pages 34 to 52, which comprise the consolidated and separate statements of financial position as at 31 December 2018, and the consolidated and separate statements of profit or loss, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the company and its subsidiaries as at 31 December 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of the Companies Act of Namibia.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company and its subsidiaries in accordance with the independence requirements applicable to performing audits of financial statements in Namibia which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We have fulfilled our other ethical responsibilities in accordance with the ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without further qualifying our opinion, we draw attention to the fact that we did not obtain sufficient appropriate audit evidence, that the work performed by the component auditor for the subsidiaries, Ekuya Investments (Proprietary) Limited and Namibia Mineworkers Properties (Proprietary) Limited, fully complied with IFRS for SMEs, as the financial statements were completed in accordance with Namibian Generally Accepted Accounting Practice - NAC 001: Financial Reporting for Small and Medium-sized Entities. We further draw attention to the fact that the subsidiary, Tall Grass Ranches (Proprietary) Limited was not consolidated as insufficient accounting information as at 31 December 2018 was available at the time of completing the consolidated financial statements.

Other information

The directors are responsible for the other information, which comprises the directors' report as set out on pages 32 to 33.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance or conclusion thereon. In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the ability of the group and the company to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

INDEPENDENT AUDITOR'S REPORT (CONT.)

31 DECEMBER 2018

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of group's and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going-concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group and or the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company and its subsidiaries or business activities of the company and its subsidiaries to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Supplementary information

The supplementary schedule, set out on pages 53 to 54, does not form part of the financial statements and is presented as additional information. We have not audited the schedule and accordingly, we do not express an opinion thereon.



GRANT THORNTON NEUHAUS

Registered Accountants and Auditors

Chartered Accountants (Namibia)

Per: C Crous (Partner)

Windhoek

29 June 2019

REPORT OF THE DIRECTORS

31 DECEMBER 2018

The directors herewith present their annual report, which forms part of the audited annual financial statements of the company and its subsidiaries for the year ended 31 December 2018.

SHARE CAPITAL

The company was incorporated with an authorised share capital of 4 000 000 ordinary par value shares of N\$0,01 each of which all the shares had been issued.

INVESTMENT PROPERTY

The investment property is stated at fair value

PROPERTY, PLANT AND EQUIPMENT

Plant and equipment to the value of N\$45 142 (2017 : N\$69 674) was acquired during the year under review.

STATE OF AFFAIRS AND RESULTS

All matters material to the appreciation of the state of the affairs and results of the company and its subsidiaries are disclosed in the annual financial statements and do not require further comment or explanation.

The results are attributable to the main activities of the company and its subsidiaries

GOING CONCERN

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

DIVIDENDS

The company declared and paid dividends, amounting to N\$5 913 976 (2017 : N\$3 789 177), in respect of the year ended 31 December 2018.

The group declared and paid dividends, amounting to N\$5 913 976 (2017 : N\$3 789 177), in respect of the year ended 31 December 2018.

BOARD OF DIRECTORS

Ms D Muruko was appointed during July 2018 as a director. No changes occurred in the composition of the board and the directors at the end of the financial year and at the date of this report are as stated under General Information on page 2.

SECRETARY

Acsec Professional Services Close Corporation acts as the secretary of the company and its subsidiaries and its postal and business addresses are as follows:

P O Box 24305	129 Hosea Kutako Drive
Windhoek	Windhoek
10005	
Namibia	

REPORT OF THE DIRECTORS (CONT.)

31 DECEMBER 2018

SUBSIDIARIES	Issued share capital and proportion held		Shares at cost	
			2018	2017
	N\$	%	N\$	N\$
Alberts Investments (Proprietary) Limited	100	100	100	100
Ekuya Investments (Proprietary) Limited	100	100	100	100
Namibia Mineworkers Properties (Proprietary) Limited	100	100	100	100
Nam-Mic Financial Services Holdings (Proprietary) Limited	51	51	51	-
Tall Grass Ranches (Proprietary) Limited	55	55	55	55
NAM-MIC Fishing Enterprises (Proprietary) Limited - Formerly				
Zeven Investment Corporation (Proprietary) Limited	100	100	100	100

Alberts Investments (Proprietary) Limited and NAM-MIC Fishing Enterprise (Proprietary) Limited did not trade during the year under review.

EVENTS SUBSEQUENT TO THE YEAR-END

The directors are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in the financial statements, which significantly affects the financial position of the company and its subsidiaries or the results of their operations.

WINDHOEK

29 June 2019

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2018

		GROUP		COMPANY	
	Notes	2018	2017	2018	2017
		N\$	N\$	N\$	N\$
ASSETS					
Non-current assets		527 447 729	346 593 398	521 393 972	338 817 264
Plant and equipment	3	207 729	262 583	192 883	239 139
Investment property	4	34 100 000	33 600 000	-	-
Investments in subsidiaries	5	401 593 056	11 922 219	450 758 650	59 371 960
Loans to group companies	6	3 141 730	1 999 078	13 201 993	9 838 385
Investments in associates	7	82 821 891	293 031 355	52 034 391	263 966 855
Investments in Joint Venture	8	377 268	377 238	-	-
Other financial assets	9	5 206 055	5 400 925	5 206 055	5 400 925
Current assets		20 436 399	17 492 916	12 074 929	7 581 805
Trade and other receivables	10	8 754 614	7 513 076	1 286 757	888 521
Other financial assets		-	2 177 997	-	-
Cash and cash equivalents	11	11 681 785	7 801 843	10 788 172	6 693 284
TOTAL ASSETS		547 884 128	364 086 314	533 468 901	346 399 069
EQUITY AND LIABILITIES					
Equity		525 481 693	337 957 000	525 487 688	335 775 107
Share capital	12	40 000	40 000	40 000	40 000
Revaluation reserve		11 502 674	11 502 674	-	-
Non-distributable reserve		440 273 200	263 184 661	460 065 861	280 806 506
Accumulated profit		73 665 819	63 229 665	65 381 827	54 928 601
Total attributable to owners of parent		525 481 693	337 957 000	525 487 688	335 775 107
Non-controlling interest		-	-	-	-
Non-current liabilities					
Interest-bearing borrowings	13	17 230 484	21 359 307	5 284 947	8 087 945
Current liabilities		5 171 951	4 770 007	2 696 266	2 536 017
Trade and other payables	14	888 497	1 067 180	227 440	207 177
Short-term interest-bearing borrowings	13	3 382 045	2 799 097	2 468 826	2 328 840
Bank overdraft	11	901 409	903 730	-	-
TOTAL EQUITY AND LIABILITIES		547 884 128	364 086 314	533 468 901	346 399 069

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

31 DECEMBER 2018

	Notes	GROUP		COMPANY	
		2018	2017	2018	2017
		N\$	N\$	N\$	N\$
Operating income		27 656 431	25 598 802	25 612 975	22 665 712
Fair value gain on investment property		500 000	1 493 915	-	-
Administrative expenditure		(9 642 665)	(7 880 782)	(9 017 336)	(7 281 150)
Operating profit		18 513 766	19 211 935	16 595 639	15 384 562
Investment income		490 629	410 766	853 686	433 661
Finance costs		(2 654 265)	(2 683 496)	(1 082 123)	(1 033 282)
Profit for the year		16 350 130	16 939 205	16 367 202	14 784 941
Share of loss from Joint Venture	8	-	-	-	-
Profit for the year		16 350 130	16 939 205	16 367 202	14 784 941
Other comprehensive income					
- Fair value gains		177 088 539	39 398 049	179 259 355	39 314 858
		193 438 669	56 337 254	195 626 557	54 099 799
Profit attributable to:					
Owners of the parent company		193 438 669	56 337 254	195 626 557	54 099 799
Non-controlling interest		-	-	-	-
		193 438 669	56 337 254	195 626 557	54 099 799

STATEMENTS OF CHANGES IN EQUITY

31 DECEMBER 2018

	Share capital N\$	Revaluation reserve N\$	Non-distributable reserve N\$	Accumulated profit N\$	Total attributable to owners of the parent company N\$	Non-controlling interest N\$	Total equity N\$
GROUP							
Balance at 31 December 2016	40 000	10 202 674	225 086 612	50 079 637	285 408 923	-	285 408 923
Profit for the year	-	-	-	16 939 205	16 939 205	-	16 939 205
Other comprehensive income		1 300 000	38 098 049	-	39 398 049	-	39 398 049
Dividends	-	-	-	(3 789 177)	(3 789 177)	-	(3 789 177)
Balance at 31 December 2017	40 000	11 502 674	263 184 661	63 229 665	337 957 000	-	337 957 000
Profit for the year	-	-	-	16 350 130	16 350 130	-	16 350 130
Other comprehensive income	-	-	177 088 539	-	177 088 539	-	177 088 539
Dividends	-	-	-	(5 913 976)	(5 913 976)	-	(5 913 976)
Balance at 31 December 2018	40 000	11 502 674	440 273 200	73 665 819	525 481 693	-	525 481 693
COMPANY							
Balance at 31 December 2016	40 000	-	241 491 648	43 932 837	285 464 485	-	285 464 485
Profit for the year	-	-	-	14 784 941	14 784 941	-	14 784 941
Other comprehensive income	-	-	39 314 858	-	39 314 858	-	39 314 858
Dividends	-	-	-	(3 789 177)	(3 789 177)	-	(3 789 177)
Balance at 31 December 2017	40 000	-	280 806 506	54 928 601	335 775 107	-	335 775 107
Profit for the year		-	-	16 367 202	16 367 202	-	16 367 202
Other comprehensive income	-	-	179 259 355	-	179 259 355	-	179 259 355
Dividends	-	-	-	(5 913 976)	(5 913 976)	-	(5 913 976)
Balance at 31 December 2018	40 000	-	460 065 861	65 381 827	525 487 688	-	525 487 688

STATEMENTS OF CASH FLOWS

31 DECEMBER 2018

		GROUP		COMPANY	
	Notes	2018	2017	2018	2017
		N\$	N\$	N\$	N\$
Operating activities					
Cash receipts from customers		26 414 893	18 654 455	25 270 593	22 201 077
Cash paid to suppliers and employees		(9 363 986)	(6 989 067)	(8 905 676)	(7 078 446)
Cash generated from operations	A	17 050 907	11 665 388	16 364 917	15 122 631
Investment income		490 629	434 651	797 832	457 546
Finance charges		(2 654 265)	(2 683 496)	(1 082 123)	(1 033 282)
Net cash inflow from operating activities		14 887 271	9 416 543	16 080 626	14 546 895
Investing activities					
Additions to property, plant and equipment		(45 142)	(95 872)	(45 142)	(69 674)
Movement in loans to group companies		(1 500 015)	(14 151)	(3 363 608)	(6 390 614)
Net cash (outflow) from investing activities		(1 545 157)	(110 023)	(3 408 750)	(6 460 288)
Financing activities					
Interest-bearing borrowings (repaid)		(3 545 875)	(3 596 848)	(2 663 012)	(2 777 127)
Dividends paid		(5 913 976)	(3 789 177)	(5 913 976)	(3 789 177)
Net cash (outflow) from financing activities		(9 459 851)	(7 386 025)	(8 576 988)	(6 566 304)
Net movement in cash and cash equivalents		3 882 263	1 920 495	4 094 888	1 520 303
Change in cash and cash equivalents					
Balance at beginning of the year		6 898 113	4 977 618	6 693 284	5 172 981
Net movement		3 882 263	1 920 495	4 094 888	1 520 303
Balance at end of the year		10 780 376	6 898 113	10 788 172	6 693 284
The balance comprises:					
Cash at bank and on hand		11 681 785	7 801 843	10 788 172	6 693 284
Bank overdraft		(901 409)	(903 730)	-	-
		10 780 376	6 898 113	10 788 172	6 693 284

NOTE A

Reconciliation of profit for the year to cash generated from operations

Profit for the year	16 350 130	16 939 205	16 367 202	14 784 941
Adjusted for:				
• Depreciation	99 996	87 723	91 398	84 566
• Fair value gain on investment property	(500 000)	(1 493 915)	-	-
• Investment income	(490 629)	(434 651)	(797 832)	(457 546)
• Finance costs	2 654 265	2 683 496	1 082 123	1 033 282
Operating profit before working capital changes	18 113 762	17 781 858	16 742 891	15 445 243
Working capital changes:				
• (Increase) in receivables	(1 241 538)	(6 485 811)	(398 236)	(440 750)
• Increase in payables	178 683	369 341	20 262	118 138
Cash generated from operations	17 050 907	11 665 388	16 364 917	15 122 631

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

1. GENERAL INFORMATION

Namibia Mineworkers Investment Holding Company (Proprietary) Limited (NAM-MIC) is a limited company, incorporated in the Republic of Namibia.

The address of its registered office and principal place of business is as stated under General Information on page 28.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements of the company and its subsidiaries for the year ended 31 December 2018 have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act of Namibia. These financial statements are presented in Namibia Dollar, the currency unit of Namibia, which is also the functional currency of the parent company.

The principal accounting policies that have been used in the preparation of these financial statements are summarised below.

2.1. Basis of consolidation

The group financial statements consolidate those of the parent company and all of its subsidiary undertakings. NAM- MIC (Proprietary) Limited obtains and exercises control through ownership of more than half of the voting rights.

Unrealised gains and losses on transactions between group companies are eliminated. When unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment. Amounts reported in financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition or up to the effective date of disposal as applicable.

Non-controlling interests represent the portion of the subsidiary's profit or loss and net assets not held by the group. Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions. Any difference between the consideration exchanged and the amount of the change in the non- controlling interests in subsidiaries is recorded in equity attributable to the owners of the parent.

2.2. Business combinations

The group applies the acquisition method in accounting for business combinations. The consideration transferred by the group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

2.3. Significant accounting judgements, estimates and assumptions

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual outcomes may differ. The estimates considered most significant are discussed below.

- **Asset lives and residual values**

Plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

31 DECEMBER 2018

2.3. Significant accounting judgements, estimates and assumptions (Cont.)

- **Market value of investment property**

The directors revalue the investment property to fair value on a regular basis. General trends in the property market are taken into account and an estate agent is requested to give an indication of the market value.

- **Sources of estimation uncertainty**

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the year-end date that management has assessed as having a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

2.4. Plant and equipment

Items of plant and equipment are carried at acquisition cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight line basis to write down the cost less estimated residual value of plant and equipment other than freehold land. The periods generally applicable are:

• Furniture and fixtures	5 years
• Motor vehicles	5 years
• Office equipment	5 years
• Computer equipment	5 years
• Computer software	3 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually, whether or not the asset is revalued.

Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within 'other income' or 'other expenses'.

2.5. Investment property

Investment property is a property held to earn rentals and for capital appreciation and is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property, will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Subsequent expenditure relating to investment property that has been recognised is added to the carrying amount of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the enterprise. All other subsequent expenditure is expensed in the period in which it is incurred.

- **Fair value**

At year-end, the investment property is stated at fair value. A gain or loss arising from a change in fair value, is included in the profit or loss for the period in which it arises.

2.6. Investments

Investments are accounted for in the separate financial statements of the group at cost, while income is recognised to the extent that it has been received or accrued to the investor.

2.7. Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less any accumulated impairment losses. Any goodwill or fair value adjustment attributable to the company's shares in the subsidiaries are not recognised separately and are included in the amount recognised as investments in subsidiaries.

2.8. Investments in associates

Associates are those entities over which the group is able to exert significant influence but which are neither subsidiaries nor investments in joint ventures. The group has elected to account for these investments at cost less any accumulated impairment losses. There are no published price quotations available for them.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

31 DECEMBER 2018

2.9. Investments in joint ventures

Entities whose economic activities are controlled jointly by the company and other ventures independent of the company (joint ventures), are initially recognised at cost and subsequently accounted for using the equity method.

Changes resulting from the profit or loss generated by the associate are reported within 'Share of profit from equity accounted investments' in profit or loss. These changes include subsequent depreciation, amortisation or impairment of the fair value adjustments of assets and liabilities.

Changes resulting from other comprehensive income of the joint venture or items recognised directly in the equity of the joint venturer are recognised in other comprehensive income or equity of the company as applicable. However, when the company's share of losses in joint ventures equals or exceeds its interest in the joint venture, including any unsecured receivables, the company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the investor resumes recognising its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognised.

Unrealised gains and losses on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment losses from a group perspective.

Amounts reported in the financial statement of joint ventures have been adjusted where necessary to ensure consistency with the accounting policies of the group.

2.10. Impairment testing of plant and equipment and investments in subsidiaries and Joint Venture

For the purpose of assessing impairment, assets are grouped at the lowest level for which there are largely independent cash-inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from the synergies of the related business combination.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in profit or loss for the amount by which the asset or cash-generating units carrying amount exceeds its recoverable amount. Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro-rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently assessed for indications that an impairment loss previously recognised may no longer exist. In that case the previous impairment loss is reversed through profit or loss.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the asset or cash-generating unit's recoverable amount exceeds its carrying amount.

2.11. Financial instruments

Financial assets

- **Loans to subsidiaries and group companies, trade and other receivables and cash and cash equivalents.**

These financial assets are recognised initially at the transaction price. Subsequently, they are measured at amortised cost using the effective interest method, less provision for impairment. Sales are made on normal credit terms and trade receivables do not bear interest. Where there is objective evidence that the carrying amounts of receivables are not recoverable, an impairment loss is recognised in profit or loss.

- **Investments in equity securities, investments in subsidiaries and other investments.**

These financial assets are recognised initially at the transaction price. After initial recognition, investments in equities that are publicly traded or for which the fair value can be measured reliably, are measured at fair value with changes in fair value recognised in profit or loss. Other equity investments are measured at cost less any impairment.

Financial liabilities

- **Borrowings and trade and other payables**

These financial liabilities are recognised initially at the transaction price. After initial recognition, they are measured at amortised cost using the effective interest method. Trade payables are on normal credit terms and do not bear interest.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

31 DECEMBER 2018

2.12. Equity

Share capital represents the nominal value of shares that have been issued.

The non-distributable reserve within equity comprise gains and losses due to the revaluation of investments. Accumulated profit includes all current and prior period retained profits and losses.

Dividend distributions payable to equity shareholders are included in 'other liabilities' when the dividends have been approved in a general meeting prior to the year-end date.

All transactions with owners of the parent are recorded separately within equity.

2.13. Defined contribution plan, short-term employee benefits and termination benefits

The company and its subsidiaries operate a defined contribution plan. The assets are held in a separate trustee-administrated fund. The plan is funded by payments from employees and by the company and its subsidiaries. The contributions from the company and its subsidiaries to the pension plan are charged to the statement of profit or loss in the period to which they relate.

Short-term employee benefits including holiday entitlement are current liabilities included in 'other payables' and are measured at the undiscounted amount the company and its subsidiaries expect to pay as a result of the unused entitlement.

Termination benefits are recognised as an expense when the company and its subsidiaries have announced a detailed formal plan for the termination to the employees affected and are measured at the estimated expenditure required to settle the obligations at the year-end date.

2.14. Revenue

Revenue comprises revenue from management fees, dividend income and rental income.

Revenue is measured by reference to the fair value of consideration received or receivable by the company and its subsidiaries for services rendered, excluding VAT, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the group's different activities has been met. These activity-specific recognition criteria are based on the services rendered to the customer.

- **Management fees**

Revenue from the rendering of services, is recognised when the company and its subsidiaries have transferred to the customer the significant risks and rewards of the services provided. This is generally when the customer has approved the services that have been provided.

- **Dividend income**

Dividend income is recognised at the time the right to receive payment is established.

- **Rental income**

Rental income from operating leases is recognised as incurred in terms of the lease agreement.

2.15. Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

2.16. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

2.17. Interest

Interest income is recognised on an accrual basis using the effective interest method. Interest expense is recognised on the basis of the effective interest method.

2.18. Provisions

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

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

31 DECEMBER 2018

2.19. Rentals payable

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Inflationary adjustments are not straight-lined.

2.20. Operating leases

Leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

2.21. Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership of the leased asset to the subsidiaries of the company. The related asset is then recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental costs, if any. A corresponding amount is recognised as a finance lease liability.

Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the subsidiaries of the company. The corresponding finance lease liability is reduced by lease payments less finance charges, which are expensed as part of finance costs.

The interest element of lease payments is calculated using the effective interest method to represent a constant proportion of the capital balance outstanding and is charged to profit and loss over the period of the lease

2.22. Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to or claims from fiscal authorities relating to current or prior reporting periods that are unpaid at the year-end date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Deferred income tax is calculated on temporary differences between the carrying amounts of assets and liabilities and their tax bases that are expected to increase or reduce taxable profit in the future and on unused tax losses and unused tax credits. Deferred tax is not recognised on the initial recognition of goodwill or on un-remitted earnings of foreign subsidiaries and associates to the extent the investment is essentially permanent in duration.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation provided that they are enacted or substantively enacted at the year-end date, taking into consideration all possible outcomes of a review by the tax authorities.

The carrying amount of deferred tax assets is reviewed at each year-end date and adjusted as necessary to reflect the current assessment of future taxable profit.

Current tax assets and liabilities, or deferred tax assets and liabilities, are offset only when the company has a legally enforceable right to offset the amounts and intends to settle on a net basis or realise the asset and settle the liability simultaneously.

2.23. Value-added tax

Revenues, expenses and assets are recognised net of the amount of value-added tax except:

- where the value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value-added tax included.

The net amount of value-added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

31 DECEMBER 2018

3. PLANT AND EQUIPMENT

	GROUP				
	Furniture and fixtures N\$	Office equipment N\$	Computer equipment N\$	Computer software N\$	Total N\$
Carrying amount at 31 December 2017	169 822	9 595	75 918	7 248	262 583
At cost	367 367	20 847	214 761	33 342	636 317
Accumulated depreciation	(197 545)	(11 252)	(138 843)	(26 094)	(373 734)
Additions	45 142	-	-	-	45 142
Depreciation	(66 640)	(3 387)	(29 495)	(474)	(99 996)
Carrying amount at 31 December 2018	148 324	6 208	46 423	6 774	207 729
At cost	412 509	20 847	214 761	33 342	681 459
Accumulated depreciation	(264 185)	(14 639)	(168 338)	(26 568)	(473 730)
Carrying amount at 31 December 2016	180 567	12 970	48 247	12 650	254 434
At cost	320 905	20 847	165 351	33 342	540 445
Accumulated depreciation	(140 338)	(7 877)	(117 104)	(20 692)	(286 011)
Additions	46 462	-	49 410	-	95 872
Depreciation	(57 207)	(3 375)	(21 739)	(5 402)	(87 723)
Carrying amount at 31 December 2017	169 822	9 595	75 918	7 248	262 583
At cost	367 367	20 847	214 761	33 342	636 317
Accumulated depreciation	(197 545)	(11 252)	(138 843)	(26 094)	(373 734)
	COMPANY				
	Furniture and fixtures N\$	Office equipment N\$	Computer equipment N\$	Computer software N\$	Total N\$
Carrying amount at 31 December 2017	146 379	9 595	75 918	7 247	239 139
At cost	334 286	20 847	214 761	33 342	603 236
Accumulated depreciation	(187 907)	(11 252)	(138 843)	(26 095)	(364 097)
Additions	45 142	-	-	-	45 142
Depreciation	(58 042)	(3 387)	(29 495)	(474)	(91 398)
Carrying amount at 31 December 2018	133 479	6 208	46 423	6 773	192 883
At cost	379 428	20 847	214 761	33 342	648 378
Accumulated depreciation	(245 949)	(14 639)	(168 338)	(26 569)	(455 495)
Carrying amount at 31 December 2016	180 165	12 970	48 247	12 650	254 032
At cost	314 022	20 847	165 351	33 342	533 562
Accumulated depreciation	(133 857)	(7 877)	(117 104)	(20 692)	(279 530)
Additions	20 264	-	49 410	-	69 674
Depreciation	(54 050)	(3 375)	(21 739)	(5 403)	(84 567)
Carrying amount at 31 December 2017	146 379	9 595	75 918	7 247	239 139
At cost	334 286	20 847	214 761	33 342	603 236
Accumulated depreciation	(187 907)	(11 252)	(138 843)	(26 095)	(364 097)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

31 DECEMBER 2018

	GROUP		COMPANY	
	2018	2017	2018	2017
	N\$	N\$	N\$	N\$

4. INVESTMENT PROPERTY

Carried at fair value through profit or loss

Opening carrying amount	33 600 000	30 806 085	-	-
Net gain from fair value adjustments	500 000	2 793 915	-	-
Closing carrying amount	34 100 000	33 600 000	-	-

The effective date of the valuations was Wednesday, 30 January 2019. Revaluations were performed by an independent valuer, Mr D Hite of The Trust & Estate Co (Pty) Ltd. This entity is not connected to Namibia Mineworkers Properties (Pty) Ltd and have recent experience in the location and category of the investment property being valued.

5. INVESTMENTS IN SUBSIDIARIES

Tall Grass Ranches (Pty) Ltd	13 282 500	11 922 019	13 282 500	11 918 120
Less: Provision for impairment	(12 278 325)	-	(12 278 325)	-
Investment in Tall Grass Ranches (Pty) Ltd	1 004 175	11 922 019	1 004 175	11 918 120
Namibia Mineworkers Properties (Pty) Ltd	-	-	17 511 840	17 282 107
NAM-MIC Fishing Enterprise (Pty) Ltd	100	100	100	100
Alberts Investments (Pty) Ltd	100	100	100	100
Ekuya Investments (Pty) Ltd	-	-	31 653 754	30 171 533
Nam-Mic Financial Services Holdings (Pty) Ltd	400 588 681	-	400 588 681	-
Present value of investments	401 593 056	11 922 219	450 758 650	59 371 960

As Tall Grass Ranches (Pty) Ltd did not have audited financial statements available for the year ended 31 December 2018, it was not consolidated. NAM-MIC Fishing Enterprise (Pty) Ltd and Alberts Investments (Pty) Ltd are dormant entities. No financial information could be obtained, therefore, these subsidiaries were not consolidated.

The investment in Tall Grass Ranches (Pty) Ltd is based on the value of buildings. A provision for impairment, amounting to N\$12 278 325 (2017 : N\$ Nil), has been recorded and recognised under other comprehensive income, during the year under review.

The investment in Nam-Mic Financial Services Holdings (Pty) Ltd has been ceded to Bank Windhoek Limited in favour of the loans as stated in note 13. [A board resolution is in place with Labour Investment Holdings (Pty) Ltd to purchase a 1% shareholding in Nam-Mic Financial Services Holdings (Pty) Ltd, once it has funding in place].

6. LOANS TO GROUP COMPANIES

Long-term loans to subsidiaries	3 141 428	1 981 546	13 201 691	9 820 853
Namibia Mineworkers Properties (Pty) Ltd	-	-	1 979 388	1 537 686
Namibia Mineworkers Properties (Pty) Ltd (Osona)	-	-	8 080 875	6 301 621
Desert Engineering Services (Pty) Ltd	9 603	-	9 603	-
Tall Grass Ranches (Pty) Ltd	3 131 825	1 981 546	3 131 825	1 981 546

Interest of N\$5% per annum has been charged on the above loans.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

31 DECEMBER 2018

	GROUP		COMPANY	
	2018	2017	2018	2017
	N\$	N\$	N\$	N\$
6. LOANS TO GROUP COMPANIES (CONT.)				
Long-term loan to associate				
E V I Mining Company Limited	302	17 532	302	17 532
No interest has been charged on the above loan.				
Total loans receivable	3 141 730	1 999 078	13 201 993	9 838 385

These loans were granted in terms of Section 234(4)(a) of the Companies Act of Namibia.

7. INVESTMENTS IN ASSOCIATES

Crossroads Distributions (Pty) Ltd	8 618 075	7 929 115	8 618 075	7 929 115
Desert Engineering Services (Pty) Ltd	1 333	1 333	1 333	1 333
E V I Mining Company Limited	27 775 820	251 494	27 775 820	251 494
Namhealth Holdings (Pty) Ltd	22	22	22	22
Namibia Exclusive Safaris (Pty) Ltd	15 000 000	15 000 000	15 000 000	15 000 000
Nam-Mic Financial Services Holdings (Pty) Ltd	-	238 636 209	-	238 636 209
Preferred Management Services (Pty) Ltd	638 841	1 634 368	638 841	1 634 368
Skynet Worldwide Express Namibia (Pty) Ltd	300	514 314	300	514 314
Zeda Namibia (Pty) Ltd	30 787 500	29 064 500	-	-
Total	82 821 891	293 031 355	52 034 391	263 966 855

The investment in Namibia Exclusive Safaris (Pty) Ltd is stated at cost.

8. INVESTMENT IN JOINT VENTURE

The company has a 30% interest in the Oranjemund Housing Project.

Cost of investment	30	30	-	-
Loan to Joint Venture	377 238	377 238	-	-
Investment at carrying value	377 268	377 268	-	-

Investment in jointly controlled entities are accounted for at cost less impairment.

9. OTHER FINANCIAL ASSETS

Investments and shares

At fair value

• Shares in Bank Windhoek Ltd	1 231 475	1 430 100	1 231 475	1 430 100
• Investment in Trip (Pty) Ltd	2 658 734	2 744 225	2 658 734	2 744 225
• Primehealth Namibia (Pty) Ltd	1 312 181	1 222 935	1 312 181	1 222 935

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

31 DECEMBER 2018

	GROUP		COMPANY	
	2018	2017	2018	2017
	N\$	N\$	N\$	N\$
9. OTHER FINANCIAL ASSETS (CONT.)				
Investments and shares				
At cost				
• Karas Mineral Holdings (Pty) Ltd	2 615	2 615	2 615	2 615
• Tuyeni Transport Services (Pty) Ltd	10	10	10	10
• Nangua Ventures (Pty) Ltd	200	200	200	200
• Namibia Tech Engineering (Pty) Ltd	240	240	240	240
• Okakoverua Coast Diamonds (Pty) Ltd	600	600	600	600
Total	5 206 055	5 400 925	5 206 055	5 400 925

The company holds 30% interest in Trip Investment Holdings (Pty) Ltd, which holds 40% shares in Trip (Pty) Ltd. NAM- MIC Holdings (Pty) Ltd therefore has a 12% interest in Trip (Pty) Ltd.

10. TRADE AND OTHER RECEIVABLES

Trade debtors	217 052	735 136	707 624	422 779
Less: Provision for doubtful debts	(18 851)	-	(18 851)	-
Net trade debtors	198 201	735 136	688 773	422 779
Prepayments: Osona Village	7 696 480	6 248 400	-	-
Deposits	65 896	65 896	65 896	65 896
VAT control account	794 037	453 799	532 088	390 001
Sundry debtors	-	9 845	-	9 845
Total receivables	8 754 614	7 513 076	1 286 757	888 521

The group recognised an impairment loss of N\$18 851 on trade debtors from customers experiencing financial difficulties who were in default of payments.

11. CASH AND CASH EQUIVALENTS AND BANK OVERDRAFT

Cash and cash equivalents include the following components:

Cash at bank

• Current account	3 285 630	2 243 620	2 392 042	1 135 086
• Notice deposit account	71 802	69 509	71 802	69 509
• Corporate Fund account	8 324 212	5 488 562	8 324 212	5 488 562

Cash on hand

• Petty cash and deposits received	141	152	116	127
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Total	11 681 785	7 801 843	10 788 172	6 693 284
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Cash at bank earns interest at floating rates based on daily bank deposit rates.

Bank overdraft comprises:

Overdraft account	901 409	903 730	-	-
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The banking facility is secured as stated in note 24 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

31 DECEMBER 2018

	GROUP		COMPANY	
	2018	2017	2018	2017
	N\$	N\$	N\$	N\$

12. SHARE CAPITAL

The share capital consists only of fully paid ordinary shares with a par value of N\$0,01. All ordinary shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meetings of the company and its subsidiaries.

4 000 000 Shares authorised and issued	40 000	40 000	40 000	40 000
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13. INTEREST-BEARING BORROWINGS

Bank Windhoek Limited

• Funding account				
The loan bears interest at prime rate and is repayable within nine years.	1 139 118	2 049 898	1 139 118	2 049 898
• Namibia Mineworkers Properties (Pty) Ltd				
The loan bears interest at prime plus 1% and is repayable in instalments of N\$38 148 as per agreement.	3 487 555	3 693 844	-	-
• Namibia Mineworkers Properties (Pty) Ltd				
The loan bears interest at prime plus 0,5% and is repayable over 180 months.	3 013 362	3 137 445	-	-
• Select Properties (Pty) Ltd				
The loan bears interest at prime lending rate and is repayable in 180 equal instalments of N\$69 039.	4 073 199	4 460 810	-	-
• Namibia Mineworkers Properties (Pty) Ltd				
The loan bears interest at prime plus 1% and is repayable in 120 months.	2 284 640	2 449 520	-	-
• NES CL-40000047908				
The loan bears interest at prime rate and instalments are to be effected semi-annually and is repayable within five years.	6 614 655	8 366 887	6 614 655	8 366 887
	20 612 529	24 158 404	7 753 773	10 416 785
Less: Portion repayable within 12 months	(3 382 045)	(2 799 097)	(2 468 826)	(2 328 840)
Total interest-bearing borrowings	17 230 484	21 359 307	5 284 947	8 087 945

14. TRADE AND OTHER PAYABLES

Trade payables	283 082	269 679	227 440	207 177
Other payables	379 030	172 374	-	-
Deposits	226 385	274 629	-	-
Advance from Mineworkers Union of Namibia	-	350 498	-	-
Total payables	888 497	1 067 180	227 440	207 177

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

31 DECEMBER 2018

	GROUP		COMPANY	
	2018	2017	2018	2017
	N\$	N\$	N\$	N\$

15. FINANCIAL ASSETS AND LIABILITIES

Financial assets

Measured at amortised cost less any impairment:

• Other financial assets	3 665	3 665	3 665	3 665
• Investments in subsidiaries	200	200	200	200
• Loans to group companies	3 141 730	1 999 078	13 201 993	9 838 385
• Investments in associates	1 355	1 355	1 655	1 355
• Trade and other receivables	8 754 614	7 513 076	1 286 757	888 521
• Cash and cash equivalents	11 681 785	7 801 843	10 788 172	6 693 284

Measured at fair value through other comprehensive income:

• Investments in subsidiaries	401 593 056	11 922 219	450 758 450	59 371 760
• Investments in associates	82 820 536	293 030 000	52 032 736	263 965 500
• Other financial assets	5 202 390	5 397 260	5 202 390	5 397 260

Total financial assets	513 199 331	327 668 696	533 276 018	346 159 930
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Financial liabilities

Measured at amortised cost:

• Interest-bearing borrowings	20 612 529	24 158 404	7 753 773	10 416 785
• Trade and other payables	888 497	1 067 180	227 440	207 177
• Bank overdraft	901 409	903 730	-	-

Total financial liabilities	22 402 435	26 129 314	7 981 213	10 623 962
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16. OPERATING INCOME

Management fees	796 982	231 389	1 209 507	634 133
Dividend income	24 546 093	22 997 567	24 403 468	22 007 694
Rent received	2 257 502	2 345 961	-	-
	27 600 577	25 574 917	25 612 975	22 641 827

17. OPERATING PROFIT

The operating profit is stated after taking into account the following:

Expenditure

Auditor's remuneration	127 721	146 437	85 220	81 008
Consulting and professional fees	287 027	144 087	287 027	134 815
Depreciation	99 996	87 723	91 398	84 566
Employee costs	4 545 238	3 936 165	4 545 238	3 936 165
Lease rentals on property	-	-	866 677	805 537

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

31 DECEMBER 2018

	GROUP		COMPANY	
	2018	2017	2018	2017
	N\$	N\$	N\$	N\$
18. INVESTMENT INCOME AND FINANCE COSTS				
Investment income				
Interest received from group loans	108 520	-	530 854	-
Interest received on bank accounts	382 109	386 881	266 978	433 661
Other interest received	-	23 885	-	23 885
Investment income	490 629	410 766	797 832	457 546
Finance costs				
Bank loans	2 654 265	2 683 496	1 082 123	1 033 282
19. DIRECTORS' EMOLUMENTS				
Non-executive directors				
Fees for services and special services	1 498 462	1 477 683	1 175 570	1 162 243
20. TAXATION				
Calculated tax loss	34 933 197	36 199 999	34 933 197	36 199 999

No provision for current taxation has been made as no such liability is anticipated. The utilisation of the calculated tax loss is dependent on the group earning sufficient future taxable income

21. DEFINED CONTRIBUTION PLAN

The group continues to contribute to the Namflex Pension Fund - Mineworkers Union of Namibia, which is a defined contribution plan. These funds are registered under and governed by the Pension Funds Act, 1956 as amended. All eligible employees are members of the fund. The fund provides death, disability and retirement benefits. The employer and the members of the fund contribute between 5% and 7,5% of the pensionable salaries of the members. The group contributes a further 2,64% of pensionable salaries for life insurance and disability benefits

The assets of these schemes are held in administered trust funds separated from the group's assets. The group has no exposure to any post retirement medical obligations.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

31 DECEMBER 2018

22. RELATED PARTY TRANSACTIONS

22.1. Related party relationships

Related party relationships exist between the company and its subsidiaries, its previous joint venture and key management personnel. The key management personnel of the company are the members of the board of directors and the company management team. All transactions with related parties occurred under terms no less favourable than those arranged with third parties and none of the transaction incorporate special terms and conditions.

The following information relates to the financial interest of the company in its subsidiaries:

	Total issued ordinary shares		Company's proportion	
	2018	2017	2018	2017
Alberts Investments (Pty) Ltd	100	100	100%	100%
Ekuya Investments (Pty) Ltd	100	100	100%	100%
Namibia Mineworkers Properties (Pty) Ltd	100	100	100%	100%
Nam-Mic Financial Services Holdings (Pty) Ltd	51	-	51%	-
NAM-MIC Fishing Enterprise (Pty) Ltd	100	100	100%	100%
Tall Grass Ranches (Pty) Ltd	55	55	55%	55%

	Shares at cost N\$	Loans (from)/to subsidiaries		Company's share of profit/(loss)	
		2018 N\$	2017 N\$	2018 N\$	2017 N\$
Alberts Investments (Pty) Ltd	100	-	-	-	-
Ekuya Investments (Pty) Ltd	100	-	-	3 753 195	3 576 657
Namibia Mineworkers Properties (Pty) Ltd	4 000	10 060 263	7 839 307	229 733	2 847 044
Nam-Mic Financial Services Holdings (Pty) Ltd	3 479 618	-	-	-	-
NAM-MIC Fishing Enterprise (Pty) Ltd	100	-	-	-	-
Tall Grass Ranches (Pty) Ltd	-	-	3 131 825	1 981 546	-

Nature of business:

Alberts Investments (Pty) Ltd

- Dormant investment company.

Ekuya Investments (Pty) Ltd

- Investment in various sectors

Namibia Mineworkers Properties (Pty) Ltd

- To do general business in property market as well as rental and wholesale, leisure and entertainment centres including investment as a holding company and related activities.

Nam-Mic Financial Services Holdings (Pty) Ltd

- Holding company, investment and financial services

Tall Grass Ranches (Pty) Ltd

- Lodge operating company, trading as Umti Lodge.

NAM-MIC Fishing Enterprise (Pty) Ltd

- Dormant fishing company.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

31 DECEMBER 2018

	GROUP		COMPANY	
	2018	2017	2018	2017
	N\$	N\$	N\$	N\$

22. RELATED PARTY TRANSACTIONS (CONT.)

22.2. Non-current aggregate amounts receivable from subsidiaries

Namibia Mineworkers Properties (Pty) Ltd	-	-	1 979 388	1 537 686
Namibia Mineworkers Properties (Pty) Ltd (Osona)	-	-	8 080 875	6 301 621
Desert Engineering Services (Pty) Ltd	9 603	-	9 603	-
Tall Grass Ranches (Pty) Ltd	3 131 825	1 981 546	3 131 825	1 981 546
EVI Mining Company Limited	302	17 532	302	17 532

22.3. Current aggregate amounts receivable from subsidiaries and associates

Tall Grass Ranches (Pty) Ltd	41 601	-	41 601	-
Namibia Mineworkers Properties (Pty) Ltd (Osona)	637 782	-	637 782	-
EVI Mining Company Limited	48 514	-	48 514	-
Ekuya Investments (Pty) Ltd	33 361	-	33 361	-

22.4. Current aggregate amount payable to associate

Skynet Worldwide Express Namibia (Pty) Ltd	3 213	-	3 213	-
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22.5. Transactions with key management personnel

The key management personnel of the company are the members of the board of directors and the company management team. Remuneration paid to key management is as follows:

Emoluments to non-executives	1 498 462	1 477 683	1 175 570	1 162 243
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23. CONTINGENT LIABILITIES

Operating lease commitments as lessee

The company leases property under an operating lease.

The operating lease does not contain any contingent rent clauses or any renewal or purchase options. The lease contains an escalation clause such that lease payments will increase annually in line with the general inflation index in Namibia. Lease payments recognised as an expense during the year amounted to N\$866 877.

24. COMMITMENTS

Company facilities

The company has a direct short-term facility in the amount of N\$1 139 118 with Bank Windhoek Ltd, which is secured by the investment in Nam-Mic Financial Services Holdings (Pty) Ltd (see note 3).

Group suretyships

The group has signed suretyships for its associates and subsidiaries in favour of Bank Windhoek Ltd and Nedbank Namibia Ltd.

Select Properties (Pty) Ltd

- Unlimited suretyship for first and second continuing mortgage bonds over Erf No. 3713, Windhoek.

Namibia Mineworkers Properties (Pty) Ltd

- Limited suretyship of N\$8 900 000 for first and second covering mortgage bond over Erf No. 3710, Windhoek.
- Limited suretyship of N\$2 650 000 for first covering mortgage bond over Erf No. 2531, Windhoek.

Ekuya Investments (Pty) Ltd

- Limited suretyship of N\$37 500 000 in favour of Nedbank Namibia Ltd for loan advanced to Zelda Namibia (Pty) Ltd.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

31 DECEMBER 2018

25. TRANSITION TO IFRS for SMEs

These are the first financial statements prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs). Previously, they were prepared in accordance with Namibian Generally Accepted Accounting Practice - NAC 001: Financial Reporting for Small and Medium-sized Entities. The company and its subsidiaries have prepared the opening statements of financial position at the date of transition to IFRS for SMEs, which is 1 January 2017.

There were no significant effects on total equity, profit and cash-flows during the transition to IFRS for SMEs.

NAMIBIA MINEWORKERS INVESTMENT HOLDING COMPANY (PROPRIETARY) LIMITED AND ITS SUBSIDIARIES

ADDITIONAL INFORMATION | DETAILED STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2018

	GROUP		COMPANY	
	2018	2017	2018	2017
	N\$	N\$	N\$	N\$
INCOME	28 647 060	27 503 483	26 466 661	23 099 373
Management fees	796 982	231 389	1 209 507	634 133
Dividend income	24 546 093	22 997 567	24 403 468	22 007 694
Rent received	2 257 502	2 345 961	-	-
Fair value gain on investment property	500 000	1 493 915	-	-
Interest received	490 629	410 766	797 832	433 661
Other interest	-	23 885	-	23 885
Sundry income	55 854	-	55 854	-
EXPENDITURE	(12 296 930)	(10 564 278)	(10 099 459)	(8 314 432)
Accommodation	43 309	-	43 309	-
Accounting fees	24 771	-	1 771	-
Advertising	449 244	151 160	449 244	151 160
Auditor's remuneration	127 721	146 437	85 220	81 008
Bad debts provision	178 234	-	-	-
Bank charges	56 206	19 964	42 644	10 288
Cleaning	82 299	92 111	-	-
Commission paid	7 000	68 644	-	-
Consulting and professional fees	287 027	144 087	287 027	134 815
Depreciation	99 996	87 723	91 398	84 566
Directors' emoluments	1 498 462	1 477 683	1 175 570	1 162 243
Donations	328 582	128 619	305 582	118 619
Employee costs	4 545 238	3 936 165	4 545 238	3 936 165
Entertainment	107 407	96 123	102 557	94 912
Fines and penalties	-	25 911	-	-
General expenses	16 577	26 012	16 577	3 500
Insurance	76 445	78 377	76 445	78 377
Insurance - Escrow	34 990	30 712	-	-
Interest paid	2 654 265	2 683 496	1 082 123	1 033 282
Lease rentals on property	-	-	866 677	805 537
Legal fees	19 501	20 000	-	20 000
Management fees	23 950	-	-	-
Meeting expenses	109 059	64 252	94 803	59 156

ADDITIONAL INFORMATION | DETAILED STATEMENTS OF PROFIT OR LOSS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2018

	GROUP		COMPANY	
	2018 N\$	2017 N\$	2018 N\$	2017 N\$
EXPENDITURE (CONT.)				
Municipal expenses	365 837	322 783	-	-
Postage	4 304	-	4 304	-
Printing and stationery	141 491	109 049	141 491	109 049
Repairs and maintenance - Equipment	129 175	4 637	34 309	4 637
Repairs and maintenance - Other	97 330	246 790	97 330	100 654
Secretarial fees	21 106	12 119	16 778	6 091
Security	198 738	218 647	-	-
Staff welfare	32 048	35 580	32 048	35 580
Subscriptions	13 336	10 704	13 336	10 704
Sundry expenses	14 347	15 266	14 347	15 266
Telephone and fax	82 314	93 369	82 314	93 369
Training	68 305	21 800	68 305	21 800
Travelling	346 316	154 687	328 712	136 176
Valuation fees	12 000	33 893	-	-
Workshop facilitation	-	7 478	-	7 478
PROFIT for the year before taxation	16 350 130	16 939 205	16 367 202	14 784 941

NOTES

ANNUAL REPORT 2017 2018

P.O Box 2364, Windhoek, Namibia

Tel: +264 61 444 600

info@nam-mic.com.na

www.nam-mic.com.na

