



cutting through complexity

**Namibia Unit Trust Managers Limited**  
**(Registration number: 96/308)**

**Annual Financial Statements**  
*for the year ended 30 September 2015*

**NAMIBIA UNIT TRUST MANAGERS LIMITED**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 September 2015

<b>DIRECTORS</b>	R G Young (Non-Executive Director)* E Emvula (Chief Executive Officer) E Le Roux (Head: Retail Business)* * (South African)	
<b>NATURE OF BUSINESS</b>	Unit Trust Management	
<b>REGISTERED OFFICE</b>	24 Orban Street Windhoek Namibia	PO Box 23329 Windhoek Namibia
<b>AUDITORS</b>	KPMG	
<b>BANKERS</b>	Standard Bank Namibia Limited)	
<b>HOLDING COMPANY</b>	Namibia Asset Management Limited	
<b>COMPANY REGISTRATION NO.</b>	96/308	
<b>REGISTERED OFFICE</b>	24 Orban Street Windhoek Namibia	
<b>FINANCIAL YEAR END</b>	30 September	
<b>DIRECTORS' REPORT</b>	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.	

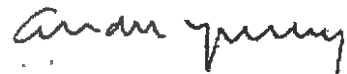
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**APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

The annual financial statements set out on pages 3 to 22 were approved by the Board of Directors on 07 December 2015.  
Signed on behalf of the Board by:



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



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



**KPMG Namibia**  
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## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBER 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 2015, and the statements 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 22.

#### 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 2015, 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 2015

NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION  
as at 30 September 2015

Notes

2015  
N\$

2014  
N\$

ASSETS

Non-current assets

Marketable securities - statutory  
Deferred tax

2  
3

4 302 832

4 267 719

4 000 000

4 000 000

302 832

267 719

Current assets

Trade and other receivables  
Marketable securities - additional investments  
Current tax asset  
Cash and cash equivalents

4  
2  
13  
5

16 361 316

10 961 426

3 142 391

2 210 507

3 778 915

3 421 934

-

208 095

9 440 010

5 120 890

TOTAL ASSETS

20 664 148

15 229 145

EQUITY AND LIABILITIES

Equity attributable to ordinary shareholders

Share capital  
Retained earnings  
Fair value reserve

6

12 710 964

10 059 316

6 000 000

6 000 000

4 925 589

2 481 101

1 785 375

1 578 215

Current liabilities

Amounts owed to Group companies  
Trade and other payables  
Current tax liability

7  
8  
13

7 953 184

5 169 829

4 762 619

2 658 046

3 103 871

2 511 783

86 694

-

TOTAL EQUITY AND LIABILITIES

20 664 148

15 229 145

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**NAMIBIA UNIT TRUST MANAGERS LIMITED**

**ANNUAL FINANCIAL STATEMENTS**

<b>STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 September 2015</b>	<b>Notes</b>	<b>2015 N\$</b>	<b>2014 N\$</b>
Revenue	9	20 846 648	22 364 488
Other income		654 208	41 569
Operating expenses	10	<u>(15 141 883)</u>	<u>(19 069 716)</u>
<b>Operating income</b>		<b>6 358 973</b>	<b>3 336 341</b>
Finance income	11	<u>498 762</u>	<u>493 245</u>
<b>Profit before tax</b>		<b>6 857 735</b>	<b>3 829 586</b>
Taxation	12	<u>(2 313 247)</u>	<u>(1 207 729)</u>
<b>Profit attributable to ordinary shareholders</b>		<b><u>4 544 488</u></b>	<b><u>2 621 857</u></b>
<b>Other comprehensive income</b>			
Net change in fair value of available-for-sale financial asset		<b>207 160</b>	<b>302 799</b>
<b>Other comprehensive income for the year (net of income tax)</b>		<b><u>207 160</u></b>	<b><u>302 799</u></b>
<b>Total comprehensive income for the year</b>		<b><u>4 751 648</u></b>	<b><u>2 924 656</u></b>

*KPMG*

NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 September 2015

	Notes	Share Capital	Retained earnings N\$	Fair value reserve N\$	Total N\$
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)
<b>Balance at 30 September 2014</b>		<b>6 000 000</b>	<b>2 481 101</b>	<b>1 578 215</b>	<b>10 059 316</b>
Profit for the year		-	4 544 488	-	4 544 488
Other comprehensive Income		-	-	207 160	207 160
Dividends paid		-	(2 100 000)	-	(2 100 000)
<b>Balance at 30 September 2015</b>	6	<b>6 000 000</b>	<b>4 925 589</b>	<b>1 785 375</b>	<b>12 710 964</b>

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**NAMIBIA UNIT TRUST MANAGERS LIMITED**

**ANNUAL FINANCIAL STATEMENTS**

<b>STATEMENT OF CASH FLOWS for the year ended 30 September 2015</b>	<b>Notes</b>	<b>2015 N\$</b>	<b>2014 N\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		20 568 972	21 726 394
Cash paid to suppliers		<u>(14 209 999)</u>	<u>(18 390 053)</u>
Cash generated by operations	14.1	6 358 973	3 336 341
Working capital changes	14.2	<u>(339 796)</u>	<u>(1 218 738)</u>
Finance income		531 014	362 826
Tax paid		<u>(2 053 571)</u>	<u>(1 394 711)</u>
Dividends paid		<u>(2 100 000)</u>	<u>(1 400 000)</u>
Net cash flows from operating activities		<u><u>2 396 620</u></u>	<u><u>(314 282)</u></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments made		<u>(182 073)</u>	<u>(213 596)</u>
Net cash flows from investing activities		<u><u>(182 073)</u></u>	<u><u>(213 596)</u></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Movements in amounts owing to Group companies		<u>2 104 573</u>	<u>3 482 735</u>
Net cash flows from financing activities		<u><u>2 104 573</u></u>	<u><u>3 482 735</u></u>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		<u>5 120 890</u>	<u>2 166 033</u>
<b>CASH AND CASH EQUIVALENTS at the end of the year</b>	<b>5</b>	<u><u>9 440 010</u></u>	<u><u>5 120 890</u></u>

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NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2015

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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**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 07 December 2015.

**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.

Marketable securities relating to additional investments are classified as financial assets through profit or loss.

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NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2015

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

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**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. Available for sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. 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"

Marketable securities relating to statutory investments are classified as available for sale financial assets.

**(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.

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NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2015

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

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**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 2015

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

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**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*

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

**1.6 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 in respect of 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 upon initial recognition, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future or where the parent is able to control the timing of the reversal of the temporary differences. 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 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.

**1.7 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 2015

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

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**1 PRINCIPAL ACCOUNTING POLICIES (continued)**

**1.7 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.

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**NAMIBIA UNIT TRUST MANAGERS LIMITED**

**ANNUAL FINANCIAL STATEMENTS**

for the year ended 30 September 2015

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)	2015 N\$	2014 N\$
<b>2 MARKETABLE SECURITIES</b>		
Statutory investments	4 000 000	4 000 000
Additional investments	<u>3 778 915</u>	<u>3 421 934</u>
	<u>7 778 915</u>	<u>7 421 934</u>
Directors Valuation	<u>7 778 915</u>	<u>7 421 934</u>
<b>Classified as:</b>		
Non-current	4 000 000	4 000 000
Current	<u>3 778 915</u>	<u>3 421 934</u>
	<u>7 778 915</u>	<u>7 421 934</u>
Net (losses) / gains on financial assets held at fair value through profit or loss	<u>(32 252)</u>	<u>130 419</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 and are classified as financial assets at fair value through profit or loss.</p>		
<b>3 DEFERRED TAX</b>		
Opening balance	267 719	231 322
Current year charge to profit or loss	<u>35 113</u>	<u>36 397</u>
Closing balance	<u>302 832</u>	<u>267 719</u>
<p>The balance of deferred tax is made up as follows:</p>		
Leave pay accrual	19 307	13 957
Bonus accrual	280 533	250 800
Straight-lining of operating leases	<u>2 992</u>	<u>2 962</u>
	<u>302 832</u>	<u>267 719</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>		
<b>4 TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	2 456 230	2 073 218
Other receivables	<u>686 161</u>	<u>137 289</u>
	<u>3 142 391</u>	<u>2 210 507</u>

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NAMIBIA UNIT TRUST MANAGERS LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September 2015

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)	2015 N\$	2014 N\$
<b>5 CASH AND CASH EQUIVALENTS</b>		
Investment in unit trusts	5 211 155	474 801
Current and call accounts	4 228 855	4 646 089
	<u>9 440 010</u>	<u>5 120 890</u>
<b>6 SHARE CAPITAL</b>		
<b>Authorised</b>		
6 000 000 (2014: 6 000 000) ordinary shares of N\$ 1.00 each	<u>6 000 000</u>	<u>6 000 000</u>
<b>Issued</b>		
6 000 000 (2014: 6 000 000) ordinary shares of N\$ 1.00 each	<u>6 000 000</u>	<u>6 000 000</u>
<b>7 AMOUNTS OWING TO GROUP COMPANIES</b>		
Namibia Asset Management Limited	1 933 977	493 583
Coronation Asset Management Proprietary Limited	2 828 642	2 164 463
	<u>4 762 619</u>	<u>2 658 046</u>
Intercompany loans are repayable on demand and carry no interest.		
<b>8 TRADE AND OTHER PAYABLES</b>		
Trade payables	256 624	93 290
Accruals		
- Rebates due	694 874	662 557
- Namfisa fee	565 775	470 475
- Payroll accruals	1 399 095	1 192 905
- Other	187 503	92 556
	<u>3 103 871</u>	<u>2 511 783</u>
<b>9 REVENUE</b>		
Management fees	188 470	178 984
Management fees - Cash Portion of AUM	242 720	305 477
Unit trust commissions received for marketing CMC products in Namibia	205 238	74 658
Performance fees	951 264	7 006 494
Service charges	19 258 956	14 798 875
	<u>20 846 648</u>	<u>22 364 488</u>
<b>10 OPERATING EXPENSES</b>		
Operating expenditure includes the following:		
<u>Auditors' remuneration</u>		
For audit services rendered		
- current year	141 359	83 369
	<u>141 359</u>	<u>83 369</u>
<u>Management fees</u>		
- for services rendered in managing unit trust portfolios by Coronation Asset Managers Ltd.	10 098 672	14 036 012
- for administration services rendered by Maitland Fund Services	483 158	997 122
- for Namibia Asset Management administration fees	180 000	180 000
	<u>10 761 830</u>	<u>15 213 134</u>
<u>Other expenses</u>		
- Trustee fees	243 761	258 175
- Travelling and accommodation	165 268	162 333
- Namfisa fees	1 074 884	880 138
- Salaries and wages	2 085 956	1 967 756
- Other	668 825	504 811
	<u>4 238 694</u>	<u>3 773 213</u>

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NAMIBIA UNIT TRUST MANAGERS LIMITED

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

2015  
N\$

2014  
N\$

11 NET FINANCE INCOME

Finance income

Gains on financial assets at fair value through profit or loss  
Interest from call and bank accounts  
Income on unit trust investments

(32 252)	130 419
295 059	156 057
235 955	206 769
<u>498 762</u>	<u>493 245</u>

12 TAXATION

Income tax recognised in profit or loss

Namibian normal tax  
- Current year

2 348 360	1 244 126
-----------	-----------

Deferred tax  
- Current year

(35 113)	(36 397)
----------	----------

<u>2 313 247</u>	<u>1 207 729</u>
------------------	------------------

Tax rate reconciliation

Standard rate

%	%
---	---

33.00	33.00
-------	-------

Adjusted for:  
Non-taxable income

(1.29)	(1.46)
--------	--------

Effective tax rate

<u>31.71</u>	<u>31.54</u>
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13 Current tax liability / (asset)

Opening Balance  
Income tax payable current year  
Provisional tax payments made

(208 095)	(57 510)
2 348 360	1 244 126
(2 053 571)	(1 394 711)
<u>86 694</u>	<u>(208 095)</u>

14 NOTES TO THE STATEMENT OF CASH FLOWS

14.1 Cash generated by operations

Profit before tax  
Adjusted for:  
*Non-cash items*  
Loss / (gain) on financial assets at fair value through profit or loss  
*Shown separately on the face of the cash flow statement*  
Finance income

6 857 735	3 829 586
32 252	(130 419)
(531 014)	(362 826)
<u>6 358 973</u>	<u>3 336 341</u>

14.2 Working capital changes

Movement in trade and other receivables  
Movement in trade and other payables

(931 884)	(679 663)
592 088	(539 075)
<u>(339 796)</u>	<u>(1 218 738)</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

2015  
N\$

2014  
N\$

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). Except for the directors emoluments displayed under 15.2 there were no other transactions with key management personnel.

15.2 Directors Emoluments

Directors emoluments for E Le Roux were as follows:

	2015 N\$	2014 N\$
Short term employee benefits		
Salaries and wages	327 887	296 604
Bonuses	725 000	656 000
Contributions to retirement funds	26 070	24 128
Medical aid contributions	27 948	27 696
Share-based payments	6 198	19 076
Other	157 106	92 900
	<u>1 270 209</u>	<u>1 116 405</u>

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\$4,100,000 (2014:N\$2,100,000)

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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for the year ended 30 September 2015

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

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**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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NAMIBIA UNIT TRUST MANAGERS LIMITED  
ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 September 2015

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

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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.

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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

2015  
N\$

2014  
N\$

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	2015 N\$	2014 N\$
Marketable securities	2	7 778 915	7 421 934
Trade and other receivables	4	3 142 391	2 210 507
Cash and cash equivalents	5	9 440 010	5 120 890
		<u>20 361 316</u>	<u>14 753 331</u>

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

	2015 N\$ Carrying Amount	2014 N\$ Carrying Amount
Retail client receivables	2 456 230	2 073 218
Other receivables	686 161	137 289
	<u>3 142 391</u>	<u>2 210 507</u>

Impairment losses

The aging of trade receivables at the reporting date was:

	2015 N\$ Gross	2015 N\$ Impairment	2014 N\$ Gross	2014 N\$ Impairment
Not past due	2 456 230	-	2 073 218	-
Total	<u>2 456 230</u>	<u>-</u>	<u>2 073 218</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 2015

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 2015 N\$	Carrying amount	6 months or less
<b>Non-derivative financial liabilities</b>		
Amounts owed to group companies	4 762 619	4 762 619
Trade and other payables	3 103 871	3 103 871
	<u>7 866 490</u>	<u>7 866 490</u>

30 September 2014 N\$	Carrying amount	6 months or less
<b>Non-derivative financial liabilities</b>		
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>

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 as for the 2014 financial year.

	Profit or Loss		Equity	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
<b>30 September 2015 N\$</b>				
Variable rate instruments	<u>94 400</u>	<u>(94 400)</u>	<u>63 248</u>	<u>(63 248)</u>
<b>30 September 2014 N\$</b>				
Variable rate instruments	<u>51 209</u>	<u>(51 209)</u>	<u>34 310</u>	<u>(34 310)</u>

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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 (2014: 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 2015	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	-	3 778 915	-	3 778 915
	-	7 778 915	-	7 778 915
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

There were no transfers of financial assets between the levels.

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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 2015 N\$	Fair value through profit or loss	Available for sale	Loans and receivables	Non financial assets	Total
<b>Assets</b>					
Marketable securities	3 778 915	4 000 000	-	-	7 778 915
Deferred tax	-	-	-	302 832	302 832
Trade and other receivables	-	-	3 126 366	16 025	3 142 391
Cash and cash equivalents	-	-	9 440 010	-	9 440 010
	<u>3 778 915</u>	<u>4 000 000</u>	<u>12 566 376</u>	<u>318 857</u>	<u>20 664 148</u>
			<b>Other financial liabilities</b>	<b>Non financial assets</b>	<b>Total</b>
<b>Liabilities</b>					
Amounts owing to Group companies			4 762 619	-	4 762 619
Trade and other payables			3 039 786	64 085	3 103 871
Current tax liability			-	86 694	86 694
			<u>7 802 405</u>	<u>150 779</u>	<u>7 953 184</u>
<b>Equity</b>					<u>12 710 964</u>
					<u>20 664 148</u>
30 September 2014 N\$	Fair value through profit or loss	Available for sale	Loans and receivables	Non financial assets	Total
<b>Assets</b>					
Marketable securities	-	-	-	-	-
Deferred tax	-	-	-	267 719	267 719
Trade and other receivables	-	-	2 194 482	16 025	2 210 507
Cash and cash equivalents	-	-	5 120 890	-	5 120 890
Current tax assets	-	-	-	208 095	208 095
	<u>-</u>	<u>-</u>	<u>7 315 372</u>	<u>491 839</u>	<u>7 807 211</u>
			<b>Other financial liabilities</b>	<b>Non financial assets</b>	<b>Total</b>
<b>Liabilities</b>					
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>
<b>Equity</b>					<u>10 059 316</u>
					<u>15 229 145</u>

There were no reclassifications during the year.

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ANNUAL FINANCIAL STATEMENTS

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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

IFRIC 21	<b>Levies</b> 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.
IAS 32	<b>Offsetting Financial Assets and Liabilities (Amended)</b> This amendment clarifies the meaning of "currently has a legally enforceable right to set off the recognised amounts". This means that the right of set-off must not be contingent on a future event and must be legally enforceable in all of the following circumstances: - the normal course of business; - the event of default; and - the event of insolvency or bankruptcy of the entity and all of the counterparties.

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 2015 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	<b>Financial Instruments</b> 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	<b>Revenue</b> 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 standard is not expected to have a significant impact on the company.	1 January 2018

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