



cutting through complexity

Namibia Unit Trust Managers Limited
(Registration no: 96/308)

Annual Financial Statements
For the year ended 30 September 2014

NAMIBIA UNIT TRUST MANAGERS LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 September 2014

DIRECTORS	RG Young (South Africa) E Emvula (Chief Executive Officer)	
NATURE OF BUSINESS	Unit Trust Management	
REGISTERED OFFICE	24 Orban Street Windhoek Namibia	PO Box 23329 Windhoek Namibia
AUDITORS	KPMG	
BANKERS	Standard Bank (Namibia Limited)	
HOLDING COMPANY	Namibia Asset Management	
COMPANY REGISTRATION NO.	96/308	
REGISTERED OFFICE	24 Orban Street Windhoek Namibia	
FINANCIAL YEAR END	30 September	
DIRECTORS' REPORT	No directors' report is presented as the Company is a wholly-owned subsidiary and a directors' report is included in the holding Company's financial statements.	

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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 3 to 22 were approved by the Board of Directors on 01 December 2014.

Signed on behalf of the Board by:



.....
E Emvula (Chief Executive Officer)



.....
G Young (Non-Executive Director)



KPMG Namibia
30 Schanzen Road, Klein Windhoek
P O Box 86863 Eros, Windhoek, Namibia

Telephone +264 (61) 387500
Telefax: +264 (61) 387501
e-mail: windhoek@kpmg.com

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NAMIBIA UNIT TRUST MANAGERS LIMITED

We have audited the annual financial statements of Namibia Unit Trust Managers Limited, which comprise the statement of financial position at 30 September 2014, and the statement of comprehensive income, changes in equity and cashflows 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 on pages 3 to 23.

Directors' responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Namibian Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies 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 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 financial position of Namibia Unit Trust Managers Limited at 30 September 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Namibian Companies Act.



Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: V Mugabo
Partner

Windhoek...Namibia
09 December 2014

NAMIBIA UNIT TRUST MANAGERS LIMITED
ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION as at 30 September 2014	Notes	2014 N\$	2013 N\$
ASSETS			
Non-current assets		4,267,719	4,231,322
Marketable securities	2	4,000,000	4,000,000
Deferred tax	3	267,719	231,322
Current assets		10,961,426	7,354,196
Trade and other receivables	4	2,210,507	1,530,844
Marketable securities	2	3,421,934	2,775,120
Amounts owing by Group companies	7	-	824,689
Current tax asset	13	208,095	57,510
Cash and cash equivalents	5	5,120,890	2,166,033
TOTAL ASSETS		<u>15,229,145</u>	<u>11,585,518</u>
EQUITY AND LIABILITIES			
Equity attributable to ordinary shareholders		10,059,316	8,534,660
Share capital	6	6,000,000	6,000,000
Retained earnings		2,481,101	1,259,244
Fair value reserve		1,578,215	1,275,416
Current liabilities		5,169,829	3,050,858
Amounts owed to Group companies	7	2,658,046	-
Trade and other payables	8	2,511,783	3,050,858
TOTAL EQUITY AND LIABILITIES		<u>15,229,145</u>	<u>11,585,518</u>

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NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 September 2014	Notes	2014 N\$	2013 N\$
Revenue	9	22,364,488	13,860,061
Other income		41,569	31,243
Operating expenses	10	<u>(19,069,716)</u>	<u>(12,305,523)</u>
Operating income		3,336,341	1,585,781
Finance income	11	<u>493,245</u>	<u>482,580</u>
Profit before tax		3,829,586	2,068,361
Taxation	12	<u>(1,207,729)</u>	<u>(633,981)</u>
Profit attributable to ordinary shareholders		<u>2,621,857</u>	<u>1,434,380</u>
Other comprehensive income			
Net change in fair value of available-for-sale financial asset		302,799	634,627
Other comprehensive income for the year (net of income tax)		<u>302,799</u>	<u>634,627</u>
Total comprehensive income for the year		<u>2,924,656</u>	<u>2,069,007</u>

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NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 September 2014

	Notes	Share Capital	Retained earnings	Fair value reserve	Total
			N\$	N\$	N\$
Balance at 30 September 2012		6,000,000	1,224,864	640,789	7,865,653
Profit for the year		-	1,434,380	-	1,434,380
Other comprehensive Income		-	-	634,627	634,627
Dividends paid		-	(1,400,000)	-	(1,400,000)
Balance at 30 September 2013		6,000,000	1,259,244	1,275,416	8,534,660
Profit for the year		-	2,621,857	-	2,621,857
Other comprehensive Income		-	-	302,799	302,799
Dividends paid		-	(1,400,000)	-	(1,400,000)
Balance at 30 September 2014	6	6,000,000	2,481,101	1,578,215	10,059,316

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NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS for the year ended 30 September 2014	Notes	2014 N\$	2013 N\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		21,726,394	13,370,997
Cash paid to suppliers		(18,390,053)	(11,785,216)
Cash generated by operations	14.1	3,336,341	1,585,781
Working capital changes	14.2	(1,218,738)	1,001,486
Finance income		362,826	289,498
Tax paid		(1,394,711)	(429,811)
Dividends paid		(1,400,000)	(1,400,000)
Net cash flows from operating activities		(314,282)	1,046,954
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments made		(213,596)	(111,050)
Net cash flows from investing activities		(213,596)	(111,050)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movements in amounts owing to Group companies		3,482,735	(975,006)
Net cash flows from financing activities		3,482,735	(975,006)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS			
		2,954,857	(39,102)
Cash and cash equivalents at beginning of year		2,166,033	2,205,135
CASH AND CASH EQUIVALENTS at the end of the year	5	5,120,890	2,166,033

NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Namibia Unit Trust Managers Ltd (the "Company") is a Company domiciled in Namibia (Registration number: 96/308). The financial statements were approved by the Board of Directors on 01 December 2014.

1.1 Statement of compliance

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

1.2 Basis of preparation and measurement

The financial statements are presented in Namibia Dollars, rounded to the nearest Dollar, which is the Company's functional currency. They are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as available-for-sale and financial instruments classified as at fair value through profit or loss.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods.

1.3 Financial instruments

Non-derivative financial assets

The Company initially recognises loans and receivables on the dates that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes party to a contractual provision to the instrument.

The Company derecognises a financial asset when the contractual right to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in a statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchases and sales decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available-for-sale.

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ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

1.3 Financial instruments (continued)

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit and loss.

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. The investments are shown at the quoted unit prices at year end. Market value adjustments are recognised directly in the statement of comprehensive income.

Available-for-sale financial assets comprise equity securities and debt securities, together "marketable securities".

(iii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transactions costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables and amounts owing by the Company.

The cash and cash equivalents disclosed in the statements of cash flows comprise cash on hand and short term deposits with an original maturity period of three month 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 statement of cash flows, overdrafts are set off against positive bank balances.

Non-derivative financial liabilities

The Company recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date the Company becomes a party to contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise amounts owing to the Company and trade and other payables.

1.4 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event had a negative effect on the future estimated flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise indications that a debtor or issuer in the Company will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or disappearance of an active market for a security. In addition, for an investments in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

1.4 Impairment (continued)

(i) Loans and receivables

The Company considers evidence of impairment of loans and receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by regrouping together loans and receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

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 the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity, to profit or loss. The accumulative loss that is reclassified from equity to profit or loss is the difference between acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment losses in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of any impaired available-for-sale equity security is recognised in other comprehensive income.

(iii) Non financial assets

The carrying amounts of the Company'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 useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. Any impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset 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 that specific to the assets. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

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 does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

1.5 Share capital and reserves

(i) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

(ii) Dividends

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

(iii) Fair value reserve

Gains and losses resulting from changes in the fair value of designated available for sale financial assets are recognised directly in equity.

1.6 Provisions

A provision is recognised if, as a result of a past event, the Company has a 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 assessment of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of discount is recognised as finance costs.

(i) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. A 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 Company recognises any impairment loss on the asset associated with that contract.

1.7 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement 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 substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deducted for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax rates enacted or substantially enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.8 Revenue recognition

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

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NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

1.8 Revenue recognition (continued)

The Company's revenue comprises the Namibia dollar amount received in respect of fees from unit trust management activities net of rebates paid.

1.9 Finance income

Finance income comprises interest income on funds invested (including available-for-sale financial assets) as well as gains on the disposal of available-for-sale financial assets and fair value gains through profit or loss. Finance income is recognised in profit or loss on the date the Company's right to receive payments is established which in the case of quoted securities is the declaration date. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance income also include interest received on investments in bank and call accounts and interest received on investments in tax-free unit trusts.

1.10 Finance costs

Finance expenses comprise interest expense on borrowings, losses on the disposal of available-for-sale financial assets and fair value losses on financial assets at fair value through profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)	2014 N\$	2013 N\$
2 MARKETABLE SECURITIES		
Statutory investments	4,000,000	4,000,000
Additional investments	3,421,934	2,775,120
	<u>7,421,934</u>	<u>6,775,120</u>
Directors Valuation	<u>7,421,934</u>	<u>6,775,120</u>
Classified as:		
Non-current	4,000,000	4,000,000
Current	3,421,934	2,775,120
	<u>7,421,934</u>	<u>6,775,120</u>
Net gains on financial assets held at fair value through profit or loss	<u>130,419</u>	<u>193,082</u>
<p>The statutory investments relate to the minimum investment 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 available-for-sale financial assets and are shown at their fair value which is based on actual unit prices at year-end. The additional investments are dividends declared and interest accrued by the unit trust funds which have been reinvested in these funds.</p>		
3 DEFERRED TAX		
Opening balance	231,322	493,002
Current year charge to profit or loss	36,397	(261,680)
Closing balance	<u>267,719</u>	<u>231,322</u>
The balance of deferred tax is made up as follows:		
Leave pay accrual	13,957	18,065
Bonus accrual	250,800	212,530
Straight-lining of operating leases	2,962	737
	<u>267,719</u>	<u>231,332</u>
Estimated tax losses		
Opening balance	-	1,450,096
Tax losses utilised	-	(1,450,096)
Closing balance	<u>-</u>	<u>-</u>
<p>Deferred tax assets are recognised only 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.</p>		
4 TRADE AND OTHER RECEIVABLES		
Trade receivables	2,073,218	1,437,819
Other receivables	137,289	93,025
	<u>2,210,507</u>	<u>1,530,844</u>

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ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)	2014 N\$	2013 N\$
5 CASH AND CASH EQUIVALENTS		
Investment in unit trusts	474,801	382,960
Current and call accounts	4,646,089	1,783,073
	<u>5,120,890</u>	<u>2,166,033</u>
6 SHARE CAPITAL		
Authorised		
6 000 000 (2013: 6 000 000) ordinary shares of N\$ 1.00 each	<u>6,000,000</u>	<u>6,000,000</u>
Issued		
6 000 000 (2013: 6 000 000) ordinary shares of N\$ 1.00 each	<u>6,000,000</u>	<u>6,000,000</u>
7 AMOUNTS OWING (BY) / TO GROUP COMPANIES		
Namibia Asset Management Limited	493,583	(463,797)
Coronation Asset Management (Proprietary) Limited	2,164,463	(360,892)
	<u>2,658,046</u>	<u>(824,689)</u>
Intercompany loans are repayable on demand and carry no interest.		
8 TRADE AND OTHER PAYABLES		
Trade payables	93,290	431,159
Accruals	2,418,493	2,619,699
	<u>2,511,783</u>	<u>3,050,858</u>
9 REVENUE		
Management fees	178,984	169,653
Management fees - Cash Portion of AUM	305,477	500,473
Unit Trust Commissions received for marketing CMC products in Namibia	74,658	74,755
Performance fees	7,006,494	4,461,129
Service charges	14,798,875	8,654,051
	<u>22,364,488</u>	<u>13,860,061</u>
10 OPERATING EXPENSES		
Operating expenditure includes the following:		
<u>Auditors' remuneration</u>		
For audit services rendered		
- current year	83,369	86,533
- overprovision	-	(11,500)
	<u>83,369</u>	<u>75,033</u>
<u>Management fees</u>		
- for services rendered in managing unit trust portfolios by Coronation Asset Managers Ltd.	14,036,012	8,571,836
- for administration services rendered by Maitland Fund Services	997,122	694,271
- for Namibia Asset Management administration fees	180,000	180,000
	<u>15,213,134</u>	<u>9,446,107</u>
<u>Other expenses</u>		
- Trustee fees	258,175	199,797
- Travelling and accommodation	162,333	270,365
- Namfisa Fees	880,138	597,285
- Salaries and Wages	1,967,756	1,284,814
- Other	504,811	432,122
	<u>3,773,213</u>	<u>2,784,383</u>

NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)	2014 N\$	2013 N\$
11 NET FINANCE INCOME		
Finance income		
Gains on financial assets at fair value through profit or loss	130,419	193,082
Interest from call and bank accounts	156,057	123,479
Income on unit trust investments	206,769	166,019
	<u>493,245</u>	<u>482,580</u>
12 TAXATION		
Income tax recognised in profit or loss		
Namibian normal tax		
- Current year	1,244,126	372,301
Deferred tax		
- Current year	(36,397)	261,680
	<u>1,207,729</u>	<u>633,981</u>
Tax rate reconciliation	%	%
Standard rate	33.00	34.00
Adjusted for:		
Non-taxable income	(1.46)	(3.69)
Tax rate change	-	0.34
Effective tax rate	<u>31.54</u>	<u>30.65</u>
13 Current tax asset		
Opening Balance	(57,510)	-
Income tax payable current year	1,244,126	372,301
Provisional tax payments made	(1,394,711)	(429,811)
	<u>(208,095)</u>	<u>(57,510)</u>
14 NOTES TO THE STATEMENT OF CASH FLOWS		
14.1 Cash generated by operations		
Profit before tax	3,829,586	2,068,361
Adjusted for:		
<i>Non-cash items</i>		
Gain on financial assets at fair value through profit or loss	(130,419)	(193,082)
<i>Shown separately on the face of the cash flow statement</i>		
Finance income	(362,826)	(289,498)
	<u>3,336,341</u>	<u>1,585,781</u>
14.2 Working capital changes		
Movement in trade and other receivables	(679,663)	(520,307)
Movement in trade and other payables	(539,075)	1,521,793
	<u>(1,218,738)</u>	<u>1,001,486</u>

12/09/15

NAMIBIA UNIT TRUST MANAGERS LIMITED

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for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)	2014 N\$	2013 N\$
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15 RELATED PARTIES

The Company's holding company is Namibia Asset Management Limited (incorporated in Namibia), which owns 100% of the issued shares. Coronation Fund Managers Limited and its subsidiaries ultimately own 48.05% of Namibia Asset Management's issued shares.

15.1 Transactions with key management personnel

The Company's key management personnel consists of E Emvula (Chief Executive Officer), U Eiseb (Company Secretary) and E le Roux (Head: Retail Business).

15.2 Directors

The Company pays no directors' emoluments.

15.3 Transactions with group companies

The holding company pays a number of the Company's operational expenses which are charged to an intercompany loan account. The intercompany loan is unsecured and interest free with no fixed terms of repayment.

Details of balances with group companies are disclosed in note 7 and transactions in note 10.

15.4 Transactions with Coronation Fund Managers group

Coronation Asset Management (Proprietary) Limited provides portfolio management services to the Company. These services are in terms of a management agreement between Coronation Asset Management (Proprietary) Limited and the Company's holding company, Namibia Asset Management Limited. Details of fees paid to Coronation Asset Management are disclosed in note 10.

Coronation Asset Management (Proprietary) Limited is a subsidiary of Coronation Investment Management (Proprietary) Limited, which owns 48.05% of the issued shares of Namibia Asset Management Limited.

16 EVENTS AFTER BALANCE SHEET DATE

After year end the Board recommended a normal dividend of N\$1,100,000 (2013:N\$1,400,000)

E Le Roux, Head of the Retail business, was appointed as a director of the Company effective 01 October 2014.

These events have no impact on the financial statements and no other events have accrued subsequent to the reporting date that would have materially altered the results reported.

17 FINANCIAL RISK MANAGEMENT

17.1 Overview

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

- credit risk
- liquidity risk
- market risk.

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

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

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NAMIBIA UNIT TRUST MANAGERS LIMITED

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for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

17 FINANCIAL RISK MANAGEMENT

17.1 Overview (continued)

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities. The Company, 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 Company's audit and risk committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Company. 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.

17.2 Credit risk

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

a) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Company's customer base consists of one main category: unit trust funds. Unit trust fund clients bear not credit risk as the fees are automatically collected when the units are purchased or sold.

b) Cash and cash equivalents and investments securities

The Company 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.

c) Guarantees

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

17.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company'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 Company's reputation.

The Company actively monitors its cash flow requirements on a daily basis and thereby optimises its cash return on investments. Typically the Company 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 Company does not maintain any credit facilities, apart from normal 30 day creditors payment terms with general business suppliers.

17.4 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 Company'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 Company does not trade in derivatives.

a) Currency risk

The Company is not directly 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).

The Company does have investments in its unit trust products that have exposure to currency fluctuations. See "other market price risk" below for the Company's strategy on managing price risk.

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ANNUAL FINANCIAL STATEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

17 FINANCIAL RISK MANAGEMENT (continued)

17.4 Market risk (continued)

b) Interest rate risk

The Company does not have any interest-bearing borrowings and therefore does not carry any interest rate risk on liabilities. Interest-bearing financial assets are monitored on a daily basis and active management take place to ensure maximum rates.

The Company's exposure to interest-bearing borrowings is limited to the overdraft balance.

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

c) 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 Company'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 reviews.

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.

d) 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.

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

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

The Company is not subject to externally imposed capital requirements.

NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)	2014 N\$	2013 N\$
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17 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:

	Note	2014 N\$	2013 N\$
Marketable securities	2	7,421,934	6,775,120
Trade and other receivables	4	2,210,507	1,530,844
Amounts owing by Group companies	7	-	824,689
Cash and cash equivalents	5	5,120,890	2,166,033
		<u>14,753,331</u>	<u>11,296,686</u>

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

	2014 N\$ Carrying Amount	2013 N\$ Carrying Amount
Retail client receivables	2,073,218	1,437,819
Other receivables	137,289	93,025
	<u>2,210,507</u>	<u>1,530,844</u>

Impairment losses

The aging of trade receivables at the reporting date was:

	2014 N\$ Gross	2014 N\$ Impairment	2013 N\$ Gross	2013 N\$ Impairment
Not past due	2,073,218	-	1,437,819	-
Total	<u>2,073,218</u>	<u>-</u>	<u>1,437,819</u>	<u>-</u>

Based on past experience, the Company believes that no impairment allowance is necessary in respect of trade receivables not past due.

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for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

17 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:

30 September 2014 N\$	Carrying amount	6 months or less
Non-derivative financial liabilities		
Amounts owed to group companies	2,658,046	2,658,046
Trade and other payables	2,511,783	2,511,783
	<u>5,169,829</u>	<u>5,169,829</u>

30 September 2013 N\$	Carrying amount	6 months or less
Non-derivative financial liabilities		
Amounts owed to group companies	-	-
Trade and other payables	3,050,858	3,050,858
	<u>3,050,858</u>	<u>3,050,858</u>

INTEREST RATE RISK

A change of 100 basis points in interest rates at reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2013.

	Profit or Loss		Equity	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
30 September 2014 N\$				
Variable rate instruments	<u>51,209</u>	<u>(51,209)</u>	<u>33,798</u>	<u>(33,798)</u>
30 September 2013 N\$				
Variable rate instruments	<u>21,660</u>	<u>(21,660)</u>	<u>14,296</u>	<u>(14,296)</u>

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NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

17 FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL INSTRUMENTS (continued)

FAIR VALUES

Management is of the view that the carrying value of financial instruments approximates fair value.

Basis for determining fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments reflected on the face of the statement of financial position.

i) Statutory investments

For the statutory investments in 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\$ 4,000,000 (2013: N\$ 4,000,000).

ii) Other investments

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

iii) Trade and other receivables or payables

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

iv) Cash and cash equivalents

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

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

30 September 2014	Level 1	Level 2	Level 3	Total
N\$				
Available-for-sale financial assets	4,000,000	-	-	4,000,000
Financial assets designated at fair value through profit or loss	3,421,934	-	-	3,421,934
	7,421,934	-	-	7,421,934

30 September 2013	Level 1	Level 2	Level 3	Total
N\$				
Available-for-sale financial assets	4,000,000	-	-	4,000,000
Financial assets designated at fair value through profit or loss	2,775,120	-	-	2,775,120
	6,775,120	-	-	6,775,120

There were no transfers of financial assets between the levels.

NAMIBIA UNIT TRUST MANAGERS LIMITED

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for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

17 FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL INSTRUMENTS (continued)

CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following table analyses the Company's financial assets and financial liabilities in accordance with the categories of financial instruments in IAS 39. Assets and liabilities outside the scope of IAS 39 are shown separately.

30 September 2014 N\$	Fair value through profit or loss	Available for sale	Loans and receivables	Non financial assets	Total
Assets					
Marketable securities	3,421,934	4,000,000	-	-	7,421,934
Deferred tax	-	-	-	267,719	267,719
Trade and other receivables	-	-	2,194,482	16,025	2,210,507
Cash and cash equivalents	-	-	-	-	-
	<u>3,421,934</u>	<u>4,000,000</u>	<u>2,194,482</u>	<u>283,744</u>	<u>9,900,160</u>
			Other financial liabilities	Non financial assets	Total
Liabilities					
Amounts owing to Group companies			2,658,046	-	2,658,046
Trade and other payables			2,461,860	49,923	2,511,783
			<u>5,119,906</u>	<u>49,923</u>	<u>5,169,829</u>
Equity					<u>10,059,316</u>
					<u>15,229,145</u>
30 September 2013 N\$	Fair value through profit or loss	Available for sale	Loans and receivables	Non financial assets	Total
Assets					
Marketable securities	2,775,120	4,000,000	-	-	6,775,120
Deferred tax	-	-	-	231,322	231,322
Trade and other receivables	-	-	1,530,844	-	1,530,844
Cash and cash equivalents	-	-	2,166,033	-	2,166,033
	<u>2,775,120</u>	<u>4,000,000</u>	<u>3,696,877</u>	<u>231,322</u>	<u>10,703,319</u>
			Other financial liabilities	Non financial assets	Total
Liabilities					
Amounts owing to Group companies			-	-	-
Trade and other payables			3,050,858	-	3,050,858
			<u>3,050,858</u>	<u>-</u>	<u>3,050,858</u>
Equity					<u>8,534,660</u>
					<u>11,585,518</u>

There were no reclassifications during the year.

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NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

18 NEW AND AMENDED IFRS AND IFRIC INTERPRETATIONS ADOPTED

None of the new and amended IFRS and IFRIC interpretations that were adopted had an effect on the financial performance and position of the Company, nor on the disclosures required.

19 STANDARDS AND INTERPRETATIONS ADOPTED WITH NO EFFECT ON THE FINANCIAL STATEMENTS

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements, but may effect the accounting for future transactions and arrangements.

Standards and Interpretations	Description
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IFRS 13	Fair value Measurement - Replaces the fair value measurement guidance contained in individual IFRS's with a single source of fair value measurement guidance.
IFRS 7 amendment	Disclosure - Offsetting financial assets and financial liabilities - New disclosure requirements for financial assets and financial liabilities that are offset in the statement of financial position, or are subject to enforceable master netting arrangements or similar arrangements.

20 NEW STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 September 2014 and have not been applied in preparing the Company's financial statements.

The following statements are not yet effective and management is in the process of assessing the impact of the adoption of these statements on the financial results or position of the Company.

New/Revised International Financial Reporting Standards		Effective Date Annual periods commencing on or after
IFRS 9	Financial Instruments Subsequent to issuing IFRS 9 the IASB has issued exposure drafts to amend the classification and measurement guidance, expected credit losses and hedge accounting. Given the uncertainty around the final classification and measurement rules that will be applied and the date at which the entire IFRS 9 will be completed it is impracticable to quantify the expected impact of the standard on the Company.	1 January 2018
IFRS 15	Revenue IFRS 15 provides a single, principle-based model to be applied to all contracts with customers. The new standard requires companies to recognise revenue to depict the transfer of goods or services to customers that reflects the consideration to which the company expects to be entitled to in exchange for those goods or services. The new standard will also provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. The standard also introduces enhanced disclosures about revenue. The group is in the process of assessing the impact that IFRS 15 will have on the financial statements.	1 January 2017
IFRIC 21	Levies This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.	01 January 2014

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