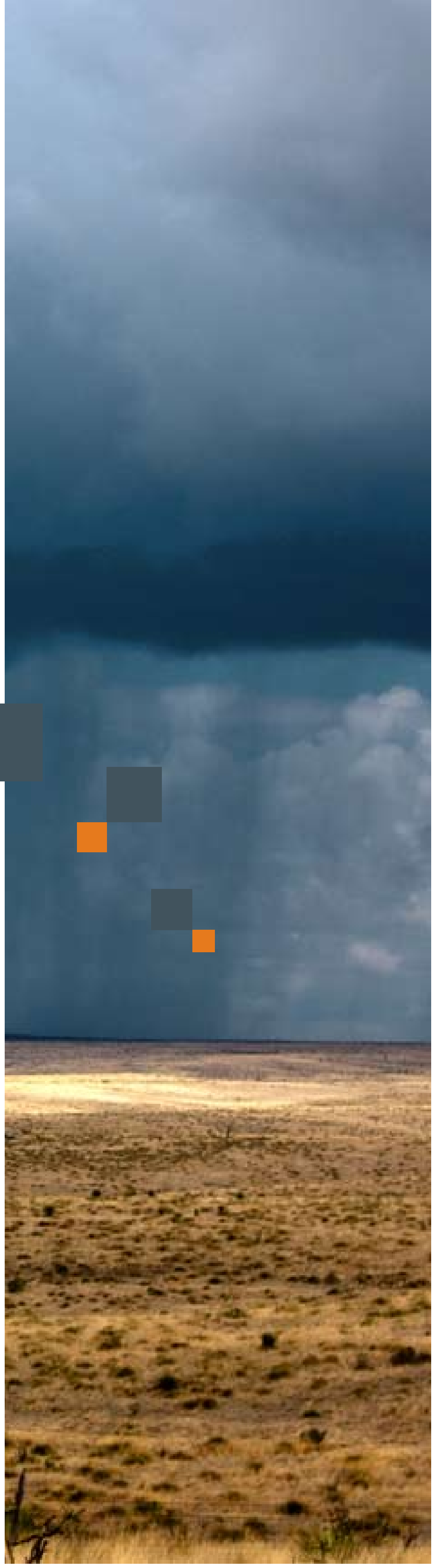


NAMIBIA ASSET MANAGEMENT
LIMITED

ANNUAL REPORT 2009

In the seasonal revival of nature and the infusion of new life, when barren lands are ready to receive and be transformed, rain is the dispenser of divine grace and plenty, with the promise of growth and good fortune.

To guard and to grow
the wealth of the
Namibian people
entrusted to us

CONTENTS

NAMIBIA ASSET MANAGEMENT
LIMITED

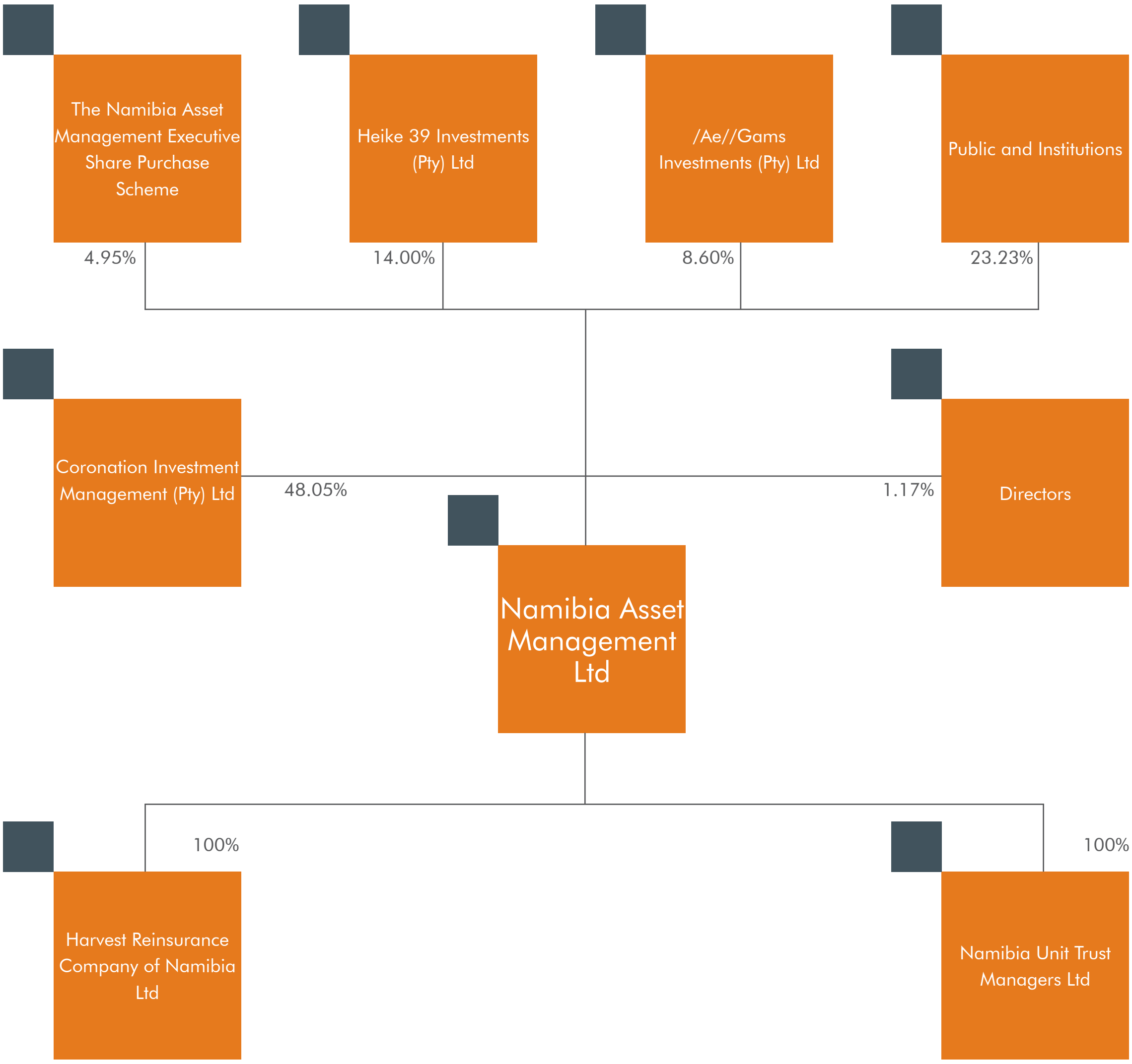
FINANCIAL HIGHLIGHTS

For the year ended 30 September 2009

		% Increase / (Decrease)	Group 2009 N$	Group 2008 Restated N$
SALIENT FINANCIAL HIGHLIGHTS				
N$ unless otherwise indicated				
Revenue		(12.5)	23,539,529	26,917,527
Other income		(91.4)	180,051	2,089,515
Net finance income		(16.2)	1,081,997	1,291,423
Profit before taxation		(28.0)	8,505,593	11,819,626
Profit attributable to ordinary shareholders		(42.5)	5,462,587	9,502,335
Total assets		(31.0)	18,287,053	26,498,800
Total equity attributable to ordinary shareholders		(36.3)	11,878,047	18,637,885
Assets under management - actual		(5.0)	8,119,258,389	7,735,532,522
STATISTICS PER ORDINARY SHARES				
In cents, where applicable				
Basic earnings per share - before tax		(28.5)	4.47	6.25
Basic earnings per share - after tax		(42.8)	2.87	5.02
Headline earnings per share		(42.8)	2.87	5.02
Net asset value		(36.6)	6.25	9.86
			29 October 2009	**31 October 2008**
Dividend declared	- Normal		1.20	2.10
(cents per share)	- Special		-	2.40
	- Total		1.20	4.50
			05 December 2008	**25 January 2008**
Dividend paid	- Normal		2.10	2.00
(cents per share)	- Special		2.40	2.00
	- Total		4.50	4.00
Repayment of capital declared			**30 April 2009**	
(cents per share)			2.00	
Repayment of capital paid			**12 June 2009**	
(cents per share)			2.00	
NUMBER OF EMPLOYEES			7	8

CORPORATE STRUCTURE

As at 30 September 2009



BOARD OF DIRECTORS

As at 30 September 2009

AARON MUSHIMBA (63)

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 (44)

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.

BIRGIT EIMBECK (33)

CA (Nam), CIA

Birgit is one of the few 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. She is currently the Group Financial Manager for the National Fishing Corporation of Namibia.

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.

HUGO NELSON (39)

MBChB, MBA (Oxon), CFA

Hugo was appointed as the Chief Executive of Coronation Fund Managers in November 2007 and was thereafter appointed to the NAM board. 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.

ANTON PILLAY (39)

BBusSc, CA(SA), CFA, AMP (Harvard)

Anton is Chief Operating Officer and an executive director of Coronation Fund Managers. He joined Coronation from BoE (Pty) Limited in January 2006. During his almost nine year career with BoE, Anton held a number of key positions and directorships, including assistant general manager of the private bank, Manager Group Investments and head of banking (Private Clients – joint venture with Old Mutual). Anton has extensive knowledge and experience of the investment and banking industry.

MARK FEHRSEN (51)

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

Lee-Marié Hanekom
Accountant

Etienne Le Roux
Unit Trust Business Developer

Martinus Nakale
Client Relationship Manager

Josephine Shiyagaya
Head: Client Services & Admin

Shugaza Van Rooyen
Client Relationship Manager

CHAIRMAN'S REVIEW

For the year ended 30 September 2009

We are at the end of yet another challenging financial year and have been through some turbulent times. We continue to caution shareholders regarding future expectations and again it 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 2009, 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 12.5% from 2008) clearly reflect the impact of the global financial crisis. During these challenging times we were able to secure new sizable mandates. This proves that management's efforts to continue to grow the business have been successful despite the challenging times. Overall our performance continues to be consistent with our strategy and is the result of careful planning and well-managed client relationships and portfolio management.

Operating expenditure has reduced by 11.2% thanks to management's consistent efforts of cost containment in these already difficult times. Operating profit before interest and tax decreased by 29.5% to N$ 7.4 million (2008: N$ 10.5 million). Apart from reduced revenues due to reasons explained above, net profit after tax from discontinued operations reduced from N$ 2 million last year to N$ 0.3 million. This also contributed to the lower current year net profit after tax which is 42.5% down from 2008.

Harvest Reinsurance Company is finally liquidated and will be deregistered in due course. During January 2009 a special dividend of 2.4 cents per share was paid and this is expected to be the last of its kind as all legacy investments have now been wound up and paid out. In addition to the dividend mentioned, share capital of 2 cents per share was repaid to shareholders during June 2009.

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 been concluded.

Board

Anton Pillay joined the board on 20 February 2009. We welcome him to our team and have already started to reap the fruits of his strong financial and asset management background and we believe he will be an asset to the board in years to come. Mark Fehrsen resigned shortly after year end. I would like to thank him for his many years of dedication and commitment, his invaluable advice and insight.

Outlook and prospects

The impact of the global financial crisis has made its mark on our financials this year, however our investment strategies and mandates have been tested and proven resilient. We believe that the next financial year will continue to provide unusual challenges which we are more determined than ever to meet head on.

Acknowledgements

I would like to thank my fellow directors for providing guidance and support throughout this trying 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 2009

	Number of shareholders	% of shareholders	Number of shares	% of shares
Range of shareholders				
1 - 99 shares	25	7.99	1,250	0.00
100 - 499 shares	55	17.57	9,600	0.00
500 - 999 shares	29	9.27	16,190	0.01
1 000 - 1 999 shares	52	16.61	56,300	0.03
2 000 - 2 999 shares	21	6.71	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	18.53	342,000	0.17
10 000 shares and above	65	20.76	199,502,660	99.75
Total shareholders	313	100.00		
Total number of shares issued			200,000,000	100.00
Public and non-public shareholders				
Public shareholders	308	98.40	45,708,182	22.85
Non-public shareholders	5	1.60	154,291,818	77.15
	313	100.00	200,000,000	100.00
Category				
Corporate bodies	15	4.79	144,640,518	72.32
Nominee companies	8	2.56	32,233,864	16.12
Private individuals	285	91.05	13,107,918	6.55
Trusts	5	1.60	10,017,700	5.01
	313	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	26,200,090	13.10
/Ae//Gams Investments (Pty) Ltd	17,200,000	8.60
	167,496,608	83.75

Directors' interest in share capital	2009	2008
Number of shares		
Directors' direct holding		
RG Young	93,667	93,667
A Bertolini	2,250,000	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 2009

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 two Audit Committee meetings and two Remuneration Committee meetings. Attendance by directors at Board and committee meetings is shown in the adjacent table. 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 - 2 were scheduled	Scheduled Remuneration Committee Meetings Attended - 2 were scheduled
A Mushimba	2	–	2
M Fehrsen	4	2	–
RG Young	4	–	–
AB Bertolini	4	2	2
B Eimbeck	3	1	–
H Nelson	4	–	2
A Pillay	4	–	–

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, 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, had seven directors during the year, comprising two executive directors and five non-executives. The two executive directors are Albert B Bertolini, Chief Executive of the Group, and Gordon Young.

CORPORATE GOVERNANCE

For the year ended 30 September 2009

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 five non-executive directors, two, Birgit Eimbeck and Mark Fehrsen, who resigned after year end, 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.

Two non-executive directors, Hugo Nelson and Anton Pillay, are directors and Chief Executive Officer and Chief Operating Officer respectively 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.

Anton Pillay joined the board on 20 February 2009. He holds various financial and business qualifications and has extensive experience in the investments and banking sectors.

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 CVs 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 2009

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.

Cornell Karsten resigned as Company Secretary on 31 August 2009. Lee-Marié Hanekom is currently performing the duties of Company Secretary.

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 comprised two independent non-executive directors during the year, 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 Audit Committee met two times during the year. Three meetings are scheduled for 2010.

CORPORATE GOVERNANCE

For the year ended 30 September 2009

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, longterm 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, 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 two times during 2009. Two meetings are scheduled for 2010.

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 16 April 2009, the Chief Executive and financial manager were present to answer questions. Details of the resolutions to be proposed at the AGM on 31 May 2010 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 NAMs 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, and selected staff.

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

STATEMENT OF DIRECTORS' 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 2009 which appear on pages 14 to 56 were approved by the Board of Directors on 19 March 2010 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 2009, 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 as set out in pages 14 to 56.

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 2009, 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
19 March 2010

30 Schanzen Road, Klein Windhoek
Windhoek, Namibia

DIRECTORS' REPORT

For the year ended 30 September 2009

The directors of Namibia Asset Management Limited ("NAM") are pleased to present their report to the shareholders for the financial year ended 30 September 2009.

Results and dividends

The Group's financial results are set out in the financial statements on pages 14 to 56 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 12.5% to N$23.5million (2008: N$26.9 million). Non-core income decreased due to the final completion of the process to eliminate legacy investments.

Profit after tax decreased by 42.5% to N$ 5.5 million (2008: N$9.5 million - restated). This large difference arose primarily to last years' non-recurring recoveries from non-core businesses. The achievement of targeted cost containment resulted in a decrease in core operational expenditure of 11.8 % to N$16.3 million (2008: N$18.4 million). Headline earnings per share are down by 42.8% to 2.78 cents per share (2008: 5.02 cents per share - restated).

At the end of October 2009 the Board recommended a normal dividend of 1.2 cents per ordinary share (2008: 2.1 cents per share ordinary dividend and 2.4 cents per share special dividend). In addition to the above mentioned dividends, share capital of 2 cents per share was redeemed during June 2009.

Principal activities

NAM is a Namibian asset manager listed on the Namibian Stock Exchange. The Group is also involved in unit trust management.

Financial market performance

Now, at the one year anniversary of the Lehman Brothers' collapse, many of the financial indicators are back to pre-September 2008 levels. The Johannesburg Stock Exchange (JSE) is back to the 25 000 levels. There is doubt, however, whether everything is really back to normal again after the world financial markets survived this once-in-80-years market crisis.

The synchronised efforts by policy-makers around the world not only prevented the global economy from going into depression but were able to kick-start the recovery. However, this rescue has come at a price. Government balance sheets are in a far worse shape than before the crises. Although politically unpopular, higher taxes and less government spending over a number of years will be required. Interest rates will also have to normalise, meaning that policy stimulation may well be reduced. This in itself will have a dampening effect on economic activity. In an ideal world authorities will gradually tighten policies as the private sector picks up its pace of economic activity. The reality is that it will be extremely difficult for authorities to get it just right. The prospects of economic policy error over the next few years loom large.

However, we remain of the view that equities offer the best inflation beating long-term returns. Markets are likely to remain volatile and difficult for some time to come. To the long term investor this is not bad news. The last few quarters have produced extraordinary opportunities in both the equity and corporate credit markets. We remain committed to "cutting out the noise" and focusing on the long-term fundamentals.

Institutional

Assets under Management have increased by 5% to N$ 8.1 billion (2008: N$ 7.7 billion) . This is quite commendable under the current circumstances and a direct result of managements efforts to source new clients.

NAM's fully discretionary best investment house view portfolios continue to perform strongly over the longer term, ending 3rd in the Alexander Forbes Survey of Namibian Retirement Funds for the first, third and fifth years respectively ending September 2009. NAM's Namibian only discretionary mandates performance is under pressure over the longer term, ending 4th and 3rd in the Alexander Forbes Survey of Namibian Retirement Funds for the one and three year periods ending September 2009.

NAMs medical aid discretionary mandate also continues to deliver strong performance.

Retail

Our 3 unit trusts, the NAM Coronation Strategic Income Fund, NAM Coronation Balanced Defensive Fund and the Namibia Medical Absolute Fund generated positive returns for the year ending September 2009.

To continue and strengthen our efforts to grow the retail business, we have appointed a dedicated person, Etienne le Roux. We have already seen the positive effects of the appointment and together with his efforts, anticipated expansions to our product range will hopefully lead to growth and improved profitability of this business unit.

Harvest Reinsurance

The company has been liquidated during the year and is waiting to be formally deregistered.

Subsidiaries

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

	2009 N$	2008 N$
Mile Four Fund Managers (Pty) Ltd - 100% held	-	(5,819)
Namibia Unit Trust Managers Ltd - 100% held	(136,522)	(441,334)
Harvest Reinsurance Company of Namibia Ltd - 100% held	209,089	1,442,159

DIRECTORS' REPORT

For the year ended 30 September 2009

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 2009 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	16 March 2007	Resigned
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	–	–
Anton Pillay	Non-Executive	20 February 2009	–	–
Birgit Eimbeck	Independent Non-Executive	30 November 2006	16 March 2007	X

Anton Pillay joined the board on 20 February 2009. He is currently the Chief Operating Officer of Coronation Fund Managers Limited and brings additional financial and asset management experience to the board's skill set. Mark Fehrsen resigned as director on 6 October 2009. We would like to thank him for the many years of dedicated service.

Details of interests in the share capital of the companies of those directors in office as at 30 September 2009 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 second tranch. Details are disclosed in note 15.3 of the annual financial statements herein.

Events after balance sheet date

No major events occurred after balance sheet date.

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 at 24 Orban Street, Windhoek on 31 May 2010. Refer to the notice of the AGM on page 57 of this publication for further details.

Prospects

The impact of the global financial crisis has made its mark on our financials this year, however our investment strategies and mandates have been tested and proven resilient. We believe that the next financial year will continue to provide unusual challenges which we are more determined than ever to meet head on.

Strategy

Our current management agreement with our technical partner expired in December 2009. A new agreement was entered into with effect of 1 January 2010. Minority shareholders will be required to approve the new management contract at the AGM on 31 May 2010.

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 2009

	Notes	Group 2009 30 September N$	Group 2008 30 September Restated N$	Company 2009 30 September N$	Company 2008 30 September Restated N$
ASSETS					
NON-CURRENT ASSETS		4,743,822	5,298,347	3,743,822	4,478,347
Equipment	2	142,518	138,132	142,518	138,132
Intangible assets	3	10,967	12,189	10,967	12,189
Interest in subsidiaries	4			2,000,000	2,180,000
Investments	5	3,000,000	3,000,000	-	-
Deferred tax assets	6	1,590,337	2,148,026	1,590,337	2,148,026
CURRENT ASSETS		13,543,231	21,200,453	14,644,514	27,279,931
Investments	7	791,923	584,889	-	-
Trade and other receivables	8	4,938,267	4,941,048	4,854,989	4,835,399
Amounts owing by group companies	4			2,470,654	2,221,102
Cash and cash equivalents	22.5	7,813,041	11,057,842	7,318,871	10,623,430
Assets classified as held for sale	21	-	4,616,674	-	9,600,000
TOTAL ASSETS		18,287,053	26,498,800	18,388,336	31,758,278
EQUITY AND LIABILITIES					
TOTAL EQUITY ATTRIBUTABLE TO ORDINARY SHAREHOLDERS		11,878,047	18,637,885	11,429,734	17,296,748
Issued capital and share premium	9	4,152,910	7,943,760	4,053,960	8,053,960
Reserve for own shares	10	(502,475)	(541,850)	-	-
Share based payment reserve	15.3	904,994	821,219	904,994	821,219
Retained earnings		7,322,618	10,414,756	6,470,780	8,421,569
NON - CURRENT LIABILITIES					
Long term payable	11	-	-	1,098,355	404,555
CURRENT LIABILITIES		6,409,006	7,860,915	5,860,247	14,056,975
Amounts owing to group companies	4				174,624
Shareholders for dividend		119,037	95,315	119,037	95,315
Current tax liability		248,524	242,124	248,524	242,124
Trade and other payables	12	4,679,381	5,725,357	4,130,622	5,404,903
Bank overdrafts	22.5	1,362,064	1,798,119	1,362,064	1,701,205
Liabilities classified as held for sale	21	-	-	-	6,438,804
TOTAL EQUITY AND LIABILITIES		18,287,053	26,498,800	18,388,336	31,758,278

CONSOLIDATED INCOME STATEMENT

For the year ended 30 September 2009

	Notes	2009 Continuing Operations N$	2009 Discontinued Operations N$	2009 Total N$	2008 Continuing Operations Restated N$	2008 Discontinued Operations Restated N$	2008 Total N$
Revenue	13	23,539,529	-	23,539,529	26,917,527	-	26,917,527
Other income	14	80,481	99,570	180,051	23,968	2,065,547	2,089,515
Operating expenditure	15	(16,290,533)	(5,451)	(16,295,984)	(18,338,282)	(140,557)	(18,478,839)
Operating profit before financing costs		7,329,477	94,119	7,423,596	8,603,213	1,924,990	10,528,203
Net finance income		788,415	293,582	1,081,997	1,016,349	275,074	1,291,423
Finance income	16	827,011	293,582	1,120,593	1,026,971	275,074	1,302,045
Finance cost	17	(38,596)	-	(38,596)	(10,622)	-	(10,622)
Profit before tax		8,117,892	387,701	8,505,593	9,619,562	2,200,064	11,819,626
Income tax	18	(2,907,311)	(135,695)	(3,043,006)	(2,091,088)	(226,203)	(2,317,291)
Profit attributable to ordinary shareholders		5,210,581	252,006	5,462,587	7,528,474	1,973,861	9,502,335
EARNINGS PER SHARE (cents)							
- Basic (restated)	20	2.74	0.13	2.87	3.98	1.04	5.02
- Diluted (restated)	20	2.67	0.13	2.80	3.86	1.01	4.87

COMPANY INCOME STATEMENT

For the year ended 30 September 2009

	Notes	2009 Continuing Operations N$	2009 Discontinued Operations N$	2009 Total N$	2008 Continuing Operations N$	2008 Discontinued Operations N$	2008 Total N$
Revenue	13	23,200,943	-	23,200,943	26,495,584	-	26,495,584
Other income	14	19,531	1,652,525	1,672,056	-	710,795	710,795
Operating expenditure	15	(15,236,459)	(5,451)	(15,241,910)	(39,881,235)	(64,502)	(39,945,737)
Operating profit/ (loss) before financing costs		7,984,015	1,647,074	9,631,089	(13,385,651)	646,293	(12,739,358)
Net finance income		461,128	-	461,128	796,865	-	796,865
Finance income	16	475,355	-	475,355	796,865	-	796,865
Finance cost	17	(14,227)	-	(14,227)	-	-	-
Profit/ (loss) before tax		8,445,143	1,647,074	10,092,217	(12,588,786)	646,293	(11,942,493)
Income tax	18	(3,043,006)	-	(3,043,006)	(2,091,088)	(226,203)	(2,317,291)
Profit/ (loss) attributable to ordinary shareholders		5,402,137	1,647,074	7,049,211	(14,679,874)	420,090	(14,259,784)

STATEMENTS OF CHANGES IN EQUITY

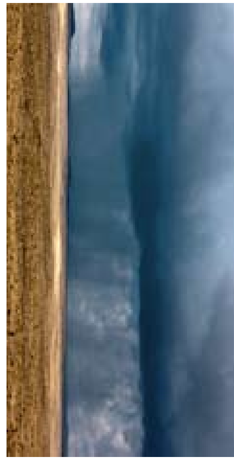
	Notes	Ordinary share capital N$	Share premium N$	Retained earnings N$	Share based payment reserve N$	Reserve for own shares N$	Total N$
Group							
Balance at 01 October 2007		1,868,800	6,053,960	8,615,621	607,409	(705,350)	16,440,440
Staff share options issued	*10*	-	-	(163,500)	-	163,500	-
Staff share options exercised		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 - as previously reported		1,889,800	6,053,960	9,014,756	821,219	(541,850)	17,237,885
Prior year error	*19*	-	-	1,400,000	-	-	1,400,000
Balance at 30 September 2008 - restated		1,889,800	6,053,960	10,414,756	821,219	(541,850)	18,637,885
Reduction of share capital		-	(3,802,100)	-	-	-	(3,802,100)
Staff share options exercised	*10*	11,250	-	-	-	39,375	50,625
Share based payments	*15.3*	-	-	-	83,775	-	83,775
Profit for the year		-	-	5,462,587	-	-	5,462,587
Dividend paid		-	-	(8,554,725)	-	-	(8,554,725)
Balance at 30 September 2009		1,901,050	2,251,860	7,322,618	904,994	(502,475)	11,878,047

	Notes	Ordinary share capital N$	Share premium N$	Retained earnings N$	Share based payment reserve N$	Total N$
Company						
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
Repayment of capital		-	(4,000,000)	-	-	(4,000,000)
Share based payments	*15.3*	-	-	-	83,775	83,775
Profit for the year		-	-	7,049,211	-	7,049,211
Dividend paid		-	-	(9,000,000)	-	(9,000,000)
Balance at 30 September 2009		2,000,000	6,053,960	6,470,780	904,994	11,429,734

CASH FLOW STATEMENTS

As at 30 September 2009

	Notes	Group 2009 N$	Group 2008 N$	Company 2009 N$	Company 2008 N$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		23,985,439	29,522,212	24,853,409	27,215,130
Cash paid to suppliers and employees		(17,133,285)	(18,234,969)	(16,307,516)	(15,650,539)
Cash generated by operations	*21.1*	6,852,154	11,287,243	8,545,894	11,564,591
from continued operations		6,758,035	10,595,495		
from discontinued operations		94,119	691,748		
Finance costs		(38,596)	(10,622)	(14,227)	-
Finance income		1,120,593	1,302,045	475,355	796,865
Income taxes paid	22.2	(2,412,415)	(3,377,131)	(2,524,027)	(3,377,131)
Dividends paid	22.3	(8,531,003)	(7,535,451)	(8,976,278)	(7,995,751)
Net cash flows from operating activities		(3,009,267)	1,666,084	(2,493,283)	988,574
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of equipment to maintain operations		(82,955)	(45,925)	(82,955)	(45,925)
Disposal of subsidiaries	22.4	-	-	3,341,196	-
Current investments redeemed		(207,032)	(975,658)	-	-
Increase in long term payable		-	-	693,800	534,800
Net cash flows from investing activities		(289,987)	(1,021,583)	3,952,041	488,875
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from staff share options exercised		50,625	21,000	-	-
Repayment of capital		(3,802,100)	-	(4,000,000)	-
Increase in amounts owing by group companies		-	-	(249,552)	(1,356,853)
Decrease in amounts owing to group companies		-	-	(174,624)	(188,825)
Net cash flows from financing activities		(3,751,475)	21,000	(4,424,176)	(1,545,678)
NET MOVEMENT IN CASH & CASH EQUIVALENTS		(7,050,729)	665,501	(2,965,418)	(68,229)
Cash and cash equivalents at beginning of year		13,501,706	12,836,205	8,922,225	8,990,454
CASH AND CASH EQUIVALENTS AT END OF YEAR	22.5	6,450,977	13,501,706	5,956,807	8,922,225



SEGMENT REPORT

For the year ended 30 September 2009

	REINSURANCE DISPOSAL GROUP HELD FOR SALE (DISCONTINUED)		DEBT COLLECTION		ASSET MANAGEMENT		OTHER OPERATIONS		ELIMINATIONS		CONSOLIDATED	
	2009 N$	2008 N$	2009 N$	2008 N$	2009 N$	2008 N$	2009 N$	2008 N$	2009 N$	2008 N$	2009 N$	2008 N$
BUSINESS SEGMENTATION												
TOTAL EXTERNAL REVENUES	-	-	-	-	23,539,529	26,917,527	-	-	-	-	23,539,529	26,917,527
SEGMENT RESULT	(84,493)	1,278,697	94,119	646,293	7,520,206	8,603,213	-	-	(106,236)	-	7,423,596	10,528,203
SEGMENT ASSETS	10,000,000	10,943,866	-	-	21,167,370	24,309,826	2,254,980	11,211,805	(16,725,634)	(22,226,335)	16,696,716	24,239,162
SEGMENT LIABILITIES	-	-	-	-	9,723,751	7,618,791	-	-	(3,563,269)	-	6,160,482	7,618,791
CAPITAL EXPENDITURE	-	-	-	-	82,955	45,925	-	-	-	-	82,955	45,925
DEPRECIATION	-	-	-	-	79,791	89,172	-	-	-	-	79,791	89,172
OTHER NON-CASH ITEMS (included in segment result)												
• Impairments	-	-	-	-	-	111,012	-	-	-	-	-	111,012
• Leave pay provision adjustment	-	-	-	-	(50,033)	65,344	-	-	-	-	(50,033)	65,344
NET CASH FLOWS												
• Operating activities	(680,787)	691,748	-	-	(2,543,958)	460,538	-	-	215,478	513,799	(3,009,267)	1,666,084
• Investing activities	-	-	-	-	3,909,837	(486,785)	-	-	(4,199,826)	(534,798)	(289,989)	(1,021,583)
• Financing activities	(3,561,195)	183,529	-	-	(4,174,624)	(183,529)	-	-	3,984,344	21,000	(3,751,475)	21,000

SEGMENT REPORT

For the year ended 30 September 2009

SEGMENT REPORT (continued)

	Group	
	2009 N$	**2008 N$**
Reconciliation between segment result (consolidated) and Group profit for the year as per income statement		
Consolidated segment result	7,423,596	10,528,203
Net finance income	1,081,997	1,291,423
Income tax expense	(3,043,006)	(2,317,291)
Consolidated profit for the year	5,462,587	9,502,335

	Assets		Liabilities	
	2009 N$	**2008 N$**	**2009 N$**	**2008 N$**
Reconciliation between segment assets and liabilities (consolidated) and Group assets and liabilities as per balance sheet				
Consolidated segment assets / liabilities	16,696,716	24,239,162	6,160,482	7,618,791
Deferred tax	1,590,337	2,148,026	-	-
Income tax	-	111,612	248,524	242,124
Consolidated assets / liabilities	18,287,053	26,498,800	6,409,006	7,860,915

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 2009

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 2009 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 19 March 2010.

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 6: 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 SPEs 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 2009

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) 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.

(iv) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

1 SIGNIFICANT ACCOUNTING POLICIES continued

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.

(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 2009

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 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

(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.

1.19 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 2009

1 SIGNIFICANT ACCOUNTING POLICIES continued

1.20 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.

1.21 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.

1.22 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.

1.23 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.

1.24 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.

1.25 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.

1.26 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.

1.27 Restatement of prior year figures

Where necessary, comparative figures have been restated/ reclassified in line with current year presentation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

2. EQUIPMENT

	Computer Equipment N$	Furniture & Fittings N$	Total N$
Group 2009			
Cost			
Opening balance	981,986	301,836	1,283,822
Additions	43,072	39,883	82,955
Closing balance	1,025,058	341,719	1,366,777
Accumulated depreciation and impairment losses			
Opening balance	882,600	263,090	1,145,690
Depreciation	62,085	16,484	78,569
Closing balance	944,685	279,574	1,224,259
Carrying amount			
At end of the year	80,373	62,145	142,518
At beginning of the year	99,386	38,746	138,132

	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

2. EQUIPMENT continued

Company 2009	Computer Equipment N$	Furniture & Fittings N$	Total N$
Cost			
Opening balance	554,854	231,298	786,152
Additions	43,072	39,883	82,955
Closing balance	597,926	271,181	869,107
Accumulated depreciation and impairment losses			
Opening balance	455,335	192,685	648,020
Depreciation	62,085	16,484	78,569
Closing balance	517,420	209,169	726,589
Carrying amount			
At end of the year	80,506	62,012	142,518
At beginning of the year	99,519	38,613	138,132

Company 2008	Computer Equipment N$	Furniture & Fittings N$	Total N$
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	134,140	45,810	179,950

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

3. INTANGIBLE ASSETS

	Software & software licences N$	Total N$
Group 2009		
Cost		
Opening balance	24,741	24,741
Additions	-	-
Closing balance	24,741	24,741
Accumulated amortisation and impairment losses		
Opening balance	12,552	12,552
Amortisation	1,222	1,222
Closing balance	13,774	13,774
Carrying amount		
At end of the year	10,967	10,967
At beginning of the year	12,189	12,189

	Software & software licences N$	Total N$
Group 2008		
Cost		
Opening balance	24,741	24,741
Additions	-	-
Disposals	-	-
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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

3. INTANGIBLE ASSETS continued

	Trademark N$	Software & Software licences N$	Customer Relationships N$	Total N$
Company 2009				
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	4,000,000	12,552	18,558,000	22,570,552
Amortisation	-	1,222	-	1,222
Closing balance	4,000,000	13,774	18,558,000	22,571,774
Carrying amount				
At end of the year	-	10,967	-	10,967
At beginning of the year	-	12,189	-	12,189

	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 losses	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

The Trademark and Customer Relationships were impaired during 2008 due to the fact that it was impossible to predict what effect the international financial crisis may have on the future profitability of the company. The impairment also removed the anomalous difference between the company's and the group's retained earnings which arose from the company's acquisition of the trademark and customer relationships from one of its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

	Company	
	2009 N$	2008 N$
4. INTEREST IN SUBSIDIARIES		
Shares		
Opening balance	2,180,000	2,180,000
Disposal of subsidiary	(180,000)	-
Closing balance	2,000,000	2,180,000
Consisting of:		
Shares at cost	2,574,536	22,635,813
Classified as held-for-sale	-	(9,600,000)
Cumulative impairment	(574,536)	(10,855,813)
	2,000,000	2,180,000
Intercompany current accounts (interest-free)		
Harvest Re-insurance Company of Namibia Ltd	-	(6,438,804)
Mile Four Fund Managers (Pty) Ltd	-	(174,624)
Namibia Unit Trust Managers Ltd	2,470,654	2,221,102
Reclassified as held-for-sale	-	6,438,804
Amount owing by subsidiary companies on current account	2,470,654	2,046,478
Consisting of:		
Amounts due by group companies	2,470,654	2,221,102
Amounts due to group companies	-	(6,613,428)
Reclassified as held-for-sale	-	6,438,804
	2,470,654	2,046,478

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 2009

	Group 2009 N$	2008 N$
5. INVESTMENTS		
Statutory Investments	3,000,000	3,000,000
Directors' valuation	3,000,000	3,000,000

The statutory investments relates 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.

	2009	2008
NAM Coronation Strategic Income Fund		
Number of units held at year end		
• 30 September 2008		1,014,816
• 30 September 2009	992,556	
Unit price at year end in cents		
• 30 September 2008		98.54
• 30 September 2009	100.75	
NAM Coronation Balanced Defensive Fund		
Number of units held at year end		
• 30 September 2008		39,920
• 30 September 2009	38,364	
Unit price at year end in cents		
• 30 September 2008		2,504.95
• 30 September 2009	2,606.59	
Namibia Medical Absolute Fund		
Number of units held at year end		
• 30 September 2008		1,007,455
• 30 September 2009	924,984	
Unit price at year end in cents		
• 30 September 2008		99.26
• 30 September 2009	108.11	

The statutory investments remain at a fixed level of N$ 3 000 000 (2008: N$ 3 000 000). Due to changing unit prices, surplus/deficit units are sold/purchased at year end to keep the balance at this level.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

		Group		Company	
		2009	**2008**	**2009**	**2008**
		N$	**N$**	**N$**	**N$**
6. DEFERRED TAX ASSETS AND LIABILITIES					
Deferred tax asset					
Opening balance		2,148,026	961,190	2,148,026	961,190
Current year charge to the income statement		(512,579)	(98,036)	(512,579)	1,301,964
Current year charge directly to equity		(45,110)	(115,128)	(45,110)	(115,128)
Closing balance - as previously reported		1,590,337	748,026	1,590,337	2,148,026
Prior year error	*19*	-	1,400,000	-	-
Closing balance - restated		1,590,337	2,148,026	1,590,337	2,148,026
The balance of deferred tax is made up as follows:					
Deferred tax liability					
Equipment		(28,363)	(9,631)	(28,363)	(9,631)
		(28,363)	(9,631)	(28,363)	(9,631)
Deferred tax assets recognised					
Provision for leave pay		36,024	50,315	36,024	50,315
Bonus provision		425,972	843,437	425,972	843,437
Deferred rental costs		14,304	31,905	14,304	31,905
Trademark		1,142,400	1,232,000	1,142,400	1,232,000
		1,618,700	2,157,657	1,618,700	2,157,657
Estimated tax losses					
Opening balance - as previously disclosed		5,268,202	6,514,184	-	500,414
Disposal of subsidiary		(2,521,084)	-	-	-
Prior year error (see below)		-	568,145	-	-
(Utilised)/ generated		463,593	(1,814,127)	-	(500,414)
Closing balance		3,210,711	5,268,202	-	-

The group estimated tax loss balance as reported on 30 September 2008 was incorrect and did not take into account the tax loss balances generated during that year by one of the subsidiaries. This error does not have any effect on the reported figures in the financial statements themselves.

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.

The subsidiary Harvest Reinsurance Company of Namibia Limited has been deregistered and therefore its tax loss is eliminated.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

	Group		Company	
	2009 N$	2008 N$	2009 N$	2008 N$
7. INVESTMENTS				
Investment in Unit Trusts	791,923	584,889	-	-

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

8. TRADE AND OTHER RECEIVABLES

	Group 2009 N$	Group 2008 N$	Company 2009 N$	Company 2008 N$
Trade receivables	4,864,718	5,115,855	4,781,440	4,747,127
Reclassified as held-for-sale	-	(263,079)	-	-
Prepayments	73,549	88,272	73,549	88,272
	4,938,267	4,941,048	4,854,989	4,835,399

9. ISSUED SHARE CAPITAL AND SHARE PREMIUM

	Group 2009 N$	Group 2008 N$	Company 2009 N$	Company 2008 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
Repayment of capital	(3,802,100)	-	(4,000,000)	-
Closing balance	4,251,860	8,053,960	4,053,960	8,053,960
Reserve for own shares				
Shares held by the Executive Share Purchase Trust (Refer to note 10)	(98,950)	(110,200)		
Total share capital including share premium	4,152,910	7,943,760	4,053,960	8,053,960

The unissued shares are under the control of the directors until the forthcoming Annual General Meeting to be held on 31 May 2010. 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.

10. 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 strike price of the option 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 2009, the trust owned 9 895 000 shares (2008: 11 020 000 shares). Staff exercised the second tranch of their share options during the year.

	Group 2009 N$	Group 2008 N$	Company 2009 N$	Company 2008 N$
Share capital				
Total number of shares in issue at par value of 1 cent	1,889,800	1,868,800	2,000,000	2,000,000
Change in shares owned by the trust during the year	11,250	21,000		
	1,901,050	1,889,800	2,000,000	2,000,000
Consisting of:				
Issued Share Capital	2,000,000	2,000,000	2,000,000	2,000,000
Cumulative par value of shares held by trust at beginning of year	(110,200)	(131,200)		
Par value of options exercised during the current year	11,250	21,000		
Share capital at end of year	1,901,050	189,800	2,000,000	2,000,000
Reserve for own shares				
Owned by the share trust at beginning of financial year	(541,850)	(705,350)		
Change in shares owned by the trust during the year	39,375	163,500		
	(502,475)	(541,850)		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

	Group		Company	
	2009 N$	2008 N$	2009 N$	2008 N$
11. LONG TERM PAYABLE				
Namibia Asset Management Executive Share Purchase Scheme			1,098,355	404,555
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			11,020,000	13,120,000
Options exercised			(1,125,000)	(2,100,000)
Shares held at end of year			9,895,000	11,020,000

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. The trust has repaid its debts and is now owed dividends and repayment of share capital by the company.

	Group 2009 N$	Group 2008 N$	Company 2009 N$	Company 2008 N$
12. TRADE AND OTHER PAYABLES				
Coronation Fund Managers Ltd	1,741,031	1,568,299	1,741,031	1,568,299
Deferred rental costs	42,071	91,157	42,071	91,157
Accruals	2,896,279	4,065,901	2,347,520	3,745,447
	4,679,381	5,725,357	4,130,622	5,404,903
The following amounts due to related parties are included in trade payables:				
Gordon Young (director) - bonus accrual	40,000	380,000	40,000	380,000
AB Bertolini (director) - bonus accrual	892,572	520,470	892,572	520,470
Coronation Fund Managers Ltd - fees and disbursements	1,741,031	1,568,299	1,741,031	1,568,299

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

	2009			2008		
	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	338,586	-	338,586	221,943	-	221,943
• Asset management fees	23,200,943	-	23,200,943	26,695,584	-	26,695,584
	23,539,529	-	23,539,529	26,917,527	-	26,917,527
Company						
Revenue comprises the following:						
• Asset management fees	23,200,943	-	23,200,943	26,695,584	-	26,695,584

14. OTHER INCOME

	Continuing Operations N$ (2009)	Discontinued Operations N$ (2009)	Total N$ (2009)	Continuing Operations N$ (2008)	Discontinued Operations N$ (2008)	Total N$ (2008)
Group						
Futeni retained accounts	-	99,570	99,570	-	710,795	710,795
Bad debts recovered	1,229	-	1,229	-	1,354,752	1,354,752
Discount received	18,302	-	18,302	-	-	-
Balanced fund distributions	60,950	-	60,950	23,968	-	23,968
	80,481	99,570	180,051	23,968	2,065,547	2,089,515
Company						
Discount received	18,302	-	18,302	-	-	-
Bad debts recovered	1,229	-	1,229	-	-	-
Reversal of impairment	-	400,000	400,000	-	-	-
Liquidation dividend received	-	1,152,955	1,152,955	-	-	-
Futeni retained accounts	-	99,570	99,570	-	710,795	710,795
	19,531	1,652,525	1,672,056	-	710,795	710,795

15. OPERATING EXPENDITURE

Operating expenditure includes the following:

15.1 Expenses

Group

	2009			2008		
	Continuing Operations N$	Discontinued Operations N$	Total N$	Continuing Operations N$	Discontinued Operations N$	Total N$
Auditors' remuneration						
Audit fees - current year	416,571	21,965	438,536	336,713	24,756	361,469
Other services	-	-	-	3,105	-	3,105
	416,571	21,965	438,536	339,818	24,756	364,574
Depreciation						
Computer equipment	62,085	-	62,085	74,655	-	74,655
Furniture and equipment	16,484	-	16,484	13,078	-	13,078
	78,569	-	78,569	87,733	-	87,733
Amortisation charge						
Software	1,222	-	1,222	1,439	-	1,439
Operating lease expense						
Equipment	13,468	-	13,468	16,217	-	16,217
Premises	362,277	-	362,277	362,277	-	362,277
	375,745	-	375,745	378,494	-	378,494
Short term employee benefits						
Salaries and wages	1,972,607	-	1,972,607	2,012,398	-	2,012,398
Bonuses	714,535	-	714,535	1,245,449	-	1,245,449
Contributions to retirement funds	143,206	-	143,206	139,099	-	139,099
Share based payments charge (refer to note 15.3)	128,885	-	128,885	328,938	-	328,938
Medical aid contributions	174,618	-	174,618	142,022	-	142,022
	3,133,851	-	3,133,851	3,867,906	-	3,867,906
Professional and consulting fees - technical services	138,437	43,531	181,968	135,917	27,750	163,667
Asset Management fees - Coronation Fund Managers	8,667,486	-	8,667,486	9,422,038	-	9,422,038

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

	2009			2008		
	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	324,018	-	324,018	268,006	-	268,006
	324,018	-	324,018	268,006	-	268,006
Depreciation						
Computer equipment	62,085	-	62,085	74,655	-	74,655
Furniture and equipment	16,484	-	16,484	13,078	-	13,078
	78,569	-	78,569	87,733	-	87,733
Amortisation charge						
Software	1,222	-	1,222	1,439	-	1,439
Operating lease expense						
Equipment	13,468	-	13,468	16,217	-	16,217
Premises	362,277	-	362,277	362,277	-	362,277
	375,745	-	375,745	378,494	-	378,494
Short term employee benefits						
Salaries and wages	1,758,296	-	1,758,296	1,807,714	-	1,807,714
Bonuses	714,535	-	714,535	1,245,449	-	1,245,449
Contributions to retirement funds	128,918	-	128,918	123,748	-	123,748
Share based payments charge (refer to note 15.3)	128,885	-	128,885	328,938	-	328,938
Medical aid contributions	174,618	-	174,618	142,022	-	142,022
	2,905,252	-	2,905,252	3,647,871	-	3,647,871
Impairment of intangible assets	-	-	-	22,558,000	-	22,558,000
Professional and consulting fees - technical services	138,437	-	138,437	9,135,917	-	135,917
Asset Management fees - Coronation Fund Managers	8,667,486	-	8,667,486	9,422,038	-	9,422,038

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

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 2009	Total 2008
Meetings held:	2	4					
A Mushimba		2	30,600	10,600	-	41,200	70,000
M Fehrsen	2	4	40,600	-	8,480	49,080	66,500
B Eimbeck (previously Dempsey)	1	3	35,600	-	4,480	40,080	62,500
			106,800	10,600	12,960	130,360	199,000

Executive directors

	Paid by the company	Paid by the subsidiaries	Total 2009	Total 2008
AB Bertolini				
Bonuses - current year	892,572	-	892,572	520,470
Basic salary	385,000	-	385,000	320,000
Provident fund contributions	39,378	-	39,378	38,764
Other	42,356	-	42,356	35,890
	1,359,306	-	1,359,306	915,124
Expense allocation - share based payment	81,573	-	81,573	212,394
	1,440,879	-	1,440,879	1,127,518

AB Bertolini exercised his share options in November 2008 and realised gains of N$ 230 625 at date of exercising the options.

Mr RG 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$ 340 000 (2008:N$ 20 000) in consulting fees for the year ended 30 September 2009.

According to the Group's directors' rotation policy and based on Annual General Meeting approval on 16 April 2009, Ms B Eimbeck (previously Dempsey) is up for re-election at the 2010 AGM on 31 May 2010.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 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 at 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 2008	7,550,000	4.5
Granted during the period	-	
Forfeited during the period	-	
Exercised during the period	(1,125,000)	
Expired during the period	(500,000)	
Outstanding on 30 September 2009	5,925,000	
Exercisable on 30 September 2009	3,925,000	

The share price of Namibia Asset Management Limited shares at year end was 25 cents per share (2008: 25 cents per share).

The first options issued and outstanding on 30 September 2009 have a remaining contractual life of 5 years and eight months. The second options issued and outstanding on 30 September 2009 have a remaining contractual life of 8 years and six months.

1 125 000 options were exercised during the year 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	
	2009 N$	2008 N$	2009 N$	2008 N$
Expense recognised in the income statement arising from equity-settled share option transactions	128,885	328,938	128,885	328,938
Related deferred tax charge	(45,110)	(115,128)	(45,110)	(115,128)
Charge to equity	83,775	213,810	83,775	213,810
Share based payments reserve				
Opening balance	821,219	607,409	821,219	607,409
Charge to equity	83,775	213,810	83,775	213,810
Closing balance	904,994	821,219	904,994	821,219

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

	Note	2009			2008		
		Continuing Operations N$	Discontinued Operations N$	Total N$	Continuing Operations N$	Discontinued Operations N$	Total N$
16. FINANCE INCOME							
Group							
Interest on current accounts		497,453	147,106	644,559	823,274	35,016	858,290
Interest on unit trust investments		329,558	146,476	476,034	203,697	240,058	443,755
		827,011	293,582	1,120,593	1,026,971	275,074	1,302,045
Company							
Interest on current accounts		474,529	-	474,529	796,009	-	796,009
Interest on unit trust investments		826	-	826	856	-	856
		475,355	-	475,355	796,865	-	796,865
17. FINANCE COST							
Group							
Interest on overdraft		38,596	-	38,596	10,622	-	10,622
Company							
Interest on overdraft		14,227	-	14,227	-	-	-
18. INCOME TAX							
Group							
Namibian normal tax							
Current year		2,394,732	135,695	2,530,427	3,393,053	226,203	3,619,256
Deferred tax							
Current year		557,689	-	557,689	213,163	-	213,163
Prior year error	*19*	-	-	-	(1,400,000)	-	(1,400,000)
Charged to equity		(45,110)	-	(45,110)	(115,128)	-	(115,128)
		2,907,311	135,695	3,043,006	2,091,088	226,203	2,317,291
Company							
Namibian normal tax							
Current year charge		2,530,427	-	2,530,427	3,393,053	226,203	3,619,256
Deferred tax expense							
Current year charge		557,689	-	557,689	(1,186,837)	-	(1,186,837)
Charged to equity		(45,110)	-	(45,110)	(115,128)	-	(115,128)
		3,043,006	-	3,043,006	2,091,088	226,203	2,317,291

Refer to Note 6 for unutilised tax losses available.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

	2009			2008		
	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	2.27	-	2.17	1.77	-	1.43
• Disallowable expenditure	0.41	-	0.39	0.02	-	0.02
• Tax loss utilised	(0.27)	-	(0.26)	-	(20.90)	(3.89)
• Exempt income	(1.60)	-	(1.53)	(0.50)	(3.82)	(1.11)
Effective tax rate	35.81	35.00	35.77	36.29	10.28	31.45
Company						
Standard corporate tax rate	35.00	35.00	35.00	35.00	-	35.00
Adjusted for:						
• Disallowable expenditure	1.03	-	0.86	(51.61)	-	(54.40)
• Exempt income	-	(35.00)	(5.71)	-	-	-
Effective tax rate	36.03	-	30.15	(16.61)	35.00	(19.40)

19. PRIOR YEAR ERROR

Group

The 2008 group taxation figure is restated by N$ 1 400 000. This error arose from the deferred tax effects on the impairment of the intangible asset which was incorrectly eliminated in the consolidation on 30 September 2008.

Effect on profit before tax	-	-	-	-	-	-
Effect on tax	-	-	-	(1,400,000)	-	(1,400,000)
Effect on profit after tax	-	-	-	(1,400,000)	-	(1,400,000)

20. EARNINGS PER SHARE

Earnings (restated) per share is based on basic earnings of:	5,210,581	252,006	5,462,587	7,528,474	1,973,861	9,502,335
Headline (restated) earnings per share are based on headline earnings of:	5,210,581	252,006	5,462,587	7,528,474	1,973,861	9,502,335
Ordinary shares in issue	190,105,000	190,105,000	190,105,000	188,980,000	188,980,000	188,980,000
Diluted ordinary shares in issue*	195,373,500	195,373,500	195,373,500	195,171,000	195,171,000	195,171,000
Reconciliation of earnings to headline earnings						
Profit for the year	5,210,581	252,006	5,462,587	7,528,474	1,973,861	9,502,335
Headline Earnings (restated)	5,210,581	252,006	5,462,587	7,528,474	1,973,861	9,502,335
• Basic (restated)	2.74	0.13	2.87	3.98	1.04	5.02
• Headline (restated)	2.74	0.13	2.87	3.98	1.04	5.02
• Diluted	2.67	0.13	2.80	3.86	1.01	4.87

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

	Group		Company	
	2009 N$	2008 N$	2009 N$	2008 N$
21. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE				
Assets classified as held for sale				
Investment in subsidiaries	-	-	-	9,600,000
Trade and other receivables	-	263,079	-	-
Current tax asset	-	111,612	-	-
Cash and cash equivalents	-	4,241,983	-	-
	-	4,616,674	-	9,600,000
Liabilities classified as held for sale				
Trade and other payables	-	-	-	-
Intercompany accounts	-	-	-	6,438,804
	-	-	-	6,438,804
Net cash flows from operating activities	(680,787)	691,748		
Net cash flows from investing activities	-	-		
Net cash flows from financing activities	(3,561,195)	189,823		

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.

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 assets and liabilities have been realised and the company is liquidated. The process of deregistration has started and is expected to be completed during the next financial year.

The carrying amount of the subsidiary in the holding company's books, net of impairment, is N$ nil (2008: N$ 9 600 000) at 30 September 2009.

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

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. These have now been repaid and the company does not owe anyone, not is owed by anyone any debt. Only share capital remains, with a corresponding intercompany loan which is impaired to nil in the company's accounts.

	Trade and other Payables N$	Trade and other Receivables N$	Provisions N$	Total N$
Opening Balance on 1 October 2008	-	(263,079)	-	(263,079)
Ordinary transactions	-	263,079	-	263,079
Closing balances on 30 September 2009	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

	Group		Company	
	2009 N$	2008 N$	2009 N$	2008 N$
22. NOTES TO THE CASH FLOW STATEMENTS				
22.1 Cash generated by operations				
Profit /(loss) from operations before tax	8,505,593	11,819,626	10,092,217	(11,942,493)
Adjustments for :				
Non-cash items				
Impairment of intangible assets	-	-	-	22,558,000
Depreciation	78,569	87,733	78,569	87,733
Amortisation of intangibles	1,222	1,439	1,222	1,439
Share based payments charge	128,885	328,938	128,885	328,938
Items disclosed separately on the face of the cash flow statement				
Finance costs	38,596	10,622	14,227	-
Finance income	(1,120,593)	(1,302,045)	(475,355)	(796,865)
Operating profit before working capital changes	7,632,272	10,946,313	9,839,765	10,236,752
Working capital changes	(780,118)	340,930	(1,293,871)	1,327,839
Decrease /(increase) in trade and other receivables	265,859	515,172	(19,590)	719,546
Increase /(decrease) in trade and other payables	(1,045,977)	(174,242)	(1,274,281)	608,293
Cash generated by operations	6,852,154	11,287,243	8,545,894	11,564,591
22.2 Income taxes paid				
Balance at beginning of the year	(130,512)	111,612	(242,124)	-
Current tax charge	(2,530,427)	(3,619,255)	(2,530,427)	(3,619,255)
Balance at end of year (including held-for-sale assets)	248,524	130,512	248,524	242,124
Income tax paid	(2,412,415)	(3,377,131)	(2,524,027)	(3,377,131)
22.3 Dividends paid				
Shareholders for dividends - opening balance	(95,315)	(91,066)	(95,315)	(91,066)
Shareholders for dividends - closing balance	119,037	95,315	119,037	95,315
Dividends declared	(8,554,725)	(7,539,700)	(9,000,000)	(8,000,000)
Dividends paid	(8,531,003)	(7,535,451)	(8,976,278)	(7,995,751)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

22. NOTES TO THE CASH FLOW STATEMENTS continued

22.4 Disposal of subsidiaries

	Group 2009 N$	Group 2008 N$	Company 2009 N$	Company 2008 N$
Mile Four Fund Managers (Pty) Ltd				
During the year Mile Four Fund Managers (Pty) Ltd was liquidated and deregistered.				
Net asset value at date of liquidation			168,885	-
Subsequent expenditure incurred			(118)	-
Written off			11,233	-
Proceeds for group purposes			180,000	-
Harvest Reinsurance Company of Namibia Limited				
During the year Harvest Reinsurance Company of Namibia Ltd was liquidated. Deregistration is in progress.				
Carrying value of investment at date of disposal			9,600,000	-
Intercompany loan written off			(6,438,804)	-
Proceeds for group purposes			3,161,196	-
Total proceeds for group purposes			3,341,196	-

22.5 Cash and cash equivalents

	Group 2009 N$	Group 2008 N$	Company 2009 N$	Company 2008 N$
Favourable balances	7,813,041	11,057,842	7,318,871	10,623,430
Overdrawn bank balances	(1,362,064)	(1,798,119)	(1,362,064)	(1,701,205)
Cash and cash equivalents held for sale	-	4,241,983	-	-
Cash and cash equivalents at end of year	6,450,977	13,501,706	5,956,807	8,922,225
Analysed as follows:				
Bank balances	6,247,176	9,093,597	5,944,047	8,910,385
Namibian Harvest Platinum Money Fund	203,801	166,125	12,760	11,840
	6,450,977	9,259,722	5,956,807	8,922,225
Cash and cash equivalents attributable to disposal groups held for sale	-	4,241,983	-	-
	6,450,977	13,501,705	5,956,807	8,922,225

23. 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
98.6% of NAM's Group revenue (continuing operations) is generated by segregated funds (2008: 99.1%). These consist of pension funds and medical aid funds, all of whom are large institutional investors who are strictly regulated by Namfisa. In 12 out of 14 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 66.3% of the Group's revenue is attributable to an investment mandate of a single customer (2008: 62.2%). This customer's creditworthiness is linked to Namibia's sovereign credit status.

35.7% 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.

23. 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 cash 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 investment vehicles. However, indirectly equity price risk affects the company through its Defensive Balanced 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 company'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 1.6% of the ordinary shares.

Currently, the Group does not have any intensive capital requirements and therefore not 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.

23. 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	2009 N$ Carrying Amount	2008 N$ Carrying Amount	2009 N$ Carrying Amount	2008 N$ Carrying Amount
Available-for-sale financial assets	*21 & 5*	3,000,000	7,616,674	-	9,600,000
Financial assets at fair value through profit or loss	*7*	791,923	584,889	-	-
Receivables	*8*	4,938,267	4,941,048	4,854,989	4,835,399
Cash and cash equivalents	*22.5*	7,813,041	11,057,842	7,318,871	10,623,430
		16,543,231	24,200,453	12,173,860	25,058,829

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

	Group		Company	
	2009 N$ Carrying Amount	2008 N$ Carrying Amount	2009 N$ Carrying Amount	2008 N$ Carrying Amount
Institutional client receivables	4,690,328	4,700,926	4,690,328	4,700,926
Other receivables	247,939	240,122	164,661	134,473
	4,938,267	4,941,048	4,854,989	4,835,399

The Group's most significant customer, the Government Institutions Pension Fund, accounts for N$ 4 270 466 (N$ 2008: N$ 4 104 581) of the trade receivables carrying amount at 30 September 2009.

Impairment losses

The aging of trade receivables at the reporting date was:

	Group		Group		Company		Company	
	2009 N$ Gross	2008 N$ Gross	2009 N$ Impairment	2008 N$ Impairment	2009 N$ Gross	2008 N$ Gross	2009 N$ Impairment	2008 N$ Impairment
Not past due	4,938,267	4,941,048	-	-	4,854,989	4,835,399	-	-
Total	4,938,267	4,941,048	-	-	4,854,989	4,835,399	-	-

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 2009

23. 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 2009
N$

	Carrying amount	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Shareholders liability	119,037	-	20,440	13,372	32,064	53,161
Bank overdraft	1,362,064	1,362,064	-	-	-	-
Trade and other payables	4,679,381	4,531,356	148,025	-	-	-
	6,160,482	5,893,420	168,465	13,372	32,064	53,161

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						
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

Company
30 September 2009
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	-	-	-	-	-	-
Amounts owing to group companies	-	-	-	-	-	-
Shareholders liability	119,037	-	20,440	13,372	32,064	53,161
Long term loan payable	1,098,355	-	-	1,098,355	-	-
Bank overdraft	1,362,064	1,362,064	-	-	-	-
Trade and other payables	4,130,622	3,982,597	148,025	-	-	-
	6,710,078	5,344,661	168,465	1,111,727	32,064	53,161

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 overdraft	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	7,502,373	459,036	9,703	68,953

23. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL INSTRUMENTS (continued)

INTEREST RATE RISK

A change of 100 basis points (bp) in interest rates at reporting date would have increased/ (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2008.

	Profit or loss		Equity	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
Group: 30 September 2009				
Variable rate instruments	64,510	(64,510)	41,932	(41,932)
Group: 30 September 2008				
Variable rate instruments	135,017	(135,017)	87,761	(87,761)
Company: 30 September 2009				
Variable rate instruments	59,568	(59,568)	38,719	(38,719)
Company: 30 September 2008				
Variable rate instruments	89,222	(89,222)	57,994	(57,994)

FAIR VALUES

Fair values versus carrying amounts

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

	Note	30 September 2009 Carrying amount	30 September 2009 Fair Value	30 September 2008 Carrying amount	30 September 2008 Fair Value
Group					
Statutory Investments	5	3,000,000	3,000,000	3,000,000	3,000,000
Other Investments	7	791,923	791,923	584,889	584,889
Trade and other receivables	8	4,938,267	4,938,267	4,941,048	4,941,048
Cash and cash equivalents	22.5	7,813,041	7,813,041	11,057,842	11,057,842
Assets classified as held for sale	21	-	-	4,616,674	4,616,674
Shareholders for dividend		(119,037)	(119,037)	(95,315)	(95,315)
Trade and other payables	12	(4,679,381)	(4,679,381)	(5,725,357)	(5,725,357)
Bank overdraft	22.5	(1,362,064)	(1,362,064)	(1,798,119)	(1,798,119)
		10,382,749	10,382,749	16,581,662	16,581,662
Company					
Trade and other receivables	8	4,854,989	4,854,989	4,835,399	4,835,399
Amounts owing by group companies	4	2,470,654	2,470,654	2,221,102	2,221,102
Cash and cash equivalents	22.5	7,318,871	7,318,871	10,623,431	10,623,431
Assets classified as held for sale	21	-	-	9,600,000	9,600,000
Long term payable	11	(1,098,355)	(1,098,355)	(404,555)	(404,555)
Amounts owed by group companies	4	-	-	(174,624)	(174,624)
Shareholders for dividend		(119,037)	(119,037)	(95,315)	(95,315)
Trade and other payables	12	(4,130,622)	(4,130,622)	(5,404,903)	(5,404,903)
Bank overdraft	22.5	(1,362,064)	(1,362,064)	(1,701,205)	(1,701,205)
Liabilities classified as held for sale	21	-	-	(6 438 804)	(6 438 804)
		7,934,436	7,934,436	13,060,526	13,060,526

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 fair value.

Statutory investments For 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 (2008: N$ 3 000 000). 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 values as shown on the relevant bank statements and other supporting documentation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2009

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 2009 %	Ownership interest 2008 %
Mile Four Fund Managers (Pty) Ltd	Namibia	-	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 Namibia Asset Management Executive Share Purchase Trust to acquire shares in the company are disclosed in note 11.

24.3 Directors

The names and details of directors are disclosed on page 58 of this document. Directors of the Company control 16.9% (2008: 16.3%) of the voting shares of the Company. Loans to/from directors as at 30 September 2009 amounted to Nil (2008: 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 directors and executive officers 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	
	2009 N$	2008 N$	2009 N$	2008 N$
Short-term employee benefits	1,440,879	1,127,518	1,440,879	1,127,518

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 provides asset management services to the Group. In addition, during 2007 and at the beginning of 2008, two of the Group's staff members were located at the Coronation office in Cape Town and the Group pays normal office costs relating to these staff members to Coronation on a monthly and quarterly basis.

	Group		Company	
	2009 N$	2008 N$	2009 N$	2008 N$
Fees paid to Coronation Fund Managers Limited	8,667,486	9,422,038	8,667,486	9,422,038
Office costs	5,946	14,700	5,946	14,700
	8,673,432	9,436,738	8,673,432	9,436,738

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". The last costs and income relating to these accounts were recognised during the current financial year and this business unit is now closed.

Recoveries received from Futeni Collections (Pty) Ltd	97,500	710,795	97,500	710,795
Interest received	2,070	1,934	2,070	1,934
Collecting expenses	-	(42,548)	-	(42,548)
Bank charges	(78)	(411)	(78)	(411)
Telephone	(506)	-	(506)	-
Entertainment	(449)	-	(449)	-
Travel and accommodation	(4,418)	(5,559)	(4,418)	(5,559)
Professional and consulting fees	-	(15,984)	-	(15,984)
	94,119	648,227	94,119	648,227

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	253,399	411,362	253,399	411,362
Between one and five years	-	253,399	-	253,399
	253,399	664,761	253,399	664,761

The lease does not include any contingent rentals.

During the year an amount of N$ 362 277 (2008: N$ 362 277) was recognised as an expense in the income statement in respect of operating leases.

26. EVENTS AFTER BALANCE SHEET DATE

No events have occurred between the balance sheet date and the date of this report that have a material effect on the figures here reported.

27. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards amendments to standards and interpretations relevant to the Group are not yet effective for the year ended 30 September 2009, and have not 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 January 2009
IAS 27	Consolidation and Separate Financial Statements	01 July 2009
Improvements:		
IFRS 1 and IAS 27 amendments	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	01 January 2009
IFRS 2 amendment	Share-based Payment: Vesting Conditions and Cancellations	01 January 2009
IFRS 3	Business Combinations	01 July 2009
IFRS 8	Operating Segments	01 January 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 statement of comprehensive income.

IAS 27 Consolidated and Separate Financial Statements

IAS 27 will be adopted by 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 interests 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 or 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 or loss will include any re-measurement of 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.

The amendments to IAS 27 also require that losses (including negative "other comprehensive income" as detailed in the revised IAS 1) have to be allocated to the non-controlling interest and policies will change to allow it to be in a deficit. 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 by Namibia Asset Management Limited 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 and associates will be recognised as dividend income in the separate financial statements of the Company, regardless of whether the dividends were declared from accumulated profits arising before or after acquisition.

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

The IFRS 2 amendment will be adopted by Namibia Asset Management Limited for the first time in 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 on the difference between the fair value and the carrying amount of the previously held equity interest in the acquiree will be recognised as profit or loss.

IFRS 8 Operating Segments

IFRS 8 will be adopted by Namibia Asset Management for the first time in its 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 2009 N$	Company 2008 N$
Interest in subsidiaries		
Shares	2,000,000	2,180,000
Subsidiaries held for sale	-	9,600,000
Current accounts	2,470,654	(4,392,326)
	4,470,654	7,387,674

Analysed as follows:

	2009 Carrying value of holding company interest			2008 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 *Deregistered*	-	-	-	180,000	(174,624)
Namibia Unit Trust Managers Ltd *Unit Trust Management*	2,000,000	2,000,000	2,470,654	2,000,000	2,221,102
Classified as held for sale					
Harvest Reinsurance Company of Namibia Ltd *Short Term Insurance*	-	-	-	9,600,000	(6,438,804)
	2,000,000	2,000,000	2,470,654	11,780,000	(4,392,326)

NOTICE OF THE TWELFTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twelfth Annual General Meeting of Namibia Asset Management Limited will be held at the Company's offices at 24 Orban Street, Windhoek, on 31 May 2010 for the following purpose:

Ordinary Resolution

1 To receive and consider the annual financial statements for the year ended 30 September 2009, including the Directors' Report and the Auditors' Report thereon.

2 To vote on the approval of a new proposed management contract with Coronation Fund Managers Limited effective 1 January 2010.

3 To re-elect B Eimbeck as a director of the company.

4 To ratify the board's appointment of Herbert Maier.

5 To determine the remuneration of the directors.

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

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

8 To re-appoint KPMG as auditors.

9 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 2009

A Mushimba - Chairman	(1) (A)
AB Bertolini	(1)
RG Young	(2)
MF Fehrsen	(1) (B)
H Nelson	(2) (A)
B Eimbeck	(1) (B)
A Pillay	(2)

Namibian	1
South African	2
Remuneration Committee	A
Audit Committee	B

Auditors

KPMG
30 Schanzen Road
PO Box 86863
Eros

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

L Hanekom

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

PROXY FORM

I / We ____ *(Name/s in block letters)*

being the registered holders of ______________________________ shares in Namibia Asset Management Limited,

do hereby appoint ______________________________ of ______________________________

or failing him/her ______________________________ of ______________________________

or failing him THE CHAIRMAN OF THE MEETING
as my/our Proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of Namibia Asset Management Ltd to be held on the

31st of May 2010 at 10h00AM

at the company's offices at KPMG House 2005, 24 Orban Street, and at any adjournment thereof and to vote for/against the resolutions or to abstain from voting in respect of the shares registered in my/our name/s, in accordance with the following instruction:

	I / We desire to vote as follows	In favour	Against	Abstain
1	To receive and consider the annual financial statements for the year ended 30 September 2009, including the Directors' Report and the Auditors' Report thereon.			
2	To vote on the approval of a new proposed management contract with Coronation Fund Managers Limited effective 1 January 2010.			
3	To re-elect B Eimbeck as a director of the company.			
4	To ratify the board's appointment of Herbert Maier.			
5	To determine the remuneration of the directors.			
6	To authorise the directors to fix the remuneration of the auditors.			
7	To place the unissued shares under the control of the directors.			
8	To re-appoint KPMG as auditors.			
9	To transact such other business as may be transacted at an Annual General Meeting.			

Signed at ______________________ on this __________ day of ______________ 2010

Full Name ____ *(In block letters)*

Signature/s ____

A member entitled to attend and vote is entitled to appoint one or more Proxies to attend, speak, and on a poll, vote in his/her/their stead. Such a Proxy need not be a member of the company.

Proxy Form continued overleaf

PROXY FORM

INSTRUCTIONS ON SIGNING AND LODGING THE PROXY FORM

1. The Proxy Form must be deposited at the registered office of the transfer secretaries not less than 48 (FORTY EIGHT) hours before the time of holding the meeting.

    Transfer Secretaries (Proprietary) Limited
    Shop 12 Kaiser Krone Centre, Post Street Mall

    or

    Post it to PO Box 2401, Windhoek

2. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration must be signed, not initialled.

3. A shareholder may insert the name of a Proxy or the names of two alternate proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the general meeting". The person whose name stands first on the Proxy form and who is present at the general meeting will be entitled to act as Proxy to the exclusion of those whose names follow.

4. A shareholder's instructions to the Proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the Proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the Proxy is not obliged to use all the votes exercisable by the shareholder or by the Proxy, but the total of the votes cast and in respect of which abstentions is recorded may not exceed the total of the votes exercisable by the shareholder or the Proxy.

5. Where there are joint holders of shares and if more than one of such joint holders is present or represented, then the person whose name appears first in the register in respect of such shares or the Proxy, as the case may be, shall alone be entitled to vote in respect thereof.

6. Documentary evidence establishing the authority of a person signing this Proxy form in a representative capacity must be attached to this form, unless previously recorded by the transfer secretaries of the company or waived by the chairman of the general meeting.

7. The completion and lodging of this Proxy form will not preclude the signatory from attending the meeting and speaking and voting in person thereat to the exclusion of any Proxy appointed in terms hereof should such signatory wish to do so.

8. The chairman of the general meeting may reject or, provided that the chairman is satisfied as to the manner in which a member wishes to vote, accept any form of Proxy which is completed, other than in accordance with these instructions.

Layout: Angelcy Brand Messengers
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