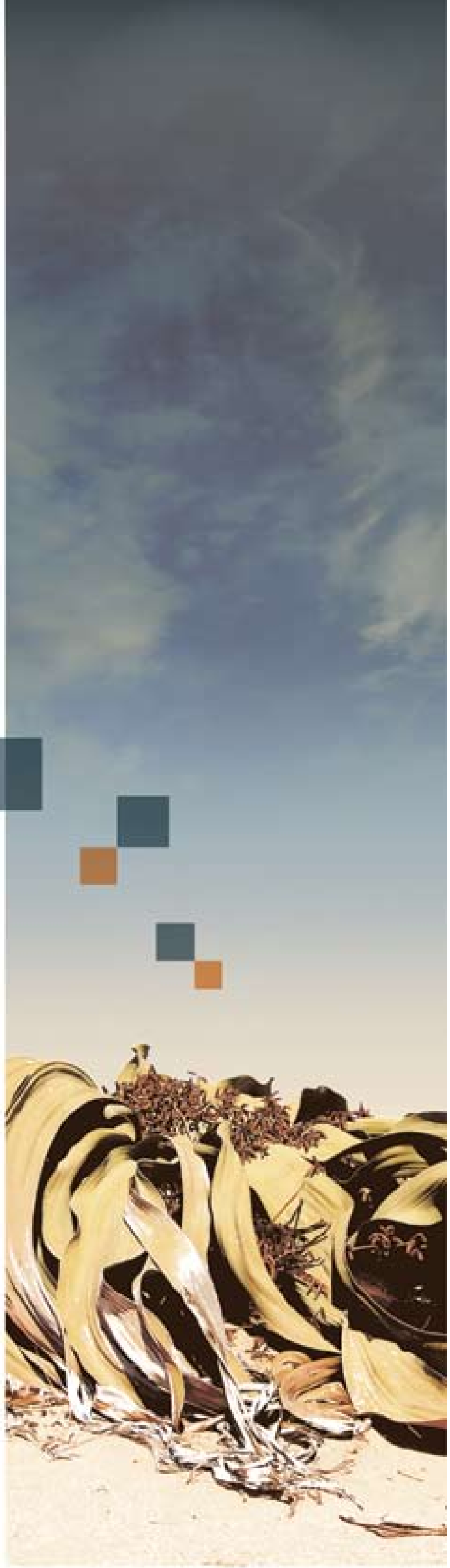


NAMIBIA ASSET MANAGEMENT
LIMITED

ANNUAL REPORT 2008

Extremely specialised, rare and unique, Onyanga (Welwitschia Mirabilis) has the uncanny ability to keep on growing despite the best and the worst Mother Nature can throw at her. Outsurviving anything and everything. Year after year, after year...

To guard and to grow

the wealth of the

Namibian people

entrusted to us

CONTENTS

NAMIBIA ASSET MANAGEMENT
LIMITED

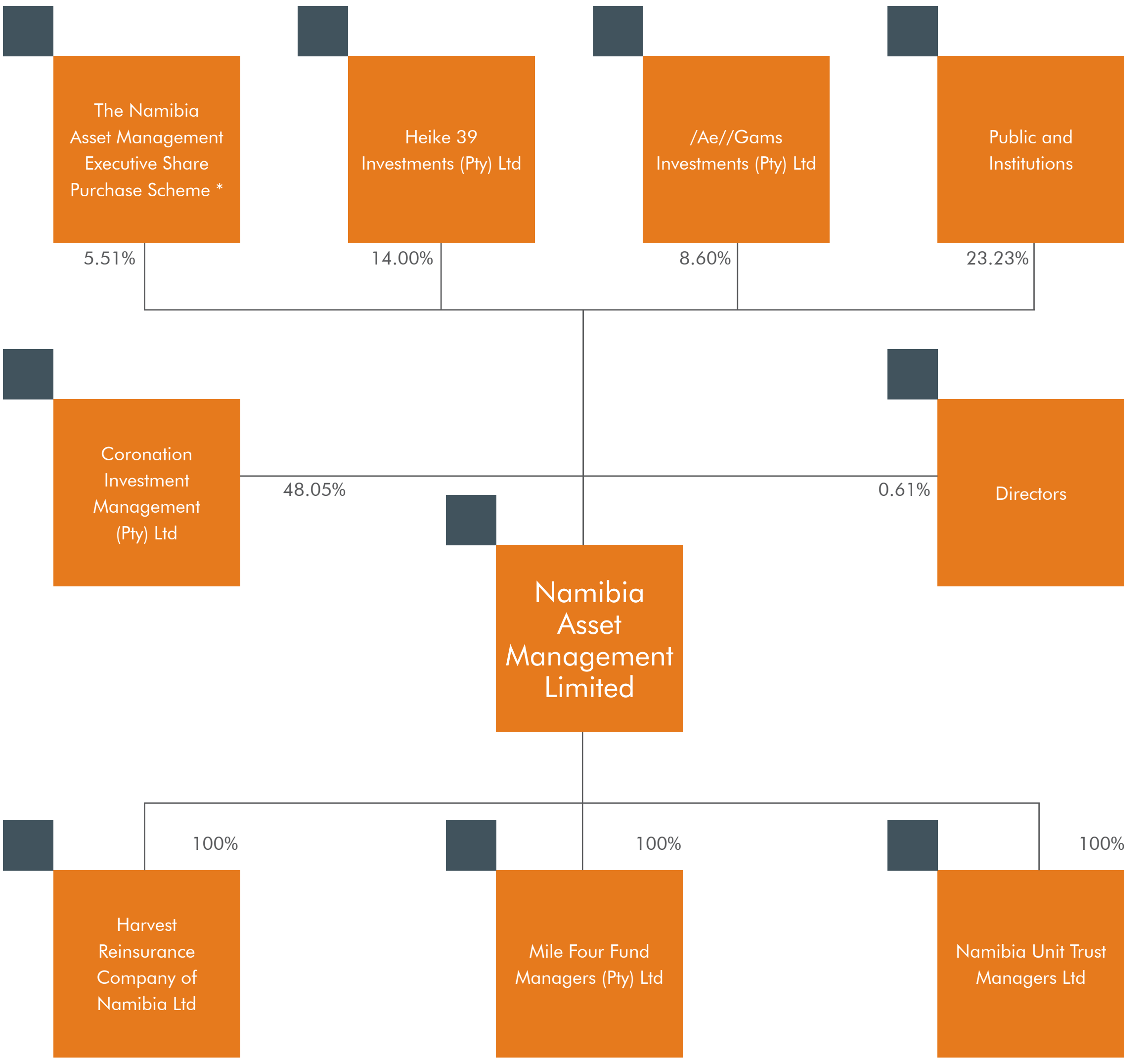
FINANCIAL HIGHLIGHTS

For the year ended 30 September 2008

	% Increase / (Decrease)	Group 2008 N$	Group 2007 N$
SALIENT FINANCIAL HIGHLIGHTS			
N$ unless otherwise indicated			
Revenue	(1.5)	26,917,527	27,329,181
Other income	340.6	2,089,515	474,192
Net finance income	58.6	1,291,423	814,225
Profit before taxation	51.8	11,819,626	7,785,597
Profit attributable to ordinary shareholders	69.4	8,102,335	4,784,258
Total assets	11.9	25,098,800	22,437,315
Total equity attributable to ordinary shareholders	4.9	17,237,885	16,440,440
Assets under management - actual	(8.1)	7,735,532,522	8,412,928,592
Assets under management - average year to date	0.0	8,257,274,464	8,250,190,683
STATISTICS PER ORDINARY SHARES			
In cents, where applicable			
Basic earnings per share - before tax	50.0	6.25	4.17
Basic earnings per share - after tax	67.6	4.29	2.56
Headline earnings per share	68.2	4.29	2.55
Net asset value	3.6	9.12	8.80
		31 October 2008	**2 November 2007**
Dividend declared - Normal		2.10	2.00
- Special		2.40	2.00
- Total		4.50	4.00
		25 January 2008	**18 December 2006**
Dividend paid - Normal		2.00	2.00
- Special		2.00	1.00
- Total		4.00	3.00
NUMBER OF EMPLOYEES		8	8

CORPORATE STRUCTURE

As at 30 September 2008



** Previously known as Namibian Harvest Executive Share Purchase Trust*

BOARD OF DIRECTORS

As at 30 September 2008

AARON MUSHIMBA (62)

Aaron is a prominent businessman in Namibia and has been adding his exceptional expertise to the NAM Board since November 1997, also serving on the Remuneration Committee. He is at the forefront of the Namibian Black Empowerment, of the previously and historically disadvantaged Namibians. He serves as a director and Chairman on several boards in the mining, fishing, farming, financial investments, hotel and entertainment sectors.

ALBERT BERTOLINI (43)

B Edcon (ED) Hons

Ben joined NAM in January 1997 as a trainee analyst. He gained extensive knowledge while moving through the ranks to portfolio manager and was appointed as Chief Executive of the NAM Group in March 2004. Before joining NAM, he was employed in the banking industry for five years by First National Bank. Further appointments on boards of directors include the Namibian Stock Exchange as a non-executive director.

BIRGIT DEMPSEY (33)

CA (Nam), CIA

Birgit is one of less than 25 Internationally Certified Internal Auditors in the country. After completing her articles with PriceWaterhouseCoopers in 2001 and qualifying as a Chartered Accountant, she joined Bank Windhoek as Project Manager: Information Technology. In 2002 she was appointed as Group Financial Manager of NAM. Although Birgit left the Group in August 2004 to join Consult Buro (Pty) Ltd as a shareholder and director, she continued to provide advice and consulting services until she was appointed to the Board of NAM during November 2006 and serves on the NAM Audit Committee. Apart from chairing the Audit Committee of the Namibia Water Corporation (NamWater) and serving on its Board Tender Committee as well as its main Board, she is the Group Financial Manager for the National Fishing Corporation of Namibia and is completing her Masters degree in Business Ethics.

GORDON YOUNG (56)

Gordon was Chief Executive of the NAM Group from 2001 to early 2004. Before adding his valuable experience to the NAM Group, he was a group strategist with African Harvest. Gordon is currently an investment advisor to a South African empowerment company and he is responsible for the wrapping up of the remaining non-core business of the NAM Group.

HUGO NELSON (38)

MBChB, MBA (Oxon), CFA

Hugo was appointed as the Chief Executive of Coronation Fund Managers Ltd in November 2007 and was thereafter appointed to the NAM board, replacing Thys du Toit. He joined Coronation in 1999 as part of the investment team, initially as an equity analyst and later as a portfolio manager responsible for large institutional client portfolios and unit trust assets. Hugo is a medical doctor, Oxford University MBA graduate and holds a CFA.

MARK FEHRSEN (50)

CA (Nam)

Mark joined the NAM Board in 1999 and also serves on, and chairs the Audit Committee. He has over 25 years experience in the auditing profession across many sectors of the Namibian economy and has also served as vice-president of The Institute of Chartered Accountants of Namibia. Mark has retired as a practising auditor and now serves as a director and consults to various Namibian entities.

OUR PURPOSE, VALUES AND STAFF

Our purpose is to guard and to grow the wealth of the Namibian people entrusted to us

Our values are

- Integrity
- Passion
- Open to new ideas
- Thinking ahead
- Excelling at what we do

Our staff in alphabetical order:

Albert Bertolini
Chief Executive

Athanasuis Hausiku Mukuve
Client Relationship Manager

Cornell Karsten
Financial Manager & Company Secretary

Johanna Helao
Receptionist

Josephine Shiyagaya
Head: Client Services & Admin

Lee-Marié van Heerden
Assistant Accountant

Martinus Nakale
Client Relationship Manager

Shirley Nell
Client Relationship Manager

CHAIRMAN'S REVIEW

For the year ended 30 September 2008

We are at the end of a very challenging financial year and in the midst of turbulent times. We cautioned shareholders last year in terms of future expectations and now, more than ever, is the time to remind shareholders that our business is largely influenced by market fluctuations and, although the results are satisfactory at the end of September 2008, we are expecting to be subjected to intense pressure on revenues as well as costs within the upcoming months.

Financial Performance

Our reduced revenues (down 1.5% from 2007) and assets under management (down 8.1% at 30 September 2008 compared to 30 September 2007) reflect some of the impact of the global financial crisis, yet overall our performance has been consistent with strategy and is the result of careful planning and well-managed client relationships and portfolio management. The normal dividend of 2.1 cents per share (2007: 2 cents per share) will ensure that our efforts reach the pockets of our shareholders.

The Futeni assets have finally been wrapped up and progress on the voluntary liquidation of Harvest Re is also satisfactory. After many years we hope that these items can finally be removed from our books within the next financial year. We believe that we have maximised the returns on both these legacy investments as far as possible, to the benefit of our shareholders who have received special dividends for the past 3 years in this regard. Once again, a special dividend of 2.4 cents per share (2007: 2 cents per share) was declared and paid out on 5 December 2008.

Strategy

Coronation Fund Managers Limited ("Coronation") continue to be our main strategic partner for the ensuing financial year. Negotiations around the renewal of the management contract (due in 2010) have started and we are doing our best to ensure that NAM's stakeholders derive the optimum benefit from these negotiations, keeping our long-term strategies and main operating objectives in mind.

Board

As announced in the 2007 annual report, Hugo Nelson replaced Thys du Toit as Coronations' Chief Executive Officer, and as director on our board. Pieter Davis also resigned as director during the year. We thank both Thys and Pieter for their invaluable contributions and formally welcome Hugo to our team. We are certain that his presence and involvement will make an important difference.

Outlook and prospects

There is more uncertainty than ever in the financial services sectors globally and although their impact may be less severe here than elsewhere in the world, our investment strategies and mandates will most certainly be tested in the year to come. We are confident, however, that this storm will be weathered and we continue to proclaim and manifest our heart-felt desire to remain the Guardians of the Wealth of the Nation.

Acknowledgements

I would like to thank my fellow directors for providing guidance and support throughout the year. Special thanks to NAM's dedicated team. You have done an outstanding job in containing costs in a challenging environment.

Aaron Mushimba
Chairman

ANALYSIS OF SHAREHOLDERS

As at 30 September 2008

	Number of shareholders	% of shareholders	Number of shares	% of shares
Range of shareholders				
1 - 99 shares	25	8.01	1,250	0.00
100 - 499 shares	55	17.63	9,600	0.00
500 - 999 shares	29	9.29	16,190	0.01
1 000 - 1 999 shares	52	16.67	56,300	0.03
2 000 - 2 999 shares	21	6.73	44,200	0.02
3 000 - 3 999 shares	5	1.60	15,000	0.01
4 000 - 4 999 shares	3	0.96	12,800	0.01
5 000 - 9 999 shares	58	18.60	342,000	0.17
10 000 shares and above	64	20.51	199,502,660	99.75
Total shareholders	312	100.00		
Total number of shares issued			200,000,000	100.00
Public and non-public shareholders				
Public shareholders	307	98.40	44,583,182	22.29
Non-public shareholders	5	1.60	155,416,818	77.71
	312	100.00	200,000,000	100.00
Category				
Corporate bodies	12	3.85	144,544,118	72.27
Nominee companies	7	2.24	32,311,664	16.16
Private individuals	288	92.31	12,001,518	6.00
Trusts	5	1.60	11,142,700	5.57
	312	100.00	200,000,000	100.00

Large shareholders - more than 5% of share capital	Number of shares	% of shares
Coronation Investment Management (Pty) Ltd	96,096,518	48.05
Heike 39 Investments (Pty) Ltd	28,000,000	14.00
Standard Bank Namibia Nominees (Pty) Ltd	29,043,038	14.52
/Ae//Gams Investments (Pty) Ltd	17,200,000	8.60
The Namibia Asset Management Executive Share Purchase Scheme	11,020,000	5.51
	181,359,556	90.68

Directors' interest in share capital	2008	2007
Number of shares		
Directors' direct holding		
RG Young	93,667	93,667
A Bertolini	1,125,000	-
Directors' interest greater than 1% held indirectly		
A Mushimba	17,200,000	17,200,000
A Bertolini	14,280,000	14,820,000

CORPORATE GOVERNANCE

For the year ended 30 September 2008

Introduction

The Board is committed to the principle of best practice in corporate governance. This report addresses the status of the Company's compliance with the principles and provisions of the King Report on Corporate Governance for South Africa published in 2002 ("the Code"), and it details the key policies, processes and structures that apply within the Group to comply with the Code. The Board recognises that corporate governance is not limited to disclosure in the annual report, but that it is about actively incorporating the principles in day-to-day operations and thus continually strives to improve existing processes and policies.

Statement by the Directors on Corporate Governance policies and compliance with the Code

The Code deals with 5 main topics and makes many specific recommendations. The Listings Requirements of the Namibian Stock Exchange require every listed company to report how it applies the principles in the Code, and to confirm that it complies with the Code's provisions or, where it does not, to provide an explanation. The Company complies with the governance provisions as set out in the Code, except, as explained below, with regard to formal Board and Committee charters, directors' induction, board evaluation, a formally documented risk management policy and the provisions relating to triple-bottom-line reporting.

Directors

The Board

The Code requires the company to have an effective Board which is collectively responsible for its performance and affairs. The Board's role is described as providing strategic direction and control within a framework of controls that allow risks to be assessed and managed. It should set strategic aims and determine the company's values, ensuring that obligations to shareholders are met. The Board also appoints the Chief Executive.

While the Board focuses on strategic issues, financial performance, risk management and critical business issues, there are specific matters that are regularly referred to the Board for decision. Such matters reserved for Board decision include, but are not limited to, approval of budgets and business plans, major capital expenditure, major acquisitions and disposals, legal agreements and other key commitments.

The Board is satisfied that it has met these requirements.

The Code recommends that the Board has a charter setting out its responsibilities. No such formal charter exists, but the responsibilities of the Board are disclosed in this report as required by the Code.

Four scheduled Board meetings were held during the year, together with three Audit Committee meetings and three Remuneration Committee meetings. Attendance by directors at Board and committee meetings is shown in the table below. The Chairman and Chief Executive held separate meetings with various non-executive directors during the year following the full Board meetings without all directors being present. Board meetings were either held in Windhoek, Namibia, or Cape Town, South Africa.

Attendance of Board meetings and Committees of the Board:

Directors	Scheduled Board Meetings Attended - 4 were scheduled	Scheduled Audit Committee Meetings Attended - 3 were scheduled	Scheduled Remuneration Committee Attended - 3 were scheduled
A Mushimba	3	—	2
M Fehrsen	4	3	—
RG Young	3	—	—
MM du Toit*	3	—	2
AB Bertolini	4	3	3
B Dempsey	3	2	—
P Davis**	2	—	—
H Nelson ***	4	—	2

* Resigned after third board meeting and second remuneration committee meeting

** Resigned after fourth board meeting

*** Appointed after the third board meeting, attending first three by invitation Attended second remuneration committee meeting by invitation and appointed to remuneration committee after second remuneration committee meeting.

Material decisions that need to be taken between formal Board meetings are taken by way of written resolutions which are signed by all directors after the relevant facts and information have been communicated.

Chairman and Chief Executive

Another main recommendation of the Code states that there should be a clear division of responsibilities between leading the Board and executive responsibility for running the business, so that no one person should have unfettered powers of decision. The Code recommends that the Chairperson should be an independent non-executive director.

The Board acknowledges the fact that Aaron Mushimba is not independent, but feels that his experience and guidance, as well as his previous involvement with the Company, are crucial for the effective leadership of the Board. A clear separation is maintained between the responsibilities of the Chairman and the Chief Executive of Namibia Asset Management Ltd ("NAM"). The Chairman is responsible for leadership of the Board and creating conditions for overall Board and individual director effectiveness while the Chief Executive is responsible for the overall performance of the Group including the responsibility for arranging the effective day-to-day management controls over the running of the Group.

Board and independence

The Company complies with the requirement of the Code that there should be a balance of executive and non-executive directors such that no individual or small group can dominate the Board's decision taking.

Non-executive directors have a particular role in overseeing the development of strategy, scrutinising management performance and ensuring the integrity of financial information and systems of risk management. Their roles and responsibilities are, in summary, that they should be available to shareholders to discuss their concerns where normal channels would not be appropriate for this purpose,

CORPORATE GOVERNANCE

For the year ended 30 September 2008

to have contact with analysts and major shareholders to obtain balanced understanding of their issues and concerns, and to lead the Board and director appraisal process.

The Board, chaired by Aaron Mushimba, has six directors, comprising two executive directors and four non-executives. The two executive directors are Albert B Bertolini, Chief Executive of the Group, and Gordon Young. The non-executive directors possess a range of expertise, specifically in the asset management and financial sectors and are of sufficiently high calibre to bring independent judgement bearing on issues of strategy, performance and resources that are vital to the success of the Group.

Of the four non-executive directors, two, Birgit Dempsey and Mark Fehrsen, are considered by the Board to be independent of management and free from any business or other relationship which could materially interfere with the exercise of their judgement.

One non-executive director, Hugo Nelson, is a director as well as Chief Executive of Coronation Fund Managers Limited ("Coronation"). Aaron Mushimba is a substantial indirect shareholder.

The Board has considered these associations and considers the industry expertise and experience of these directors beneficial to the Group. At least one director of NAM serves on the Board of each of its subsidiaries.

Thys du Toit has resigned as director and Chief Executive of Coronation, and was replaced by Hugo Nelson, a South African investment professional. With Thys's resignation, Hugo also replaced him on the NAM board. Pieter Davis has also left the employment of Coronation and has therefore also resigned from the NAM board.

Appointments to the Board

The Code requires there to be a formal, rigorous and transparent procedure for the appointment of new directors, which should be made on merit and against objective criteria. Although no formal Nomination Committee is constituted, the full Board is involved in scrutinising and evaluating CV's of potential directors who are suggested by any member of the Board.

Information and professional development

Another main principle of the Code requires that information of appropriate quality is supplied to the Board in a timely manner and that, in addition to induction programmes on joining the Company, directors should regularly update their skills and knowledge.

All directors are made aware that they may take independent professional advice at the expense of the Company in the furtherance of their duties. All directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that all governance matters are complied with and to assist with professional development as required.

Currently, no formal induction programme for new directors is in place. However, ongoing support and resources are provided to directors in order to enable them to extend and refresh their skills, knowledge and familiarity with the Company. Professional development and training is provided in three complementary ways: regular updating with information on changes and proposed changes in laws and regulations affecting the Group; arrangements to ensure directors are familiar with the Group's operations; and opportunities for professional and skills training.

Performance evaluation

The Code requires that the Board undertakes a formal and rigorous evaluation of its own performance and that of its Committees and of its individual directors, including the Chairman, on a regular basis. The Board undertakes such evaluations in the time span of the three year duty rotation. No Board performance evaluation was undertaken during the year under review.

Re-election of directors

All directors retire on a three year rotational basis and, if eligible for re-election, their names and short CVs are submitted for re-election at the Annual General Meeting ("AGM").

Board committees

There are two formally constituted committees of the Board, namely the Audit Committee and the Remuneration Committee. The Code requires formal terms of reference for the Board in the form of a Board charter, and formal terms of reference for each Committee. All directors are aware of the basic best practice terms of the Committees and these practices are adhered to, even though not formally agreed upon or documented.

Risk management

The Board is responsible for the total process of risk management, as well as forming its own opinion on the effectiveness of the process. Management is accountable to the Board for designing, implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the Company.

The Board should set the risk strategy policies, decide on the Company's tolerance for risk and make use of generally recognised risk management and internal control models and frameworks. The Code also indicates that the Board is responsible for ensuring that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken, at least annually.

Certain risk management control structures are in place, for example a regular 'incident report' whereby risks and control breaches are reported to the Board, together with their financial effects and the relevant remedial and preventative action taken. Although a risk identification process takes place on an annual basis at the strategic session of all staff, the formal risk management process is not documented, nor assessed on an annual basis.

The Board recognises the importance of complying with the stipulations of the Code and is making efforts to address the current system shortcomings in due course. In the meantime, however, the Board is satisfied that it is informed of risks and control breaches and that it provides management with clear guidance as to the actions to be taken in such cases.

CORPORATE GOVERNANCE

For the year ended 30 September 2008

Company Secretary and ethics

The Code stipulates that the role of the Company Secretary includes providing the Board as a whole and directors individually with detailed guidance as to how their responsibilities should be properly discharged and assisting the Chairman and the Chief Executive with administration of meetings and other strategic issues.

The Board is encouraging the Company Secretary to receive further technical training and development to discharge her duties effectively and efficiently.

The directors and staff are required to maintain the highest ethical standards ensuring business practices are conducted in a manner which is above reproach.

The Company has adopted a formal Code of Ethics which all staff members have signed and agreed to. This Code of Ethics includes stipulations on performance and reward, risk and integrity, values and aspirations, confidentiality, disclosures of conflicts of interests, restrictions on share dealing activities, smoking and dealings with the press.

The Board believes that the ethical standards set are being met and the stipulations of the Code of Ethics are adhered to.

Accountability and audit

Financial reporting

The Board is required to present a balanced and understandable assessment of the Company's position and prospects. The responsibility extends to annual and interim reports and other price-sensitive reports and reports to regulators as well as information required to be presented by statutory regulations.

The Board is mindful of its responsibility to present a balanced and clear assessment of the Company's position and prospects and the Board is satisfied that it has met its obligation. This assessment is primarily provided by the Chairman's Review and the Directors' Report contained in this publication. The Statement of Directors' Responsibilities in respect of the Consolidated and Company Financial Statements is set out on page 12 of the financial statements.

Internal control

The Code requires the Company to maintain a sound system of internal control to safeguard shareholders' investment and the Company's assets. The Board must review, at least annually, the effectiveness of the internal control system and report to shareholders that they have done so. The review should cover all material controls, including financial, operational and compliance controls and risk management systems.

The Board of Directors is responsible for the Group's system of internal control. An ongoing process has been established for identifying, evaluating and managing significant risks by the Group although not formally documented. This process has been in place throughout the year under review up to the date of approval of the annual report and financial statements.

The principal aim of the system of internal control is the management of business risks that are significant to the fulfilment of the Group's business objectives with a view to enhancing over time the value of shareholders' investment and safeguarding of assets. The internal control systems have been designed to manage rather than eliminate risk of failure to achieve business objectives and provide reasonable but not absolute assurance against material misstatement or loss.

The directors confirm that they have reviewed the effectiveness of the system of internal control and that they are satisfied with its overall effectiveness.

Internal audit

Although recommended by the Code, the Group does not have an internal audit department due to the fact that its current size of operations and staff complement does not warrant the cost of such a department on a permanent basis. With the assistance of Coronation's expert staff, occasional internal audits, compliance reviews and control reviews are performed on an ad hoc basis.

Audit Committee and auditors

A principle of the Code is that the Board should establish formal and transparent arrangements for considering how it should apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the external auditors, KPMG. These responsibilities are discharged by the Audit Committee.

Audit Committee

The Audit Committee assists the Company's Board of directors in discharging its responsibilities with regard to financial reporting, external audits and controls, including reviewing the annual and interim financial statements, considering the scope and budget of the annual external audit and the extent of non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Company's internal control systems.

The Code recommends that all members of the Audit Committee should be non-executive directors, all of whom are independent in character and judgement and free from relationships of circumstances which are likely to affect, or could appear to affect, their judgement and members should have recent and relevant financial experience. The Audit Committee comprises two independent non-executive directors, Mark Fehrsen (Chairman) and Birgit Dempsey with the financial manager and chief executive being invited to all meetings. The Board considered membership of the Committee during the year and declared its satisfaction that the members of the Committee, who are both qualified Chartered Accountants, have requisite skills and attributes, and collectively have sufficient recent and relevant financial experience to discharge its role and responsibilities. The Board therefore considers that it complies with the intent of the Code recommendations regarding the composition of the Audit Committee.

The Committee met three times during the year. Four meetings are scheduled for 2009.

CORPORATE GOVERNANCE

For the year ended 30 September 2008

Remuneration

The Remuneration Committee reviews the structure of remuneration for executive directors on an ongoing basis and has responsibility for the determination of specific remuneration packages for executive directors and other members of staff, including salaries, pension rights, bonuses, long-term incentives, benefits in kind and any compensation payments. The Committee is also aware of the level and structure of remuneration for senior management and advises on any major changes in employee remuneration and benefit structures throughout the Group, including continuous review of incentive schemes to ensure that they remain appropriate to the Group. The Remuneration Committee commits to bringing independent thought and scrutiny to the development and review process of the Group with regards to remuneration.

The Company's Remuneration Committee is chaired by Aaron Mushimba and its second member, Hugo Nelson, is a non-executive director. The Chief Executive attends the meetings by invitation. The Code recommends an independent director to chair the subcommittee. The Board recognises that neither Aaron Mushimba nor Hugo Nelson is an independent director as defined by the Code. However, the Board regards their membership as critical to the workings of the Committee due to their extensive knowledge and experience.

The Committee met three times during 2008.

Relations with shareholders

The Company is required to have a dialogue with shareholders, based on the mutual understanding of objectives, and it is the responsibility of the Board as a whole to ensure that a satisfactory dialogue takes place. The Code recognises that most shareholder contact vests with the Chief Executive. However, the Chairman, and other directors, as appropriate, should maintain contact with major shareholders in order to understand their issues and concerns.

The Board places considerable importance on effective communication with shareholders. The Chief Executive maintains regular dialogue with and gives briefings throughout the year to analysts and institutional investors. Care is taken to ensure that any price-sensitive information is released to all shareholders, institutional and private, at the same time.

Although generally poorly attended by shareholders other than majority shareholders, the AGM remains an important opportunity for shareholders to meet the Board and discuss any concerns they may have. The Board uses the AGM to communicate with institutional and private investors and welcomes their participation. At the AGM on 30 April 2008, the Chief Executive and financial manager were present to answer questions. Details of the resolutions to be proposed at the AGM on 16 April 2009 can be found in the Notice of the Meeting at the back of this publication.

In accordance with the Namibian Companies Act, notice of the AGM and related papers will be sent to shareholders at least 21 clear days before the meeting.

Insider trading

No employee may deal, directly or indirectly, in NAM shares on the basis of unpublished price-sensitive information. No directors or employees may trade in NAM shares during embargo periods determined by the Board. These include periods between the end of the interim and financial year end reporting periods and the announcement of the financial and operating results for such periods.

Corporate social responsibility

The Group has adopted a formal Corporate Social Responsibility ("CSR") Policy. NAM's CSR strategy is to contribute and assist in the capacity building through the development of skills in the financial industry. The objective of NAM'S strategy is to have a focused approach and make a tangible impact, whether internally or externally.

The key areas of involvement of the CSR programme include employees' wellness programmes, development assistance programmes as well as community involvement via direct and indirect formal education programmes. The policy also provides clear evaluation guidelines that assist the responsible parties to decide on which projects to support.

The CSR Committee consists of the Chairman of the Board, the Chief Executive, the Manager: Public Relations, the Manager: Office and the Manager: Finance.

Authority is granted within certain expenditure limits, and any amount or cause which falls outside the policy, is referred to the Board for approval.

In the previous financial year, NAM has decided to present a road show around the country to help Namibians gain knowledge to encourage them to plan their personal and business finances better. We never anticipated the tremendous response and took the presentation a step further and designed and printed a booklet from the presentation for the public. A follow up visit to these areas is planned for 2009.

STATEMENT OF DIRECTOR'S RESPONSIBILITY

The directors are responsible for preparing the annual report and the Group and Company financial statements in accordance with applicable Namibian law and International Financial Reporting Standards (IFRSs).

The directors are required to prepare Group and Company financial statements for each financial year which present fairly the financial position of the Group and Company and the financial performance and cash flows of the Group and Company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies in accordance with IAS8: 'Accounting policies, changes in accounting estimates and errors' and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosure when compliance with specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- State that the Group and Company has complied with IFRSs, subject to any material departures, disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Group and Company and enable them to ensure that the Group and Company financial statements comply with the Namibian Companies Act. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The Company annual financial statements and the Group annual financial statements for the year ended 30 September 2008 which appear on pages 14 to 57 were approved by the Board of Directors on 25 February 2009 and are signed on its behalf by:

A Mushimba
Chairman

A B Bertolini
Chief Executive

Windhoek

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NAMIBIA ASSET MANAGEMENT LIMITED

We have audited the consolidated and separate financial statements of Namibia Asset Management Limited, which comprise the balance sheets at 30 September 2008, and the income statements, the statements of changes in equity and the cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out in pages 14 to 57.

Director's responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Namibia Asset Management Limited as at 30 September 2008, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act in Namibia.

KPMG
REGISTERED ACCOUNTANTS AND AUDITORS
CHARTERED ACCOUNTANTS (NAMIBIA)
Windhoek
25 February 2009

DIRECTORS' REPORT

For the year ended 30 September 2008

The directors of Namibia Asset Management Limited ("NAM") are pleased to present their report to the shareholders for the financial year ended 30 September 2008.

Results and dividends

The Group's financial results are set out in the financial statements on pages 14 to 57 in this publication. However, some highlights are worth noting:

As a direct result of the volatility in financial markets, the Group's core revenue, consisting of asset management fee income, has decreased by 1.5% to N$26.9 million (2007: N$27.3 million).

Non-core income increased due to a satisfactory, yet non-recurring, level of recoveries from the two non-core businesses being wound up.

Profit after tax increased by 69.4% to N$8.1 million (2007: N$4.8 million). This was due primarily to non-recurring recoveries from the non-core business in the amount of N$2.1 million and by the achievement of targeted cost containment resulting in a decrease in core operational expenditure of 8.4% to N$18.3 million (2007: N$20.0 million). Headline earnings per share are up by 68.2% to 4.29 cents per share (2007: 2.55 cents per share).

At the end of October 2008 the Board recommended a normal dividend of 2.1 cents per ordinary share and a special dividend of 2.4 cents per ordinary share (2007: 2 cents per ordinary share and 2 cents special dividend per ordinary share). The total dividend of 4.5 cents per share amounted to N$ 9 000 000 and was paid on 5 December 2008 to shareholders whose names were on the register on 21 November 2008.

Principal activities

NAM is a Namibian asset manager listed on the Namibian Stock Exchange. The Group is also involved in unit trust management, and has some minor involvements in Re-insurance as well as Debt collection.

Financial market performance

The year 2008 will be remembered as one of the most dramatic years for investment markets in living memory. September/October 2008 has seen one of the most severe global stock market declines since 1987 and indeed since the 1929 crash that preceded The Great Depression. The global credit crisis escalated into a real panic resulting in the US government proposing a massive rescue package to try and restore confidence in the US banking system. Other central banks have subsequently followed.

Household names such as Lehman Brothers, Merrill Lynch, AIG, Washington Mutual in the US and several large banks in Europe have either filed for bankruptcy or have been taken over or nationalised. As a result of the problems in the financial sector it is inevitable that global economic activity will decline. In Europe, Japan and the US recession now seems likely for 2009. Even China's economy is slowing down and with it commodity prices, including oil, have weakened sharply.

The JSE All Share Index and Namibian Overall Index were down 17.7% and 27.8% respectively while the NSX Local Index gained 11.9% for the year to date ending 30 September 2008. For the period ending 31 October 2008, the JSE All Share Index and Namibian Overall Index further decreased to 27.5% and 38.0% respectively while the NSX Local Index increased to 17.5%. A key change was the rapid turnaround in expectations regarding interest rates. As soon as the market believed that interest rates had peaked, the bond market and interest rate-sensitive domestic stocks rallied sharply. At the same time commodity prices started falling as expectations of slower global growth took hold. The result was a massive swing in performance away from the mining sector in favour of stocks tied to the domestic market.

While we acknowledge that it is not easy, we strongly encourage investors to put emotion aside and focus on the once-in-a-generation opportunity that markets are currently offering the long-term investor.

Institutional

Assets under management decreased by 8.3% from N$ 8.4 billion (Sept 2007) to N$ 7.7 billion (Sept 2008) as a direct result in market values decreasing.

NAM's best investment house view portfolios' performance came under pressure over the last 12 months but continues to perform strongly over the longer term, ending 5th and 4th in the Alexander Forbes Survey of Namibian Retirement Funds for the one and three year periods respectively ending September 2008. NAM's Namibian only discretionary mandates also continued to perform strongly over the immediate to longer term, ending 4th and 3rd in the Alexander Forbes Survey of Namibian Retirement Funds for the one and three year periods ending September 2008.

Retail

The retail environment was challenging over the last 9 months given the uncertainty about the regulatory changes with regards to the introduction of tax on the interest income generated by unit trusts. As a result, many unit trust management companies have restructured their products to tax free products in order to retain and attract funds. We however expect that the playing field will level with the introduction of withholding tax from the 1st of March 2009.

All our 3 unit trusts namely, NAM Coronation Strategic Income Fund, NAM Coronation Balanced Defensive Fund and the Namibia Medical Absolute Fund generated positive returns since February 2008 when the funds became fully operational.

Futeni (Debt Collection)

The last remaining debt has been collected and this business unit is now being closed down.

Harvest Reinsurance

Most of the outstanding debts were collected in the course of the year. The company was de-registered as a re-insurer by NAMFISA in September 2008 and is now in the process of being voluntarily liquidated. No further income can be expected from the non-core operations.

Subsidiaries

Namibia Asset Management Limited's share in subsidiaries net profit/(loss) after tax:

	2008 N$	2007 N$
Mile Four Fund Managers (Pty) Ltd - 100% held	(5,819)	(5,296)
Namibia Unit Trust Managers Ltd - 100% held	(441,334)	(66,448)
Harvest Reinsurance Company of Namibia Ltd - 100% held	1,366,151	(590,744)

Mile Four Fund Managers (Pty) Ltd and Harvest Reinsurance Company of Namibia Ltd are both operationally dormant. Mile Four Fund Managers (Pty) Ltd is in the process of being deregistered. Harvest Reinsurance Company of Namibia Ltd has been deregistered as a reinsurer with Namfisa and is being voluntarily liquidated.

DIRECTORS' REPORT

For the year ended 30 September 2008

Disclosure of information to auditors

Having made enquiry of fellow directors and the company's auditors, each director confirms that to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and, each director has taken all the steps that he ought to have taken as a director in order to make him- or herself aware of the relevant audit information and to establish that the company's auditors are aware of the information.

Going concern

The Directors believe, after making inquiries that they consider to be appropriate, that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Directors and their interest

The directors as at 30 September 2008 were:

Director	Position	First appointed	Re-elected	To be re-elected at next AGM
Aaron Mushimba	Chairman & Non-Executive	06 November 1997	30 April 2008	—
Mark Fehrsen	Independent Non-Executive	25 February 1999	19 May 2006	X
Gordon Young	Executive	01 September 2001	30 April 2008	—
Albert B Bertolini	Chief Executive	01 January 2005	30 April 2008	—
Hugo Nelson	Non-Executive	1 May 2008	—	—
Birgit Dempsey	Independent Non-Executive	30 November 2006	16 March 2007	—

Hugo Nelson replaced Thys du Toit as Chief Executive of Coronation Fund Managers Ltd thus also replacing Thys du Toit as director on the Board of NAM. In accordance with the Articles of Association, all directors retire on a three year rotational basis, and, if eligible for re-election, their names are submitted for re-election at the AGM.

Details of interests in the share capital of the companies of those directors in office as at 30 September 2008 are listed in the Analysis of Shareholders on page 7 of this report.

Shareholding

Share options that have been issued to staff members, and that are held by The Namibia Asset Management Executive Share Purchase Scheme, have been exercised under the first tranche. After the balance sheet date, the Chief Executive exercised his share options under the second tranche. More details can be found under note 15.3.

Company's intangible assets

In 2006, the company acquired the trademark and customer relationship intangible assets from its subsidiary for an amount of N$ 22 502 000. This inter-group transaction gave rise to the subsidiary paying the resultant capital surplus to the company as a dividend. This transaction was eliminated on consolidation and accordingly the group financial statements do not record the said intangible assets or the retained income resulting from the dividend paid by the subsidiary to the company. This transaction has accordingly given rise to the situation of the company's intangible assets and retained income being significantly greater than those of the group.

The directors are of the opinion that it is impossible to predict what effect the current international financial crisis may have on the future profitability of the company and accordingly on the recoverable value of the company's intangible assets.

In view of the uncertainties mentioned above, as well as for the reason of removing the anomalous difference between the company's and group's retained income, the directors have decided to impair the intangible assets acquired from its subsidiary in 2006. The directors are of the opinion that his will improve the understandability of the company and group financial statements. The above has no effect on the group's financial position or result for the current year, as the transaction is eliminated on consolidation.

Events after balance sheet date

Harvest Reinsurance Company of Namibia Ltd has been deregistered as a reinsurer and is being voluntarily liquidated. Mile Four Fund Managers (Pty) Ltd is being deregistered as it is operationally dormant. September and October 2008 has seen one of the most severe global stock market declines since 1987 and 1929. The global credit crisis escalated and is now roaring at full capacity. The effect of this on NAM is an expected decrease in revenue.

Corporate governance and social responsibility

A report on corporate governance and the Group's social responsibility activities is presented in this publication on page 8.

Annual General Meeting

The Annual General Meeting of the company will be held on the first floor, 2005 KPMG House, 24 Orban Street, Windhoek on 16 April 2009 at 09:00. Refer to the notice of the AGM on page 58 of this publication for further details.

Prospects

The storm that started during the last quarter of 2007, evolved into a hurricane during the month of January 2008 and has since then created havoc in the global and domestic financial markets. NAM's revenues are largely subject to the mercy of the financial markets and although our revenues were 1.5% down on the previous year, we nevertheless succeeded in this round to slightly increase the profitability of our core business. This was achieved as a result of cost containment of operational costs.

Our current management agreement with our technical partner expires in December 2009. Management is currently involved in negotiations with our technical partner in order to minimise the impact that higher management fees payable may have on the future profitability of NAM.

We are extremely grateful for and proud of the ongoing support and confidence that our clients have demonstrated by entrusting their savings/assets to us. We would also like to thank our staff for their continued dedication and commitment.

Aaron Mushimba
Chairman

Albert B Bertolini
Chief Executive

BALANCE SHEETS

As at 30 September 2008

	Notes	Group 2008 30 September N$	Group 2007 30 September N$	Company 2008 30 September N$	Company 2007 30 September N$
ASSETS					
NON-CURRENT ASSETS		3,898,347	3,154,758	4,478,347	26,023,003
Equipment	2	138,132	179,940	138,132	179,940
Intangible assets	3	12,189	13,628	12,189	22,571,628
Interest in subsidiaries	4	-	-	2,180,000	2,180,000
Investments	5	3,000,000	2,000,000	-	-
Long term receivable	6	-	-	-	130,245
Deferred tax assets	7	748,026	961,190	2,148,026	961,190
CURRENT ASSETS		21,200,453	19,282,557	27,279,931	25,015,860
Investments	8	584,889	609,229	-	-
Trade and other receivables	9	4,941,048	5,670,641	4,835,399	5,554,945
Amounts owing by group companies	4	-	-	2,221,102	864,249
Cash and cash equivalents	21.4	11,057,842	9,475,711	10,623,430	8,996,666
Assets classified as held for sale	20	4,616,674	3,526,976	9,600,000	9,600,000
TOTAL ASSETS		25,098,800	22,437,315	31,758,278	51,038,863
EQUITY AND LIABILITIES					
TOTAL EQUITY ATTRIBUTABLE TO ORDINARY SHAREHOLDERS		17,237,885	16,440,440	17,296,748	39,342,722
Issued capital and share premium	10	7,943,760	7,922,760	8,053,960	8,053,960
Reserve for own shares	11	(541,850)	(705,350)	-	-
Share based payment reserve	15.3	821,219	607,409	821,219	607,409
Retained earnings		9,014,756	8,615,621	8,421,569	30,681,353
NON - CURRENT LIABILITIES					
Long term payable	6	-	-	404,555	-
CURRENT LIABILITIES		7,860,915	5,996,875	14,056,975	11,696,141
Amounts owing to group companies	4	-	-	174,624	179,920
Shareholders for dividend		95,315	91,066	95,315	91,066
Current tax liability		242,124	-	242,124	-
Trade and other payables	12	5,725,357	5,251,995	5,404,903	4,796,610
Bank overdrafts	21.4	1,798,119	6,212	1,701,205	6,212
Liabilities classified as held for sale	20	-	647,602	6,438,804	6,622,333
TOTAL EQUITY AND LIABILITIES		25,098,800	22,437,315	31,758,278	51,038,863

CONSOLIDATED INCOME STATEMENT

For the year ended 30 September 2008

	Notes	2008 Continuing Operations N$	2008 Discontinued Operations N$	2008 Total N$	2007 Continuing Operations N$	2007 Discontinued Operations N$	2007 Total N$
Revenue	13	26,917,527	-	26,917,527	27,329,181	-	27,329,181
Other income	14	23,968	2,065,547	2,089,515	474,192	-	474,192
Operating expenditure	15	(18,338,282)	(140,557)	(18,478,839)	(19,991,707)	(840,294)	(20,832,001)
Operating profit /(loss) before financing costs		8,603,213	1,924,990	10,528,203	7,811,666	(840,294)	6,971,372
Net finance income		1,016,349	275,074	1,291,423	564,675	249,550	814,225
Finance income	16	1,026,971	275,074	1,302,045	583,817	249,550	833,367
Finance cost	17	(10,622)	-	(10,622)	(19,142)	-	(19,142)
Profit /(loss) before tax		9,619,562	2,200,064	11,819,626	8,376,341	(590 744)	7,785,597
Income tax	18	(3,491,088)	(226,203)	(3,717,291)	(3,001,339)	-	(3,001,339)
Profit /(loss) attributable to ordinary shareholders		6,128,474	1,973,861	8,102,335	5,375,002	(590,744)	4,784,258
EARNINGS PER SHARE (cents)							
- Basic	19	3.24	1.04	4.29	2.88	(0.32)	2.56
- Diluted	19	3.14	1.01	4.15	2.78	(0.31)	2.47

COMPANY INCOME STATEMENT

For the year ended 30 September 2008

	Notes	2008			2007		
		Continuing Operations N$	**Discontinued Operations N$**	**Total N$**	**Continuing Operations N$**	**Discontinued Operations N$**	**Total N$**
Revenue	13	26,495,584	-	26,495,584	27,295,250	-	27,295,250
Other income	14	-	710,795	710,795	94,749	-	94,749
Operating expenditure	15	(39,881,235)	(64,502)	(39,945,737)	(19,289,185)	-	(19,289,185)
Operating (loss)/profit before financing costs		(13,385,651)	646,293	(12,739,358)	8,100,814	-	8,100,814
Net finance income		796,865	-	796,865	452,491	-	452,491
Finance income	16	796,865	-	796,865	452,800	-	452,800
Finance cost	17	-	-	-	(309)	-	(309)
(Loss)/Profit before tax		(12,588,786)	646,293	(11,942,493)	8,553,305	-	8,553,305
Income tax	18	(2,091,088)	(226,203)	(2,317,291)	(3,001,339)	-	(3,001,339)
(Loss)/Profit attributable to ordinary shareholders		(14,679,874)	420,090	(14,259,784)	5,551,966	-	5,551,966

STATEMENTS OF CHANGES IN EQUITY

	Notes	Ordinary share capital N$	Share premium N$	Retained earnings N$	Share based payment reserve N$	Reserve for own shares N$	Total N$
Group							
Balance at 01 October 2006		1,868,800	6,053,960	9,824,046	-	(1,091,633)	16,655,173
Staff share options issued	11	-	-	(386,283)	-	386,283	-
Share based payments	15.3	-	-	-	607,409	-	607,409
Profit for the year		-	-	4,784,258	-	-	4,784,258
Dividend paid		-	-	(5,606,400)	-	-	(5,606,400)
Balance at 30 September 2007		1,868,800	6,053,960	8,615,621	607,409	(705,350)	16,440,440
Staff share options issued	11	-	-	(163,500)	-	163,500	-
Staff share options exercised	11	21,000	-	-	-	-	21,000
Share based payments	15.3	-	-	-	213,810	-	213,810
Profit for the year		-	-	8,102,335	-	-	8,102,335
Dividend paid		-	-	(7,539,700)	-	-	(7,539,700)
Balance at 30 September 2008		1,889,800	6,053,960	9,014,756	821,219	(541,850)	17,237,885

	Notes	Ordinary share capital N$	Share premium N$	Retained earnings N$	Share based payment reserve N$	Total N$
Company						
Balance at 01 October 2006		2,000,000	6,053,960	31,129,387	-	39,183,347
Share based payments	15.3	-	-	-	607,409	607,409
Profit for the year		-	-	5,551,966	-	5,551,966
Dividend paid		-	-	(6,000,000)	-	(6,000,000)
Balance at 30 September 2007		2,000,000	6,053,960	30,681,353	607,409	39,342,722
Share based payments	15.3	-	-	-	213,810	213,810
Loss for the year		-	-	(14,259,784)	-	(14,259,784)
Dividend paid		-	-	(8,000,000)	-	(8,000,000)
Balance at 30 September 2008		2,000,000	6,053,960	8,421,569	821,219	17,296,748

CASH FLOW STATEMENTS

As at 30 September 2008

	Notes	Group 2008 N$	Group 2007 N$	Company 2008 N$	Company 2007 N$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		27,647,120	26,919,054	27,215,130	26,881,313
Cash paid to suppliers and employees		(16,359,877)	(16,969,353)	(15,650,539)	(16,483,544)
Cash generated by operations	21.1	11,287,243	9,949,701	11,564,591	10,397,769
from continued operations		10,595,495	9,816,139		
from discontinued operations		691,748	133,562		
Finance costs		(10,622)	(19,142)	-	(309)
Finance income		1,302,045	833,367	796,865	452,800
Income taxes paid	21.2	(3,377,131)	(59,418)	(3,377,131)	-
Dividends paid	21.3	(7,535,451)	(5,594,085)	(7,995,751)	(5,987,685)
Net cash flows from operating activities		1,666,084	5,110,423	988,574	4,862,575
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of equipment to maintain operations		(45,925)	(181,074)	(45,925)	(181,074)
Acquisition of intangible assets		-	(6,103)	-	(62,103)
Proceeds from sale of equipment		-	10,000	-	10,000
Investments (made) /redeemed		(975,658)	685,907	-	-
Decrease in long term receivable		-	-	534,800	388,379
Net cash flows from investing activities		(1,021,583)	508,730	488,875	155,202
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from staff share options exercised		21,000	-	-	-
(Decrease) /Increase in amounts owing by group companies		-	-	(1,356,853)	225,214
(Decrease) /Increase in amounts owing to group companies		-	-	(188,825)	172,018
Net cash flows from financing activities		21,000	-	(1,545,678)	397,232
NET MOVEMENT IN CASH & CASH EQUIVALENTS		665,501	5,619,153	(68,229)	5,415,009
Cash and cash equivalents at beginning of year		12,836,205	7,217,052	8,990,454	3,575,445
CASH AND CASH EQUIVALENTS AT END OF YEAR	21.4	13,501,706	12,836,205	8,922,225	8,990,454

SEGMENT REPORT

For the year ended 30 September 2008

	REINSURANCE DISPOSAL GROUP HELD FOR SALE (DISCONTINUED)		DEBT COLLECTION (DISCONTINUED)		ASSET MANAGEMENT		OTHER OPERATIONS		ELIMINATIONS		CONSOLIDATED	
	2008 N$	2007 N$	2008 N$	2007 N$	2008 N$	2007 N$	2008 N$	2007 N$	2008 N$	2007 N$	2008 N$	2007 N$
BUSINESS SEGMENTATION												
TOTAL EXTERNAL REVENUES	-	-	-	-	26,917,527	27,329,181	-	-	-	-	26,917,527	27,329,181
SEGMENT RESULT	1,278,697	(840,294)	646,293	-	8,603,213	7,811,666	-	-	-	-	10,528,203	6,971,372
SEGMENT ASSETS	10,943,866	10,037,697	-	-	24,309,826	43,731,318	11,211,805	11,441,995	(22,226,335)	(43,846,497)	24,239,162	21,364,513
SEGMENT LIABILITIES	-	647,602	-	-	7,618,791	5,349,274	-	-	-	-	7,618,791	5,996,876
CAPITAL EXPENDITURE	-	-	-	-	45,925	187,177	-	-	-	-	45,925	187,177
DEPRECIATION	-	-	-	-	89,172	69,546	-	-	-	-	89,172	69,546
OTHER NON-CASH ITEMS (included in segment result)												
• Impairments	-	745,044	-	-	111,012	-	-	-	-	-	111,012	745,044
• Leave pay provision adjustment	-	-	-	-	65,344	(14,950)	-	-	-	-	65,344	(14,950)
NET CASH FLOWS												
• Operating activities	691,748	133,562	-	-	460,537	4,646,692	-	-	513,799	330,169	1,666,084	5,110,423
• Investing activities	-	-	-	-	(486,785)	841,108	-	-	(534,798)	(332,378)	(1,021,583)	508,730
• Financing activities	183,529	5,694	-	-	(183,529)	(7,903)	-	-	21,000	2,209	21,000	-

SEGMENT REPORT

For the year ended 30 September 2008

SEGMENT REPORT (continued)

	Group 2008 N$	Group 2007 N$
Reconciliation between segment result (consolidated) and Group profit for the year as per income statement		
Consolidated segment result	10,528,203	6,971,372
Net finance income	1,291,423	814,225
Income tax expense	(3,717,291)	(3,001,339)
Consolidated profit for the year	8,102,335	4,784,258

	Assets		Liabilities	
	2008 N$	2007 N$	2008 N$	2007 N$
Reconciliation between segment assets and liabilities (consolidated) & Group assets and liabilities as per balance sheet				
Consolidated segment assets / liabilities	24,239,162	21,364,513	7,618,791	5,996,875
Deferred tax	748,026	961,190	-	-
Income tax	111,612	111,612	242,126	-
Consolidated assets / liabilities	25,098,800	22,437,315	7,860,917	5,996,875

GEOGRAPHICAL SEGMENTATION

The Group's operations, its assets and liabilities are located in Namibia and all income is earned in Namibia.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting entity

Namibia Asset Management Limited (the "Company") is a company domiciled in Namibia (Registration number: 97/397). The consolidated financial statements of the Company for the year ended and as at 30 September 2008 comprise the Company and its subsidiaries, together referred to as the "Group".

1.2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors on 25 February 2009.

1.3 Basis of preparation and measurement

The financial statements have been prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit and loss are measured at fair value;
- available-for-sale financial assets are measured at fair value.

Non-current assets and disposal groups held for sale are stated at the lower of their carrying amount and fair value less costs to sell.

1.4 Functional and presentation currency

These financial statements are presented in Namibia dollar, which is the Group's functional currency.

1.5 Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- note 7: Utilisation of tax losses
- note 15.3: Measurement of share based payments

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group entities.

1.6 Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Special purpose entities

The Group has established a special purpose entity (SPE) for staff incentive purposes. The Group does not have any direct or indirect shareholding in this entity. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE.

(iii) Transactions eliminated on consolidation

Intragroup balances, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.7 Foreign currency

(i) Foreign currency transactions

The Group deals occasionally with South African counterparts and converts to South African Rand at the prescribed conversion rate. The Namibia dollar and the South African rand are pegged at 1:1. No foreign exchange transactions occur with countries other than the Republic of South Africa.

1.8 Financial instruments

Recognition

Initial recognition

The Group recognises financial instruments on its balance sheet when the entity becomes a party to the contractual provisions of the instrument. Where applicable, the Group has adopted trade date accounting for 'regular way' purchase or sale of financial assets.

Initial measurement

Financial instruments are recognised initially at their fair value. Where a financial instrument is not classified as 'at fair value through profit or loss', transaction costs directly attributable to the acquisition or issue of that financial instrument, are included.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

1 SIGNIFICANT ACCOUNTING POLICIES continued

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost using the effective interest method.

Financial instruments classified as 'at fair value through profit and loss' are subsequently measured at their fair values, excluding transaction costs. Resulting changes in fair values are recognised in the income statement.

Derecognition

The Group derecognises financial assets when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and the transfer qualifies for derecognition as per IAS 39.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Offset

Financial assets and liabilities are offset against each other only when a legally enforceable right exists to set off the recognised amounts, and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Derivatives

The Group does not deal in derivatives, as this does not form part of the Group's investment strategy.

(ii) Trade and other receivables

Trade and other receivables are carried at amortised cost less an allowance for uncollectible amounts. Where trade receivables are of short-term nature, they are not discounted due to the insignificant impact of these amounts.

An impairment or bad debt loss is recognised when it is probable that the enterprise will not be able to collect all amounts due (principal and interest) according to the contractual terms of the trade receivables. For instance, an estimate for bad and doubtful debts is made after a specific period of inactivity during which a predetermined level of payment has not been made. The assessment of objective indicators of impairment for trade receivables is done at a minimum of each balance sheet date.

(iii) Retained claim accounts

Futeni retained claim accounts consist of expected loan recoveries still to be received from Futeni Collections (Pty) Ltd and are classified 'at fair value through profit and loss'. They are measured at fair market value.

(iv) Trade and other payables

Trade and other payables are carried at amortised cost. Where trade and other payables are of short-term nature they are not discounted due to the insignificant impact of these amounts.

(v) Loan to/from the share incentive trust

Loans to/from the share incentive scheme are carried at amortised cost less impairments.

1.9 Equipment

(i) Recognition and measurement

Items of equipment are measured at cost less accumulated depreciation and impairment losses

Costs include expenditures that are directly attributable to the acquisition of the asset.

Where parts of an item of equipment have different useful lives, they are accounted for as separate items of equipment.

(ii) Subsequent costs

The Group recognises in the carrying amount of an item of equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of equipment are recognised in profit and loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of equipment. The estimated useful lives for the current and comparative periods are as follows:

Office equipment:	5 years
Furniture and fittings:	5 years
Computer equipment:	3 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Surpluses and losses on disposal of plant and equipment are recognised in the income statement.

1.10 Intangible assets

(i) Goodwill

All business combinations are accounted for by applying the purchase method. For acquisitions on or after 1 January 2003, goodwill represents the excess of the costs of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit and loss.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

1 SIGNIFICANT ACCOUNTING POLICIES continued

(ii) Software

Computer software and licenses are shown at cost less accumulated amortisation and impairment losses, if any. Such assets are recognised if, and only if, it is probable that the expected future economic benefits that are attributable to these assets will flow to the entity, and the cost of the asset can be measured reliably.

The useful life of computer software and licenses is finite. The Group considers the useful life of these assets to be 3 years and amortises them accordingly on a straight line basis.

(iii) Customer relationships and trademark

The asset management operations and trademark were acquired as a going concern with the intention of growing the asset management business indefinitely. The value of the customer relationships and the trademark has been assessed on the existing client base and the future income to be generated. It is management's intention to grow the client base and the business indefinitely through maximising marketing and competitive trends and by taking advantage of any brand extension opportunities. The trademark and customer relationships are expected to contribute to the Group's net cash inflows indefinitely. The trademark and customer relationships are therefore not amortised and are tested for impairment in accordance with IAS 36 annually and whenever there is an indication that it may be impaired.

1.11 Impairment

(i) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available for sale asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk.

All impairment losses are recognised in profit and loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit and loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. Reversals of impairment losses are recognised in profit or loss.

1.12 Investments in subsidiaries

The holding company measures its subsidiaries at cost less impairments, if any.

Intercompany loan accounts are carried at amortised cost less impairments.

1.13 Statutory investments

Statutory investments refer to the Unit Trust Management Company's investment in its own unit trusts as required by the Unit Trust Control Act 54 of 1981. Interest and dividends earned on these statutory investments are not reinvested. The investments are shown at the quoted unit trust price at year end. Market value adjustments are recognised directly in the income statement as unrealised profits/ losses.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.14 Cash and cash equivalents

The cash and cash equivalents disclosed in the cash flow statement comprise cash on hand and short term deposits with an original maturity period of three months or less. They include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at amortised cost and for the purpose of the cash flow statement, overdrafts are set off against positive bank balances.

1.15 Share capital and reserves

(i) Dividends

Ordinary dividends are recognised as a liability in the period in which they are declared.

(ii) Reserve for own shares

The reserve for own shares consist of Namibia Asset Management shares which are held by the share incentive trust. As the trust is controlled by the entity it is consolidated and the reserve for own shares is created. On initial recognition or a change of shares held by the trust, share capital is adjusted with the par value of the change in shares, while the remainder of the share price is recognised as part of the reserve for own shares. All subsequent changes in share price relating to these shares are recognised in the reserve for own shares.

1.16 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit and loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments are available.

(ii) Share based payment transactions

The share purchase trust allows specific Group employees to acquire shares in the company.

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, excluding options that were forfeited or that lapsed.

(iii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.17 Provisions

A provision is recognised in the balance sheet if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effects are material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

1.18 Classification of insurance contracts

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary are classified as insurance contracts. Insurance risk is risk other than financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Insurance contracts may also transfer some financial risk.

Contracts under which the transfer of insurance risk to the Group from the policyholder is not significant, are classified as investment contracts. The reader's attention is drawn to the fact that the Group is no longer actively engaged in insurance or reinsurance business and that no new insurance contracts have been entered into since January 2003.

(i) Recognition and measurements of insurance contracts

Premiums

Premiums written comprise the reinsurance premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. Premiums are disclosed gross of commission to intermediaries and exclude Value Added Tax. Premiums written include adjustments to premiums written in prior accounting periods. Premiums written are accounted for in the period in which the risk incepts. Unearned premiums are carried forward and are those proportions of the written premiums, less commission and reinsurance, that relate to the risks that have not expired at the end of the financial period.

1 SIGNIFICANT ACCOUNTING POLICIES continued

Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

The earned portion of premiums received is recognised as revenue. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risks underwritten. Outward reinsurance premiums are recognised as an expense in accordance with the pattern of indemnity received.

Unearned premium provision
The unearned portions of the premiums are deferred, being those proportions of the written premiums net of commission and reinsurance that relate to continuing risks at the end of the accounting period. The unearned portions are generally calculated on the one twenty fourth basis.

Provision is made for all anticipated losses on the basis of prudence. This provision is included in the provision for unearned premiums.

Claims incurred
Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. Claims outstanding comprise provisions for the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date whether reported or not, and an appropriate risk margin.

Whilst the directors consider that the gross provisions for claims and the related reinsurance recoveries are fairly stated on the basis of the information currently available to them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made, and disclosed separately if material.

Unexpired risk provision
Provision is made for unexpired risks arising where the expected value of claims and expenses attributable to the unexpired periods of policies in force at the balance sheet date exceeds the unearned premium provision in relation to such policies after the deduction of any deferred acquisition costs. The provision for unexpired risks is calculated separately by reference to classes of business which are managed together, after taking into account relevant investment return.

Reinsurance
The Group cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders.

Premiums ceded and claims reimbursed are presented in the income statements and balance sheets separately from the gross amounts.

Only reinsurance agreements that give rise to a significant transfer of insurance risk are accounted for as reinsurance contracts. Amounts recoverable under such contracts are recognised in the same year as the related claim. Reinsurance agreements that do not transfer significant insurance risk are accounted for as investment contracts.

Amounts recoverable under reinsurance contracts are assessed for impairment at each balance sheet date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

Liabilities and related assets under liability adequacy test
The net liability recognised for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Group recognises the deficiency in income for the year.

1.19 Revenue recognition

Revenue from services rendered is recognised in the income statement over the term when the services are provided. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due and associated costs.

The Group's revenue comprises the Namibia dollar amount in respect of the following:
- fees from asset management activities
- fees from unit trust management activities
- commission received
- recoveries from impaired loans
- consulting fees
- reinsurance underwriting results in run-off

(i) Dividend income
Dividend income is recognised in the income statement on the date the entity's right to receive payments is established which in the case of quoted securities is the declaration date.

1.20 Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets). Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.21 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are operating leases and, except for investment property, the leased assets are not recognised on the Group's balance sheet. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

1.22 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill not deductible for tax purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

1.23 Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

1.24 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

1.25 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group's business and geographical segments. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments (other than investment property) and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

1 SIGNIFICANT ACCOUNTING POLICIES continued

(i) Segment revenue

Segment revenue consists of revenue reported in the Group's income statement that is directly attributable to a segment and the relevant portion of Group revenue that can be allocated on a reasonable basis to a segment, whether from sales to external customers or from transactions with other segments of the Group, excluding interest or dividend income and also excluding gains on sales of investments or gains on extinguishment of debt (unless the segment's operations are primarily of a financial nature).

(ii) Segment expense

Segment expense consists of expenses resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion of expenses that can be allocated on a reasonable basis to the segment, including expenses relating to sales to external customers and expenses relating to transactions with other segments within the Group, excluding interest incurred, losses on sales of investments or losses on extinguishment of debt (unless the segment's operations are primarily of a financial nature), income tax. General administrative expenses, such as head-office expenses, and other expenses that arise at Group level and relate to the Group as a whole are also excluded from segment expense. However, costs incurred at Group level on behalf of a segment and they are included in segment expense if they relate to the segment's operating activities and they can be directly attributed or allocated to the segment on a reasonable basis.

(iii) Segment result

Segment result consists of segment revenue less segment expense.

(iv) Segment assets

Segment assets consist of those operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment assets do not include income tax assets.

1.26 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

1.27 Non-current assets held for sale and discontinued operations

Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is determined in accordance with applicable IFRSs. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

2. EQUIPMENT

	Computer Equipment N$	Furniture & Fittings N$	Total N$
Group 2008			
Cost			
Opening balance	941,942	295,955	1,237,897
Additions	40,044	5,881	45,925
Closing balance	981,986	301,836	1,283,822
Accumulated depreciation and impairment losses			
Opening balance	807,945	250,012	1,057,957
Depreciation	74,655	13,078	87,733
Closing balance	882,600	263,090	1,145,690
Carrying amount			
At end of the year	99,386	38,746	138,132
At beginning of the year	133,997	45,943	179,940

	Computer Equipment N$	Furniture & Fittings N$	Total N$
Group 2007			
Cost			
Opening balance	1,019,752	291,844	1,311,596
Additions	159,550	21,524	181,074
Disposals	(237,360)	(17,413)	(254,773)
Closing balance	941,942	295,955	1,237,897
Accumulated depreciation and impairment losses			
Opening balance	912,517	251,898	1,164,415
Depreciation	58,949	10,597	69,546
Disposals	(163,521)	(12,483)	(176,004)
Closing balance	807,945	250,012	1,057,957
Carrying amount			
At end of the year	133,997	45,943	179,940
At beginning of the year	107,235	39,946	147,181

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

2. EQUIPMENT continued

	Computer Equipment N$	Furniture & Fittings N$	Total N$
Company 2008			
Cost			
Opening balance	514,810	225,417	740,227
Additions	40,044	5,881	45,925
Closing balance	554,854	231,298	786,152
Accumulated depreciation and impairment losses			
Opening balance	380,680	179,607	560,287
Depreciation	74,655	13,078	87,733
Closing balance	455,335	192,685	648,020
Carrying amount			
At end of the year	99,519	38,613	138,132
At beginning of the year	134,130	45,810	179,940

	Computer Equipment N$	Furniture & Fittings N$	Total N$
Company 2007			
Cost			
Opening balance	641,005	223,293	864,298
Additions	159,550	21,524	181,074
Disposals	(285,745)	(19,400)	(305,145)
Closing balance	514,810	225,417	740,227
Accumulated depreciation and impairment losses			
Opening balance	528,887	183,480	712,367
Depreciation	58,949	10,597	69,546
Disposals	(207,156)	(14,470)	(221,626)
Closing balance	380,680	179,607	560,287
Carrying amount			
At end of the year	134,130	45,810	179,940
At beginning of the year	112,118	39,813	151,931

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

3. INTANGIBLE ASSETS

	Software & software licences N$	Total N$
Group 2008		
Cost		
Opening balance	24,741	24,741
Additions	-	-
Closing balance	24,741	24,741
Accumulated amortisation and impairment losses		
Opening balance	11,113	11,113
Amortisation	1,439	1,439
Closing balance	**12,552**	**12,552**
Carrying amount		
At end of the year	12,189	12,189
At beginning of the year	13,628	13,628

	Software & software licences N$	Total N$
Group 2007		
Cost		
Opening balance	38,686	38,686
Additions	6,103	6,103
Disposals	(20,048)	(20,048)
Closing balance	24,741	24,741
Accumulated amortisation and impairment losses		
Opening balance	6,847	6,847
Amortisation	6,815	6,815
Disposals	(2,549)	(2,549)
Closing balance	11,113	11,113
Carrying amount		
At end of the year	13,628	13,628
At beginning of the year	31,839	31,839

3. INTANGIBLE ASSETS continued

	Trademark N$	Software & Software licences N$	Customer Relationships N$	Total N$
Company 2008				
Cost				
Opening balance	4,000,000	24,741	18,558,000	22,582,741
Closing balance	4,000,000	24,741	18,558,000	22,582,741
Accumulated amortisation and impairment losses				
Opening balance	-	11,113	-	11,113
Amortisation	-	1,439	-	1,439
Impairment	4,000,000	-	18,558,000	22,558,000
Closing balance	4,000,000	12,552	18,558,000	22,570,552
Carrying amount				
At end of the year	-	12,189	-	12,189
At beginning of the year	4,000,000	13,628	18,558,000	22,571,628

	Trademark N$	Software & Software licences N$	Customer Relationships N$	Total N$
Company 2007				
Cost				
Opening balance	4,000,000	32,138	18,502,000	22,534,138
Additions	-	6,103	56,000	62,103
Disposals	-	(13,500)	-	(13,500)
Closing balance	4,000,000	24,741	18,558,000	22,582,741
Accumulated amortisation and impairment losses				
Opening balance	-	5,049	-	5,049
Amortisation	-	6,815	-	6,815
Disposals	-	(751)	-	(751)
Closing balance	-	11,113	-	11,113
Carrying amount				
At end of the year	4,000,000	13,628	18,558,000	22,571,628
At beginning of the year	4,000,000	27,089	18,502,000	22,529,089

Refer to Director's Report, page 15, for a detailed explanation on the impairment of the intangible assets.

	Company	
	2008 N$	**2007 N$**
4. INTEREST IN SUBSIDIARIES		
Shares		
Opening balance	2,180,000	2,180,000
Current year movement	-	-
Closing balance	2,180,000	2,180,000
Consisting of:		
Shares at cost	22,635,813	22,635,813
Classified as held-for-sale	(9,600,000)	(9,600,000)
Cumulative impairment	(10,855,813)	(10,855,813)
	2,180,000	2,180,000
Intercompany current accounts (interest-free)		
Harvest Re-insurance Company of Namibia Ltd	(6,438,804)	(6,622,333)
Mile Four Fund Managers (Pty) Ltd	(174,624)	(179,920)
Namibia Unit Trust Managers Ltd	2,221,102	864,249
Reclassified as held-for-sale	6,438,804	6,622,333
Amount owing by subsidiary companies on current account	2,046,478	684,329
Consisting of:		
Amounts due by group companies	2,221,102	864,249
Amounts due to group companies	(6,613,428)	(6,802,253)
Reclassified as held-for-sale	6,438,804	6,622,333
	2,046,478	684,329

Intercompany loans are carried at cost less impairment. They are repayable on demand and carry no interest.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

	Group	
	2008 N$	**2007 N$**
5. INVESTMENTS		
Statutory Investments	3,000,000	2,000,000
Directors' valuation	3,000,000	2,000,000

The statutory investments relate to the minimum investments a Unit Trust Manager is required to make in its own Unit Trust as per the Unit Trust Control Act of 1980. They are classified as at fair value through profit and loss and are shown at their fair value which is based on actual unit prices at year end. An additional fund, named Namibia Medical Absolute Fund, was added in November 2007.

NAM Coronation Strategic Income Fund (Previously known as Namibian Harvest Platinum Money Fund)

	2008	2007
Number of units held at year end		
• 30 September 2007		1,000,000
• 30 September 2008	1,014,816	
Unit price at year end in cents		
• 30 September 2007		100
• 30 September 2008	98.54	

NAM Coronation Balanced Defensive Fund (Previously known as Namibian Harvest Platinum Balanced Fund)

	2008	2007
Number of units held at year end		
• 30 September 2007		37,879
• 30 September 2008	39,920	
Unit price at year end in cents		
• 30 September 2007		2,639.99
• 30 September 2008	2,504.95	

Namibia Medical Absolute Fund

	2008	2007
Number of units held at year end		
• 30 September 2008	1,007,455	
Unit price at year end in cents		
• 30 September 2008	99.26	

The statutory investments remain at a fixed level of N$ 3 000 000 (2007: N$ 2 000 000). Due to changing unit prices, surplus/ deficit units are sold/ purchased at year end. Resulting profits/ losses are classified as realised profits/ losses on sale of investments (refer to note 14).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

	Group		Company	
	2008 N$	**2007 N$**	**2008 N$**	**2007 N$**
6. LONG TERM (PAYABLE) / RECEIVABLE				
Namibia Asset Management Executive Share Purchase Scheme (Previously known as The Namibian Harvest Executive Share Purchase Trust)			(404,555)	130,245
This loan is interest-free and disclosed at cost less impairments.				
Number of shares held by the Namibia Asset Management Executive Share Purchase Scheme				
Shares held at beginning of year			13,120,000	13,120,000
Options exercised			(2,100,000)	-
Shares held at end of year			11,020,000	13,120,000
The loan was granted to enable the share purchase trust to acquire shares to issue to the staff of the Group in terms of the share option trust. Refer to note 15.3.				
7. DEFERRED TAXATION				
Opening balance	961,190	4,286,518	961,190	4,286,518
Current year charge to the income statement	(98,036)	(3,001,339)	1,301,964	(3,001,339)
Current year charge directly to equity	(115,128)	(323,989)	(115,128)	(323,989)
Closing balance	748,026	961,190	2,148,026	961,190
The balance of deferred tax is made up as follows:				
Deferred tax liability				
Equipment	(9,631)	(24,980)	(9,631)	(24,980)
Trademark	(168,000)	(112,000)	-	(112,000)
	(177,631)	(136,980)	(9,631)	(136,980)
Deferred tax assets recognised				
Provision for leave pay	50,315	36,605	50,315	36,605
Bonus provision	843,437	850,424	843,437	850,424
Deferred rental costs	31,905	35,996	31,905	35,996
Tax losses	-	175,145	-	175,145
Trademark	-	-	1,232,000	-
	925,657	1,098,170	2,157,657	1,098,170
Estimated tax losses available for future set-off				
Opening balance	6,514,184	17,242,207	500,414	12,351,908
(Utilised)	(1,814,127)	(10,728,023)	(500,414)	(11,851,494)
Closing balance	4,700,057	6,514,184	-	500,414

Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. No unrecognised deferred tax liabilities exist.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

8. INVESTMENTS

	Group 2008 N$	Group 2007 N$	Company 2008 N$	Company 2007 N$
Investment in Unit Trusts	584,889	609,229	-	-

This investment is classified as at fair value through profit and loss. The fair value is based on the actual unit price as at year end.

9. TRADE AND OTHER RECEIVABLES

	Group 2008 N$	Group 2007 N$	Company 2008 N$	Company 2007 N$
Trade receivables	5,115,855	5,579,799	4,747,127	5,415,445
Reclassified as held-for-sale	(263,079)	(48,658)	-	-
Prepayments	88,272	139,500	88,272	139,500
	4,941,048	5,670,641	4,835,399	5,554,945

10. ISSUED SHARE CAPITAL AND SHARE PREMIUM

	Group 2008 N$	Group 2007 N$	Company 2008 N$	Company 2007 N$
Authorised - Ordinary shares				
300 000 000 shares of 1 cent each	3,000,000	3,000,000	3,000,000	3,000,000
Issued - Ordinary shares				
200 000 000 shares of 1 cent each	2,000,000	2,000,000	2,000,000	2,000,000
Share premium				
Opening balance	6,053,960	6,053,960	6,053,960	6,053,960
Movements	-	-	-	-
Closing balance	6,053,960	6,053,960	6,053,960	6,053,960
Reserve for own shares				
Shares held by the Executive Share Purchase Scheme (Refer to note 11)	(110,200)	(131,200)		
Total share capital including share premium	7,943,760	7,922,760	8,053,960	8,053,960

The unissued shares are under the control of the directors until the forthcoming Annual General Meeting to be held on 16 April 2009. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share on meetings of the company.

11. RESERVE FOR OWN SHARES

On initial recognition or a change of shares held by the Share Incentive Scheme, share capital is adjusted by the par value in the change in shares, while the remainder of the share price is recognised as part of the reserve for own shares. All subsequent changes in share price are recognised in the reserve for own shares. On 30 September 2008, the trust owned 11 020 000 shares (2007: 13 120 000). Staff exercised the first tranche of their share options during the year.

	Group 2008 N$	Group 2007 N$	Company 2008 N$	Company 2007 N$
Share capital				
Total number of shares in issue at par value of 1 cent	1,868,800	2,000,000	2,000,000	2,000,000
Shares owned by the share trust before beginning of financial year	-	(131,200)	-	-
Change in shares owned by the trust during the year	21,000	-	-	-
	1,889,800	1,868,800	2,000,000	2,000,000
Reserve for own shares				
Owned by the share trust at beginning of financial year	(705,350)	(1,091,633)		
Change in shares owned by the trust during the year	163,500	386,283		
	(541,850)	(705,350)		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

	Group		Company	
	2008 N$	2007 N$	2008 N$	2007 N$
12. TRADE AND OTHER PAYABLES				
Coronation Fund Managers Ltd	1,568,299	1,818,253	1,568,299	1,818,253
Amounts due to reinsurers	-	190,636	-	-
Deferred rental costs	91,157	102,846	91,157	102,846
Classified as held for sale (Refer to note 20)	-	(647 602)	-	-
Accruals	4,065,901	3,787,862	3,745,447	2,875,511
	5,725,357	5,251,995	5,404,903	4,796,610
The following amounts due to related parties are included in trade payables:				
Gordon Young (director) - bonus accrual	380,000	500,000	380,000	350,000
AB Bertolini (director) - bonus accrual	520,470	452,062	520,470	452,062
Directors fees - for meetings	-	46,000	-	46,000
Coronation Fund Managers Ltd - fees and disbursements	1,568,299	1,818,253	1,568,299	1,818,253

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

	2008			2007		
	Continuing Operations N$	Discontinued Operations N$	Total N$	Continuing Operations N$	Discontinued Operations N$	Total N$
13. REVENUE						
Group						
Revenue comprises the following:						
• Unit trust income	221,943	-	221,943	33,931	-	33,931
• Asset management fees	26,695,584	-	26,695,584	27,295,250	-	27,295,250
	26,917,527	-	26,917,527	27,329,181	-	27,329,181
Company						
Revenue comprises the following:						
• Asset management fees	26,495,584	-	26,495,584	27,295,250	-	27,295,250
14. OTHER INCOME						
Group						
Profit on disposal of equipment	-	-	-	9,999	-	9,999
Futeni retained accounts	-	710,795	710,795	84,750	-	84,750
Bad debts recovered	-	1,354,752	1,354,752	-	-	-
Distributions	-	-	-	29,984	-	29,984
Realised profit on sale of unit trust investments	-	-	-	214,093	-	214,093
Unit Trust investments	-	-	-	120,651	-	120,651
Balanced fund distributions	23,968	-	23,968	14,715	-	14,715
	23,968	2,065,547	2,089,515	474,192	-	474,192
Company						
Profit on disposal of equipment	-	-	-	9,999	-	9,999
Futeni retained accounts	-	710,795	710,795	84,750	-	84,750
	-	710,795	710,795	94,749	-	94,749

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

15. OPERATING EXPENDITURE

Operating expenditure includes the following:

15.1 Expenses

Group

	2008			2007		
	Continuing Operations N$	Discontinued Operations N$	Total N$	Continuing Operations N$	Discontinued Operations N$	Total N$
Auditors' remuneration						
Audit fees - current year	336,713	24,756	361,469	241,649	42,641	284,290
Other services	3,105	-	3,105	-	-	-
	339,818	24,756	364,574	241,649	42,641	284,290
Depreciation						
Computer equipment	74,655	-	74,655	58,949	-	58,949
Furniture and equipment	13,078	-	13,078	10,597	-	10,597
	87,733	-	87,733	69,546	-	69,546
Amortisation charge						
Software	1,439	-	1,439	6,815	-	6,815
Operating lease expense						
Equipment	16,217	-	16,217	15,981	-	15,981
Premises	362,277	-	362,277	362,277	-	362,277
	378,494	-	378,494	378,258	-	378,258
Impairment losses on reinsurance business	-	-	-	-	745,044	745,044
Short term employee benefits						
Salaries and wages	2,012,398	-	2,012,398	2,242,136	-	2,242,136
Bonuses	1,245,449	-	1,245,449	2,177,490	-	2,177,490
Contributions to retirement funds	139,099	-	139,099	163,727	-	163,727
Share based payments charge (refer to note 15.3)	328,938	-	328,938	931,398	-	931,398
Medical aid contributions	142,022	-	142,022	150,312	-	150,312
	3,867,906	-	3,867,906	5,665,063	-	5,665,063
Professional and consulting fees - technical services	135,917	27,750	163,667	103,646	37,488	141,134
Asset Management fees - Coronation Fund Managers	9,422,038	-	9,422,038	9,282,208	-	9,282,208
Loss on disposal of equipment	-	-	-	96,268	-	96,268

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

	2008			2007		
	Continuing Operations N$	Discontinued Operations N$	Total N$	Continuing Operations N$	Discontinued Operations N$	Total N$
15.1 Expenses continued						
Company						
Auditors' remuneration						
Audit fees - current year	268,006	-	268,006	185,461	-	185,461
	268,006	-	268,006	185,461	-	185,461
Depreciation						
Computer equipment	74,655	-	74,655	58,949	-	58,949
Furniture and equipment	13,078	-	13,078	10,597	-	10,597
	87,733	-	87,733	69,546	-	69,546
Amortisation charge						
Software	1,439	-	1,439	6,815	-	6,815
Operating lease expense						
Equipment	16,217	-	16,217	15,981	-	15,981
Premises	362,277	-	362,277	362,277	-	362,277
	378,494	-	378,494	378,258	-	378,258
Short term employee benefits						
Salaries and wages	1,807,714	-	1,807,714	2,114,240	-	2,114,240
Bonuses	1,245,449	-	1,245,449	2,177,490	-	2,177,490
Contributions to retirement funds	123,748	-	123,748	155,159	-	155,159
Share based payments charge (refer to note 15.3)	328,938	-	328,938	931,398	-	931,398
Medical aid contributions	142,022	-	142,022	127,333	-	127,333
	3,647,871	-	3,647,871	5,505,620	-	5,505,620
Impairment of intangible assets	22,558,000	-	22,558,000	-	-	-
Professional and consulting fees - technical services	135,917	-	135,917	98,425	-	98,425
Asset Management fees - Coronation Fund Managers	9,422,038	-	9,422,038	9,282,208	-	9,282,208
Loss on disposal of equipment	-	-	-	96,268	-	96,268

Refer to Director's Report, page 15, for a detailed explanation on the impairment of the intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

15.2 Directors' emoluments

Non-executive directors

Paid by the company

In the capacity as:

	Attendance Audit Committee Meeting	Attendance Board Meeting	Director	Chairman	Audit Committee	Total 2008	Total 2007
Meetings held: 4							
A Mushimba		3	55,000	15,000	-	70,000	35,000
M Fehrsen	3	4	55,000	-	11,500	66,500	48,000
B Dempsey	2	3	55,000	-	7,500	62,500	28,000
			165,000	15,000	19,000	199,000	111,000

Executive directors

	Paid by the company	Paid by the subsidiaries	Total 2008	Total 2007
AB Bertolini				
Bonuses - current year	520,470	-	520,470	457,440
Basic salary	320,000	-	320,000	320,000
Provident fund contributions	38,764	-	38,764	37,280
Expense allowances	-	-	-	51,823
Other	35,890	-	35,890	36,319
	915,124	-	915,124	902,862
Expense allocation - share based payment	212,394	-	212,394	547,881
	1,127,518	-	1,127,518	1,450,743

AB Bertolini exercised his share options post year-end and realised gain of N$ 230 625 at date of exercising the options.

Mr R G Young's permanent consulting contract with the Group terminated on 31 December 2005. Hereafter he has remained as a director in an advisory capacity until all legacy issues have been resolved. He earned N$ 20 000 (2007: N$ nil) in consulting fees for the year ended 30 September 2008.

According to the Group's directors' rotation policy and based on Annual General Meeting approval on 30 April 2008, Mr M Fehrsen is up for re-election at the 2009 AGM on 16 April 2009.

15.3 Share based payments

The Company's share incentive trust has been in existence since 1998 as part of the restructuring process of the Group and over the years, the trust purchased 13 120 000 Namibia Asset Management Ltd shares for staff incentive purposes. Up to the beginning of the 2007 financial year no options were allocated to staff. However on 30 January 2007, 7 650 000 options were offered to, and accepted by staff at a strike price of 4.5 cents per share. According to the stipulations of IFRS 2 (Share based payments), the option scheme is equity settled as the employee is entitled to purchase ordinary shares of the company once the vesting conditions have been satisfied. On 1 November 2007, an additional 2 000 000 options were offered to, and accepted by staff at a strike price of 4.5 cents per share and under the same conditions.

Vesting Conditions

Provided the employee is still in the employ of the company at the specified date, the options vest in the following tranches:

• On or after the second anniversary but before the third anniversary of the grant date:	25%
• On or after the third anniversary but before the fourth anniversary of the grant date:	50%
• On or after the fourth anniversary but before the fifth anniversary of the grant date:	75%
• Lastly on or between the fifth and the tenth anniversaries of the grant date:	All the remaining options

	Number of options	Exercise price in cents
Outstanding on 1 October 2007	7,650,000	4.5
Granted during the period	2,000,000	4.5
Forfeited during the period	-	
Exercised during the period	(2,100,000)	
Expired during the period	-	
Outstanding on 30 September 2008	7,550,000	
Exercisable on 30 September 2008	1,725,000	

The share price of Namibia Asset Management Limited shares at year end was 25 cents per share (2007: 25 cents per share).

The first tranche options issued and outstanding on 30 September 2008 have a remaining contractual life of 6 years and eight months. The second tranche options issued and outstanding on 30 September 2008 have a remaining contractual life of 9 years and six months.

2 100 000 options were exercised during the year, of which 1 125 000 by the Chief Executive. Refer to note 15.2 for more details.

Independent advisors, Alexander Forbes, were contracted to calculate the fair value of the share options. The fair value was calculated based on the following:

• Listed share price at grant date:	The share price was 40 cents at the first grant date but due to this being an unusual spike in the share price, a more realistic price of 25 cents per share was used in the calculation. The share price was 25 cents at the second grant date.
• Exercise price:	4.5 cents per share
• Expected volatility:	The expected option lifetime of all tranches were considered and volatility was calculated using the weekly closing share price.
• Option life:	The expected option life was calculated using the tranches stipulated in the trust deed and rounding that off to the nearest year.
• Expected dividend yield:	5.50%
• Risk-free interest rate:	The yield on a Namibian government bond with a term of maturity equal to the appropriate expected lifetime of the option was used.
• Assumptions for early exercise and other assumptions:	The assumption for exercise behaviours was based on internal investigations and data provided by Alexander Forbes' international colleagues.

The Binomial Model was used and the options were valued at between N$ 0.16 and N$ 0.19 per option at year end.

	Group		Company	
	2008 N$	2007 N$	2008 N$	2007 N$
Expense recognised in the income statement arising from equity-settled share option transactions	328,938	931,398	328,938	931,398
Related deferred tax charge	(115,128)	(323,989)	(115,128)	(323,989)
Charge to equity	213,810	607,409	213,810	607,409

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

	2008			2007		
	Continuing Operations N$	Discontinued Operations N$	Total N$	Continuing Operations N$	Discontinued Operations N$	Total N$
16. FINANCE INCOME						
Group						
Interest on retained claim accounts (current)	-	-	-	8,331	-	8,331
Interest on current accounts	823,274	35,016	858,290	410,014	18,114	428,128
Interest on unit trust investments	203,697	240,058	443,755	165,472	231,436	396,908
	1,026,971	275,074	1,302,045	583,817	249,550	833,367
Company						
Interest on current accounts	796,009	-	796,009	388,606	-	388,606
Interest on retained claim accounts (current)	-	-	-	8,332	-	8,332
Interest on unit trust investments	856	-	856	55,862	-	55,862
	796,865	-	796,865	452,800	-	452,800
17. FINANCE COST						
Group						
Interest on overdraft	10,622	-	10,622	19,142	-	19,142
Company						
Interest on overdraft	-	-	-	309	-	309
18. INCOME TAX						
Group						
Namibian normal tax						
Current year	3,393,053	226,203	3,619,256	-	-	-
Deferred tax						
Current year	213,163	-	213,163	3,325,328	-	3,325,328
Charged to equity	(115,128)	-	(115,128)	(323,989)	-	(323,989)
	3,491,088	226,203	3,717,291	3,001,339	-	3,001,339
Company						
Namibian normal tax						
Current year charge	3,393,053	226,203	3,619,256	-	-	-
Deferred tax expense						
Current year charge	(1,186,837)	-	(1,186,837)	3,325,328	-	3,325,328
Charged to equity	(115,128)	-	(115,128)	(323,989)	-	(323,989)
	2,091,088	226,203	2,317,291	3,001,339	-	3,001,339

Refer to Note 7 for unutilised tax losses available.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

	2008			2007		
	Continuing Operations N$	**Discontinued Operations N$**	**Total N$**	**Continuing Operations N$**	**Discontinued Operations N$**	**Total N$**
18. INCOME TAX continued						
Reconciliation of tax rate	%	%	%	%	%	%
Group						
Standard corporate tax rate	35.00	35.00	35.00	35.00	35.00	35.00
Adjusted for:						
- Tax loss not utilised to create deferred tax asset	1.77	-	1.43	1.26	(48.71)	5.05
- Disallowable expenditure	0.02	-	0.02	1.29	-	0.35
- Tax loss utilised	-	(20.90)	(3.89)	-	-	-
- Exempt income	(0.50)	(3.82)	(1.11)	(1.72)	13.71	(1.85)
Effective tax rate	36.29	10.28	31.45	35.83	-	38.55
Company						
Standard corporate tax rate	35.00	35.00	35.00	35.00	-	35.00
Adjusted for:						
- Disallowable expenditure	(51.61)	-	(54.40)	0.32	-	0.32
- Exempt income	-	-	-	(0.23)	-	(0.23)
Effective tax rate	(16.61)	35.00	(19.40)	35.09	-	35.09
19. EARNINGS PER SHARE						
Earnings per share is based on basic earnings of:	6,128,474	1,973,861	8,102,335	5,375,002	(590,744)	4,784,258
Headline earnings per share are based on headline earnings of:	6,128,474	1,973,861	8,102,335	5,365,003	(590,744)	4,774,259
Ordinary shares in issue	188,980,000	188,980,000	188,980,000	186,880,000	186,880,000	186,880,000
Diluted ordinary shares in issue*	195,171,000	195,171,000	195,171,000	193,285,873	193,285,873	193,285,873
Reconciliation of earnings to headline earnings						
Profit / (Loss) for the year	6,128,474	1,973,861	8,102,335	5,375,002	(590,744)	4,784,258
Profit on sale of equipment	-	-	-	(9,999)	-	(9,999)
Headline Earnings	6,128,474	1,973,861	8,102,335	5,365,003	(590,744)	4,774,259
- Basic	3.24	1.04	4.29	2.88	(0.32)	2.56
- Headline	3.24	1.04	4.29	2.87	(0.32)	2.55
- Diluted	3.14	1.01	4.15	2.78	(0.31)	2.47

*Dilution of ordinary shares take place if all staff exercise their options.

20. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

	Group 2008 N$	Group 2007 N$	Company 2008 N$	Company 2007 N$
Assets classified as held for sale				
Investment in subsidiaries	-	-	9,600,000	9,600,000
Trade and other receivables	263,079	48,658	-	-
Current tax asset	111,612	111,612	-	-
Cash and cash equivalents	4,241,983	3,366,706	-	-
	4,616,674	3,526,976	9,600,000	9,600,000
Liabilities classified as held for sale				
Trade and other payables	-	647,602	-	-
Intercompany accounts	-	-	6,438,804	6,622,333
	-	647,602	6,438,804	6,622,333
Net cash flows from operating activities	691,748	133,562		
Net cash flows from investing activities	-	-		
Net cash flows from financing activities	189,823	5,694		

Assets and liabilities held for sale comprise the assets and liabilities of a 100% held (wholly owned) subsidiary, namely Harvest Reinsurance Company of Namibia Limited.

	Group 2008 N$	Group 2007 N$
Included in trade and other payables above, the following amounts are due to related parties:		
Mr R G Young (director) - bonus accrual	-	150,000

Harvest Reinsurance Company of Namibia Limited

Harvest Reinsurance Company of Namibia Limited is presented as held for sale. It was previously disclosed as discontinuing operation based on decision of the Group's management to close the company for new business as from 31 December 2002 due to changes in the reinsurance industry in Namibia. All of the company's risks were terminated at the end of March 2003. All of the company's treaties have completed the run-off period and the process to pursue commutation agreements with all affected parties are completed. The directors have realised the assets and liabilities and the company is being voluntarily liquidated in 2009.

The carrying amount of the subsidiary in the holding company's books, net of impairment, is N$ 9 600 000 at 30 September 2008.

The results of this disposal group have been included in the 'Reinsurance' segment in the segment report on page 21 of this report.

Changes in provisions and trade payables and trade receivables

The provisions carried by the company in the prior year related to certain, and uncertain, insurance claims. Similarly, trade payables and trade receivables included claims due by, or to, re-insurers. As part of the efforts to eliminate all non-core operations, independent advisors were solicited. In conjunction with brokers who were involved in the early trading days of Harvest Reinsurance, it was decided to write off all provisions, trade debtors and trade creditors, apart from those with absolute certainty. The write-offs relating to debtors and creditors could be netted off against each other due to the fact that the underlying insurance and re-insurance transactions were directly related and incurred back-to-back.

	Trade and other Payables N$	Trade and other Receivables N$	Provisions N$	Total N$
Opening Balance on 1 October 2007	48,658	(457,361)	(190,241)	(598,944)
Written off	-	-	190,241	190,241
Ordinary transactions	(48,658)	194,282	-	145,624
Normal reserve adjustments	-	-	-	-
Closing balances on 30 September 2008	-	(263,079)	-	(263,079)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

	Group		Company	
	2008	**2007**	**2008**	**2007**
	N$	**N$**	**N$**	**N$**
21. NOTES TO THE CASH FLOW STATEMENTS				
21.1 Cash generated by operations				
Profit from operations before tax	11,819,626	7,785,597	(11,942,493)	8,553,305
Adjustments for :				
Non-cash items				
Impairment of intangible assets	-	-	22,558,000	-
Depreciation	87,733	69,546	87,733	69,546
Amortisation of intangibles	1,439	6,815	1,439	6,815
Provision adjustments	-	(1,344,306)	-	(311,673)
Profit on disposal of equipment	-	(9,999)	-	(9,999)
Loss on disposal of equipment	-	96,268	-	96,268
Share based payments charge	328,938	931,398	328,938	931,398
Market value gains on statutory investments	-	(120,651)	-	-
Items disclosed separately on the face of the cash flow statement				
Finance costs	10,622	19,142	-	309
Finance income	(1,302,045)	(833,367)	(796,865)	(452,800)
Operating profit before working capital changes	10,946,313	6,600,443	10,236,752	8,883,169
Working capital changes	340,930	3,349,258	1,327,839	1,514,600
Decrease /(increase) in trade and other receivables	515,172	1,480,847	719,546	(413,937)
(Decrease) /Increase in trade and other payables	(174,242)	1,868,411	608,293	1,928,537
Cash generated by operations	11,287,243	9,949,701	11,564,591	10,397,769
21.2 Income taxes paid				
Balance at beginning of the year	111,612	52,194	-	-
Current tax charge	(3,619,255)	-	(3,619,255)	-
Balance at end of year (including held-for-sale assets)	130,512	(111,612)	242,124	-
Income tax paid	(3,377,131)	(59,418)	(3,377,131)	-
21.3 Dividends paid				
Shareholders for dividends -opening balance	(91,066)	(78,751)	(91,066)	(78,751)
Shareholders for dividends -closing balance	95,315	91,066	95,315	91,066
Dividends declared	(7,539,700)	(5,606,400)	(8,000,000)	(6,000,000)
Dividends paid	(7,535,451)	(5,594,085)	(7,995,751)	(5,987,685)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

	Group		Company	
	2008 N$	2007 N$	2008 N$	2007 N$
21. NOTES TO THE CASH FLOW STATEMENTS continued				
21.4 Cash and cash equivalents				
Favourable balances	11,057,842	9,475,711	10,623,431	8,996,666
Overdrawn bank balances	(1,798,119)	(6,212)	(1,701,205)	(6,212)
Cash and cash equivalents held for sale	4,241,983	3,366,706	-	-
Cash and cash equivalents at end of year	13,501,706	12,836,205	8,922,226	8,990,454
Analysed as follows:				
Bank balances	9,093,597	9,299,053	8,910,386	8,979,287
NAM Coronation Strategic Income Fund	166,125	170,447	11,840	11,167
	9,259,722	9,469,500	8,922,226	8,990,454
Cash and cash equivalents attributable to disposal groups held for sale	4,241,983	3,366,705	-	-
	13,501,706	12,836,205	8,922,226	8,990,454

22. FINANCIAL RISK MANAGEMENT

Overview
The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Management presents quarterly risk logs to the Board, indicating financial losses incurred due to risk breaches and actions taken to prevent similar events in the future.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Group's customer base (continuing operations) consists of two main categories: segregated funds and retail. These two categories of clients have significantly different profiles of credit risk.

Segregated funds
99.1% of NAM's Group revenue (continuing operations) is generated by segregated funds (2007: 99.9%). These consist of pension funds and medical aid funds, all of whom are large institutional investors who are strictly regulated by Namfisa. In 10 out of 12 cases, management fees are collected automatically from funds invested and virtually no credit risk exists.

In the cases where clients are presented with a monthly or quarterly invoice which is paid by the client independently of funds under management, payment periods are strictly measured and delays in payment are immediately followed up at the highest level.

Approximately 62.2% of the Group's revenue is attributable to an investment mandate of a single customer (2007: 60.4%). This customer's creditworthiness is linked to Namibia's sovereign credit status.

50% of the Group's customers have been transacting with the Group for over four years, and losses due to payment default by segregated clients have never occurred during this time.

Retail Clients
Retail clients bear no credit risk as the fees are automatically collected when the units are purchased or sold.

Investments
The Group limits its exposure to credit risk by only investing its funds in liquid securities with local banks of satisfactory credit status and its unit trust funds. Management does not expect any counterparty to fail to meet its obligations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

22. FINANCIAL RISK MANAGEMENT (continued)

Guarantees

The Group does not provide financial guarantees to any internal or external parties.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group actively monitors its cash flow requirements on a daily basis and thereby optimises its return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations (if any); this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Group does not maintain any credit facilities, apart from normal 30 day creditors' payment terms with general business suppliers.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group does not trade in derivatives.

Currency risk

The Group is not exposed to currency risk as all business is either conducted in Namibia Dollar or South African Rand (to which the Namibia Dollar is pegged at 1:1).

Interest rate risk

The Group does not have any interest-bearing borrowings and therefore does not carry any interest-rate risk on liabilities.

Investments carrying interest are monitored on a daily basis and active management takes place to ensure maximum rates.

Other market price risk

The company does not directly hold any listed shares as investments. However, indirectly equity price risk affects the company through its Balanced Defensive Fund investments and its revenue-base which is driven by market prices.

The unit trust and all other portfolios which generate the Group's revenue, are actively managed on a daily basis by an experienced trading team who make investment decisions based on research and up-to-date information, according to long-term investment strategies and house views.

Equity price risk is one of the Group's main operating risks and the board considers it to be managed adequately and with great care.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as total shareholders' equity, and the level of dividends to ordinary shareholders on a regular basis.

The Board's target is for employees of the Group to eventually hold 20.59% of the Company's ordinary shares. At present employees directly hold 1.05% of the ordinary shares.

Currently, the Group does not have any intensive capital requirements and therefore no external interest-bearing debt is considered. Dividends are paid out after cash flows have been rigorously tested and the board is certain that all short- and medium term commitments can be met.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

22. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL INSTRUMENTS

CREDIT RISK

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		Group		Company	
	Note	2008 N$ Carrying Amount	2007 N$ Carrying Amount	2008 N$ Carrying Amount	2007 N$ Carrying Amount
Available-for-sale financial assets	*20 & 5*	7,616,674	5,526,976	9,600,000	9,600,000
Financial assets at fair value through profit or loss	*8*	584,889	609,229	-	-
Loans and receivables	*6 & 9*	4,941,048	5,670,641	4,835,399	5,685,190
Cash and cash equivalents	*21.4*	11,057,842	9,475,711	10,623,430	8,996,666
		24,200,453	21,282,557	25,058,829	24,281,856

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Group		Company	
	2008 N$ Carrying Amount	2007 N$ Carrying Amount	2008 N$ Carrying Amount	2007 N$ Carrying Amount
Institutional client receivables	4,700,926	5,275,685	4,700,926	5,275,686
Other receivables	240,122	394,956	134,473	279,259
	4,941,048	5,670,641	4,835,399	5,554,945

The Group's most significant customer, the Government Institution Pension Fund, accounts for N$ 4 104 581 of the trade receivables carrying amount at 30 September 2008 (2007: N$ 4 167 713).

Impairment losses

The aging of trade receivables at the reporting date was:

	Group		Group		Company		Company	
	2008 N$ Gross	2007 N$ Gross	2008 N$ Impairment	2007 N$ Impairment	2008 N$ Gross	2007 N$ Gross	2008 N$ Impairment	2007 N$ Impairment
Not past due	4,941,048	5,670,641	-	-	4,835,399	5,554,945	-	-
Total	4,941,048	5,670,641	-	-	4,835,399	5,554,945	-	-

Based on past experience, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due;100 percent of the balance, which includes the amount owed by the Group's most significant customer (see above), relates to customers that have a good track record with the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

22. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL INSTRUMENTS (continued)

LIQUIDITY RISK

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group 30 September 2008 N$	Carrying amount	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Liabilities classified as held for sale	-	-	-	-	-	-
Shareholders liability	95,315	-	4,249	12,410	9,703	68,953
Bank overdraft	1,798,119	1,798,119	-	-	-	-
Trade and other payables	5,725,357	4,702,951	980,335	42,071	-	-
	7,618,791	6,501,070	984,584	54,481	9,703	68,953

Group 30 September 2007 N$	Carrying amount	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Liabilities classified as held for sale	647,602	-	-	647,602	-	-
Shareholders liability	91,066	-	12,410	9,703	-	68,953
Bank overdraft	6,212	6,212	-	-	-	-
Trade and other payables	5,251,995	4,063,557	1,097,281	49,086	42,071	-
	5,996,875	4,069,769	1,109,691	706,391	42,071	68,953

Company 30 September 2008 N$	Carrying amount	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Liabilities classified as held for sale	6,438,804	-	6,438,804	-	-	-
Amounts owing to group companies	174,624	-	174,624	-	-	-
Shareholders liability	95,315	-	4,249	12,410	9,703	68,953
Long term loan payable	404,555	-	404,555	-	-	-
Bank ovderdraft	1,701,205	1,701,205	-	-	-	-
Trade and other payables	5,404,903	4,518,136	844,696	42,071	-	-
	14,219,406	6,219,341	7,866,928	54,481	9,703	68,953

Company 30 September 2007 N$	Carrying amount	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Liabilities classified as held for sale	6,622,333	-	-	6,622,333	-	-
Amounts owing to group companies	179,920	-	-	179,920		
Shareholders liability	91,066	-	-	-	-	-
Bank ovderdraft	6,212	6,212	-	-	-	-
Trade and other payables	4,796,610	3,902,103	803,350	49,086	42,071	-
	11,696,141	3,908,315	803,350	6,851,339	42,071	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2008

22. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL INSTRUMENTS (continued)

INTEREST RATE RISK

A change of 100 basis points in interest rates at reporting date would have increased /(decreased) equity and profit or lossby the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2007.

	Profit or loss		Equity	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
Group: 30 September 2008				
Variable rate instruments	135,017	(135,017)	87,761	(87,761)
Group: 30 September 2007				
Variable rate instruments	128,362	(128,362)	83,435	(83,435)
Company: 30 September 2008				
Variable rate instruments	89,222	(89,222)	57,994	(57,994)
Company: 30 September 2007				
Variable rate instruments	89,905	(89,905)	58,438	(58,438)

FAIR VALUES

Fair values versus carrying ammounts

The fair value of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	Note	30 September 2008 Carrying amount	Fair Value	30 September 2007 Carrying amount	Fair Value
Group					
Statutory Investments	*5*	3,000,000	3,000,000	2,000,000	2,000,000
Other Investments	*8*	584,889	584,889	609,229	609,229
Trade and other receivables	*9*	4,941,048	4,941,048	5,670,641	5,670,641
Cash and cash equivalents	*21.4*	11,057,842	11,057,842	9,475,711	9,475,711
Assets classified as held for sale	*20*	4,616,674	4,616,674	3,526,976	3,526,976
Shareholders for dividend		(95,315)	(95,315)	(91,066)	(91,066)
Trade and other payables	*12*	(5,725,357)	(5,725,357)	(5,251,995)	(5,251,995)
Bank overdraft	*21.4*	(1,798,119)	(1,798,119)	(6,212)	(6,212)
Liabilities classified as held for sale	*20*	-	-	(647,602)	(647,602)
		16,581,662	16,581,662	15,285,682	15,285,682
Company					
Long term (payable) / receivable	*6*	(404,555)	(404,555)	130,245	130,245
Trade and other receivables	*9*	4,835,399	4,835,399	5,554,945	5,554,945
Amounts owing by group companies	*4*	2,221,102	2,221,102	864,249	864,249
Cash and cash equivalents	*21.4*	10,623,431	10,623,431	8,996,666	8,996,666
Assets classified as held for sale	*20*	9,600,000	9,600,000	9,600,000	9,600,000
Amounts owed by group companies	*4*	174,624	174,624	179,920	179,920
Shareholders for dividend		(95,315)	(95,315)	(91,066)	(91,066)
Trade and other payables	*12*	5,404,903	5,404,903	4,796,610	4,796,610
Bank overdraft	*21.4*	1,701,205	1,701,205	6,212	6,212
Liabilities classified as held for sale	*20*	6,438,804	6,438,804	6,622,333	6,622,333
		40,499,598	40,499,598	36,660,114	36,660,114

Basis for determining fair values The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

Trade and other receivables or payables For receivables or payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables or payables are discounted to determine the fair value.

Statutory investments For the statutory investments in the unit trusts, fair values are determined at the ruling unit price as at year end. Surplus or deficit units are sold or purchased at year end to keep investments fixed at N$ 3 000 000 (2007: N$ 2 000 000). Refer to note 5.

Other investments Short term investments consist of unit trust investments. The fair value of these investments is based on the actual unit price at year end.

Cash and cash equivalents Considering cash and cash equivalents are highly liquid assets of short-term nature, the fair value of cash and cash equivalents is considered to be the value as shown on the relevant statements and other supporting documentation.

23. INSURANCE RISKS

The Group is not exposed to any new insurance risk as it stopped taking on new business on 31 December 2002. The main insurance risk is primarily run-off risk.

(i) Run-off risk

The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term, subject to the nature of the insurance contract. The Group is therefore exposed to the risk that claims reserves will not be adequate to fund historic claims (run-off risk). To manage run-off risk the Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures and adopts sound reserving practices. Consequently, the Group has a history of positive claims development, i.e. the reserve created over time proved to be sufficient to fund the actual claims paid.

The majority of the Group's insurance contracts were classified as 'short-tailed', meaning that any claim is settled within a year after the loss date. These claims have mostly been settled. This contrasts with the 'long-tailed' classes where the claims cost takes longer to materialise and settle. The Group's long-tailed business is generally limited to personal accident and third-party motor liability.

24. RELATED PARTIES

Identity of related parties

Related party relationships exist between the company and its subsidiaries (see note 4) and shareholders and directors.

24.1 Group entities

Details of investments in subsidiaries are disclosed in the appendix and in note 4.

Subsidiaries are:	Country of incorporation	Ownership interest 2008 %	2007 %
Mile Four Fund Managers (Pty) Ltd	Namibia	100	100
Namibia Unit Trust Managers Ltd	Namibia	100	100
Harvest Reinsurance Company of Namibia Ltd	Namibia	100	100

24.2 Shareholders

The outstanding balances due to shareholders in respect of dividends are shown on the face of the balance sheet. The analysis of shareholders is provided on page 7. Advances to the Namibian Asset Management Executive Share Purchase Scheme to acquire shares in the company are disclosed in note 6.

24.3 Directors

The names and details of directors are disclosed on page 59 of this document. Directors of the Company control 16.3% of the voting shares of the Company. Loans to/from directors as at 30 September 2008 amounted to Nil (2007: Nil).

24.4 Transactions with key management and personnel

Details relating to directors' emoluments and shareholdings in the company are disclosed in note 15.2 and 15.3 and the analysis of shareholders on page 7. The Group does provide other non-cash benefits to executive directors in addition to their salaries in the form of share options. Key management personnel in the Group consist of Mr AB Bertolini (Chief Executive) and RG Young (executive director).

The key management personnel compensations for these two members of staff are as follows:

	Group		Company	
	2008 N$	2007 N$	2008 N$	2007 N$
Short-term employee benefits	1,127,518	1,450,743	1,127,518	1,450,743

The above amounts are included in 'short term employee benefits' in note 15.1. Amounts due to directors at year end are disclosed in note 12.

24. RELATED PARTIES continued

24.5 Transactions with related parties

Coronation Fund Managers Limited

By virtue of an arms-length and market-related agreement, Coronation Fund Managers Ltd provide asset management services to the Group. In addition, at certain times during 2007 and the beginning of 2008, two of the Group's staff members were located at the Coronation office in Cape Town and the Group paid normal office costs relating to these staff members to Coronation on a monthly and quarterly basis.

	Group		Company	
	2008 N$	2007 N$	2008 N$	2007 N$
Fees paid to Coronation Fund Managers Limited	9,422,038	9,282,208	9,422,038	9,282,208
Office costs	14,700	95,287	14,700	95,287
	9,436,738	9,377,495	9,436,738	9,377,495

Retained claim accounts

As per the sale agreement relating to the disposal of Futeni Collections (Pty) Ltd on 1 January 2004, Namibia Asset Management Limited is entitled to receive 65.144% of all monies collected on certain specified accounts, called "retained accounts".

Recoveries received from Futeni Collections (Pty) Ltd	710,795	-	710,795	-
Interest received	1,934	8,332	1,934	8,332
Stationery	-	(1 031)	-	(1 031)
Collecting expenses	(42 548)	(5 126)	(42 548)	(5 126)
Bank charges	(411)	(363)	(411)	(363)
Travel and accommodation	(5 559)	-	(5 559)	-
Professional and consulting fees	(15 984)	-	(15 984)	-
	648,227	1,812	648,227	1,812

Group investments in unit trusts

Group companies that invest excess cash in the Unit Trust Funds managed by Namibia Unit Trust Managers Ltd, do not pay any service fees or initial fees on those investments.

25. OPERATING LEASE COMMITMENTS

Non-cancellable operating lease commitments are payable as follows:

Less than one year	411,362	373,966	411,362	373,966
Between one and five years	253,399	664,761	253,399	664,761
	664,761	1,038,727	664,761	1,038,727

The lease does not include any contingent rentals.

During the year an amount of N$ 362 277 (2007: N$ 362 277) was recognised as an expense in the income statement in respect of operating leases.

26. EVENTS AFTER BALANCE SHEET DATE

As a direct result of the current market turmoil, the Group is most certainly facing a decline in revenue for the coming year.

27. CONTINGENT LIABILITIES

No contingent liabilities exist as Harvest Reinsurance Company of Namibia Ltd has been deregistered as a reinsurer and the claims, if any, are no longer valid.

28. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 September 2008, and have not yet been applied in preparing the Company's and the Group's financial statements. Only those that are relevant to the Group are included below:

Name	Description	Annual periods commencing on or after
IAS 1	Presentation of Financial Statements	01 Jan 2009
IAS 27	Consolidated and Separate Financial Statements	01 Jul 2009
Improvements:		
IFRS 1 and IAS 27 amendments	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	01 Jan2009
IFRS 2 amendment	Share-based Payment: Vesting Conditions and Cancellations	01 Jan 2009
IFRS 3	Business Combinations	01 Jul 2009
IFRS 8	Operating Segments	01 Jan 2009

IAS 1 Presentation of Financial Statements

IAS 1 will be adopted by Namibia Asset Management Limited for the first time for its financial reporting period ending 30 September 2010. The Group will present all non-owner changes in equity in a single statement of comprehensive income (which will include the current income statement) and owner changes in equity in the statements of changes in equity. Reclassification adjustments and income tax relating to each component of other comprehensive income will be disclosed on the face of the comprehensive income.

IAS 27 Consolidated and Separate Financial Statements

IAS 27 will be adopted the Namibia Asset Management Limited for the first time for its financial reporting period ending 30 September 2010. In accordance with IAS 27 amendments, acquisitions of additional non-controlling equity interest in subsidiaries have to be accounted for as equity transactions. Disposals of equity interest while retaining control are also accounted for as equity transactions. When control of an investee is lost, the resulting gain or loss relating to the transaction will be recognised in profit and loss.

It has always been the Group's accounting policy to treat all acquisitions of additional interest in subsidiaries, as well as disposals of interest in subsidiaries as equity transactions. The Group will, however, change its accounting policy relating to the loss of control when an equity interest is retained in the future, when control is lost, through sale or otherwise, the resulting gain or loss recognised in profit and loss will include any re-measurement to fair value of the retained equity interest. All cash flows relating to acquisition and sale of interest in subsidiaries currently form part of the cash flows from investing activities. In future, changes in the equity holding in a subsidiary that do not result in loss of control will form part of cash flow from financing activities on the basis that these transactions are equity transactions.

The amendments to IAS 27 also requires that losses (including negative "other comprehensive income" as detailed in the revised IAS 1) have to be allocated to the non-controlling interest to be in a deficit policies on the allocation of losses to non-controlling interests. In the past losses were allocated only until the non-controlling interests had a zero balance. The amendments to IAS 27 have resulted in consequential amendments being made to IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures.

IFRS 1 and IAS 27 amendments Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The amendments to IFRS 1 and IAS 27 will be adopted for the first time in the financial reporting period ending 30 September 2010 and will be applied prospectively. In future dividends received from subsidiaries, jointly controlled entities or associated will be recognised as dividend income in the separate financial statements of Namibia Asset Management Limited, regardless of whether the dividends were declared from accumulated profits arising before or after acquisition by Namibia Asset Management Limited

IFRS 2 amendment, Share-based Payment: Vesting Conditions and Cancellations

The IFRS 2 ammendment will be adopted by Namibia Asset Management Limited for the first time for its financial reporting period ending 30 September 2010 and applied retrospectively. The amendments apply to equity-settled share-based payment transactions and clarify what vesting and non-vesting conditions are. Vesting conditions are now limited to service conditions (as defined in the current IFRS 2) and performance conditions. Non-vesting conditions are conditions that do not determine whether the entity receives the services that entitle the counterparty to a share-based payment. Non-vesting conditions are taken into account in measuring the grant date fair value and thereafter there is no "true-up" for differences between expected and actual outcomes. These changes will have no impact on the Group's financial statements as the treatment of 'non-vesting' conditions is consistent with the Group's current accounting policies.

IFRS 3 Business Combinations

IFRS 3 applies to all new business combinations that occur after 1 October 2009. for these future business combinations, the Group will change its accounting policies to be in line with the revised IFRS 3. In future all transaction costs will be expensed and contingent purchase consideration will be recognised at fair value at acquisition date. For successive share purchases, any gain or loss for the difference between the fair value and the carrying amount of the previously held equity interest in the acquiree will be recognised in profit and loss.

IFRS 8 Operating Segments

IFRS 8 will be adopted by Namibia Asset Management for the first time for its financial reporting period ending 30 September 2010. In terms of this IFRS, segment reporting will be based on the information that management uses internally for evaluating segment performance and when deciding how to allocate resources to operating segments. Such information may be different from what is used to prepare the income statement and balance sheet. The operating segments of Namibia Asset Management Limited are the same as the current business segments based on IAS 14. The accounting policies of these operating segments are the same as those described in the summary of significant accounting policies.

APPENDIX TO THE FINANCIAL STATEMENTS

	Company	
	2008 N$	**2007 N$**
Interest in subsidiaries		
Shares	2,180,000	2,180,000
Subsidiaries held for sale	9,600,000	9,600,000
Current accounts	(4,392,326)	(5,938,004)
	7,387,674	5,841,996

Analysed as follows:

	2008 Carrying value of holding company interest			2007 Carrying value of holding company interest	
	Issued share capital	**Unlisted shares at valuation**	**Current accounts by/(to) subsidiaries**	**Unlisted shares at valuation**	**Current accounts by/(to) subsidiaries**
Wholly owned					
Mile Four Fund Managers (Pty) Ltd *Dormant - previously Asset Management*	180,000	180,000	(174,624)	180,000	(179,920)
Namibia Unit Trust Managers Ltd *Unit Trust Management*	2,000,000	2,000,000	2,221,102	2,000,000	864,249
Classified as held for sale					
Harvest Reinsurance Company of Namibia Ltd *Short Term Insurance*	10,000,000	9,600,000	(6,438,804)	9,600,000	(6,622,333)
	12,180,000	11,780,000	(4,392,326)	11,780,000	(5,938,004)

NOTICE OF THE ELEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Eleventh Annual General Meeting of Namibia Asset Management Limited will be held at the Company's offices at KPMG House 2005, 24 Orban Street, Windhoek, on 16 April 2009 at 09:00 for the following purpose:

Ordinary Resolution

1 To receive and consider the annual financial statements for the year ended 30 September 2008, including the Directors' Report and the Auditors' Report thereon.

2 To re-elect MF Fehrsen as a director of the company.

3 To determine the remuneration of the directors.

4 To authorise the directors to fix the remuneration of the auditors.

5 To place the unissued shares under the control of the directors.

6 To re-appoint KPMG as auditors.

7 To transact such other business as may be transacted at an Annual General Meeting

A member entitled to attend and vote at the meeting may appoint one or more proxies at attend, speak and, on a poll, vote in their stead. A proxy need not be a member of the company.

For the convenience of members who are unable to attend the meeting but wish to be represented thereat, the enclosed proxy form is provided. Such members should kindly complete and return the form to the Transfer Secretaries.

Transfer Secretaries (Pty) Ltd
Shop 12 Kaiser Krone Centre
Post Street Mall

or post it to PO Box 2401, Windhoek, Namibia

To be effective, the completed proxy form must reach the Transfer Secretaries in Windhoek at least 48 hours before the time appointed for the meeting.

DIRECTORS, AUDITORS & SECRETARIES

Directorate at 30 September 2008

A Mushimba - Chairman	(1) (A)
R G Young	(2)
M F Fehrsen	(1) (B)
H Nelson	(2) (A)
A B Bertolini	(1)
B Dempsey	(1) (B)

Namibian	1
South African	2
Remuneration Committee	A
Audit Committee	B

Auditors

KPMG
24 Orban Street
PO Box 30
Windhoek

Transfer Secretary

Transfer Secretaries (Pty) Ltd
Namibian Stock Exchange
Shop 8
Kaiser Krone Centre
Post Street Mall
P O Box 2401
Windhoek
Telephone + 264 61 227 647
Telefax + 264 61 248 531

Secretary & Registered Office
C Karsten
KPMG House 2005
24 Orban Street
Windhoek
P O Box 23329
Windhoek
Telephone + 264 61 275 700
Telefax + 264 61 249 444

Incorporated on 6 November 1997
Registration No 97/397

NAMIBIA ASSET MANAGEMENT
LIMITED

Wealth through Wisdom

Layout: Angelcy Brand Messengers
Welwitschia photograph © 'Sara & Joachim'

NAMIBIA ASSET MANAGEMENT
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